

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5872

ANSWERED ON:30.04.2010

ISSUE OF PRIVATELY PLACED DEBENTURES

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo;Yaskhi Shri Madhu Goud

Will the Minister of FINANCE be pleased to state:

- (a) whether instances of misuse of Privately Placed Debentures Scheme by some of the companies have been reported;
- (b) if so, the details thereof;
- (c) whether the Union government has impressed upon the Securities and Exchange Board of India (SEBI) to take action against such erring companies misusing the Privately Placed Debentures; and
- (d) if so, the details in this regard and reaction of SEBI thereto?

Answer

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

(a): Yes, Sir.

(b): SEBI has received one complaint relating to issue of privately placed non – convertible redeemable debentures by Citicorp Finance India Limited.

(c): Privately placed debentures are issued as per the Companies Act 1956 which is administered by Ministry of Corporate Affairs.

(d): Does not arise in view of reply to (c) above.