

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:128

ANSWERED ON:11.03.2005

INQUIRY ON BLACK MONDAY

Rao Shri Kalva Kuntla Chandrasekhar;Zahedi Shri Mahboob

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government has ordered an inquiry in the last year's sensex crash on May 17, dubbed 'Black Monday' by media in the aftermath of the Lok Sabha election results:

(b) if so, whether the inquiry has been completed;

(c) if so, the outcome thereof; and

(d) the action taken against the persons/companies found guilty?

**Answer**

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) :

(a) The Securities and Exchange Board of India (SEBI) took up an inquiry into the market movements to examine the role and involvement of major market players, such as, the Foreign Institutional Investors (FIIs), brokers, clients etc. from the point of view of their trading in cash and derivatives segments.

(b) Yes, Sir. The investigations have since been completed.

(c) Pursuant to findings of investigations, appropriate proceedings have been initiated in terms of the Securities and Exchange Board of India (SEBI) Act, 1992 and SEBI Regulations. Show cause notices have so far been issued to 12 entities.

(d) This will depend on the outcome of the proceedings initiated as in 'c' above.