

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3486
ANSWERED ON:20.08.2004
GRIEVANCES OF SMALL INVESTORS
Sahu Shri Tarachand

Will the Minister of FINANCE be pleased to state:

- (a) Whether SEBI has finalized grievance redressal process for redressal of grievances of small investors of plantation companies;
- (b) If so, the details thereof;
- (c) Whether several investors from Chattisgarh, Madhya Pradesh and Maharashtra have complained to SEBI in regard to plantation company; and
- (d) If so, action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SH. S. S. PALANIMANICKAM)

(a) to (d) SEBI does not regulate plantation companies. In terms of the SEBI CIS regulations, SEBI regulates entities which are having schemes in the nature of Collective Investment Schemes (CIS).

Excluding CIS entities where court cases are pending and CIS entities which have wound up their schemes and made repayment to investors, SEBI has taken the following actions against 568 CIS entities:-

1. CIS entities/their concerned officials have been debarred from operating in the capital market and/or accessing the capital market for a period of 5 years.

2. CIS entities have been referred to the State Governments to have civil/criminal proceedings initiated against them for apparent offences of fraud, cheating, criminal breach of trust and misappropriation of public funds.

3. CIS entities have been referred to the Department of Company Affairs (DCA) requesting DCA to initiate the process of winding up of these entities.

4. SEBI has launched criminal prosecution under the SEBI Act against the CIS entities and their directors for their failure to wind up their CIS to repay their investors.

Out of the above 568 entities against which SEBI has taken action, 51 CIS entities are from Madhya Pradesh, 6 CIS entities are from Chhatisgarh and 48 CIS entities are from Maharashtra.