

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:60

ANSWERED ON:18.02.2009

INSIDER TRADING

Badiga Shri Ramakrishna;Dube Shri Ramesh

Will the Minister of FINANCE be pleased to state:

(a) whether Securities and Exchange Board of India has received complaints of insider trading by promoters and associates of various companies, particularly the oil based companies during the last three years and the current year;

(b) if so, the details thereof; and

(c) the action taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (c) : A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No.60 due for answer on 18th February, 2009 regarding Insider Trading, tabled by Shri SHR1 RAMESH DUBE: SHRI BADIGA RAMAKRISHNA

(a to c) Insider trading is an offence punishable under the SEBI Act, 1992 and the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Act and Regulations have provisions aimed at reducing the incidence of insider trading and empower Securities and Exchange Board of India (SEBI) to take appropriate action against the entities engaged in insider trading. Towards this end, SEBI has been taking proactive measures aimed at greater level of investor protection, by passing orders of debarment, imposing monetary penalty and initiating prosecution. During the last three years, including the current year (upto 31st January 2009), SEBI is in receipt of complaints alleging insider trading in the shares of 19 listed companies one of which is against Reliance Petroleum Ltd, an oil based company. The following table gives the year-wise break-up of such complaints.

Year No. of companies

2006 9

2007 6

2008 3

2009 1

(till

31.1.2009)