

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1410
ANSWERED ON:05.03.2010
INSIDER TRADING
Ray Shri Rudramadhab ;Singh Shri Sushil Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether instances of insider trading by the promoters & associates of various companies particularly in the shares of Reliance Petroleum Ltd., (RPL) taking place during the period from 01-11-2006 to 06-11-2006 have come to notice;
- (b) if so, the details thereof and action taken in this regard?
- (c) whether the Securities and Exchange Board of India has submitted its report on insider trading in the shares of RPL by promoters of Reliance Industries Limited; and
- (d) if so, the details thereof and the action being taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a): No instances of insider trading by the promoters and associates of various companies in the shares of Reliance Petroleum Ltd. (RPL) have come to the notice of the market regulator- Securities and Exchange Board of India (SEBI) during the period November 01 to 06-11-2006. However, for the period, 01-11-2007 to 29-11-2007, SEBI had initiated an investigation in the scrip of Reliance Petroleum Ltd. to identify possible violations under various SEBI Regulations including Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- (b): SEBI conducted an investigation in the trading pattern in the scrip of RPL for the period 01-11-2007 to 29-11-2007 on completion of which quasi-judicial proceedings were initiated by SEBI against Reliance Industries Ltd (RIL)- with issue of a show cause notice under Sections 11(1), 11 B and 11(4) of the SEBI Act, 1992 read with Regulation 11 of SEBI(Prohibition of Insider trading) Regulations, 1992 and Regulation 11 (1) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- (c): Based on the reply furnished by RIL, competent authority in SEBI has directed further investigations to be carried out.
- (d): Does not arise in view of reply to part (c) as above.