

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

STARRED QUESTION NO:362
ANSWERED ON:19.08.2010
REDRESSAL OF INVESTORS GRIEVANCES
Alagiri Shri S. ;Singh Rajkumari Ratna

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the mechanism to redress investors' grievances has yielded the desired results;
- (b) if so, the details thereof and if not, reaction of the Government thereto;
- (c) the details of action initiated against the companies on the grounds of non-redressal of investors' grievances during the last three years, year-wise;
- (d) whether a number of companies are in default of payment of dues to the small investors and still actively trading in the stock exchanges;
- (e) if so, the details thereof and the reasons therefor;
- (f) whether the approved rehabilitation package of repayment of small investors is still pending; and
- (g) if so, the details thereof and the reasons therefor and the corrective follow-up action taken in the matter?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHID)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA STARRED QUESTION NO. 362 FOR 19.08.2010 REGARDING REDRESSAL OF INVESTORS GRIEVANCES

(a): Yes, Sir.

(b): The details of the mechanism for redressal of investors' grievances are given at Annexure-I.

(c): The Ministry has initiated legal action under various provisions of the Companies Act, 1956 against companies for non-redressal of investors' grievances during the last three years as under:

Year Total Number of companies

2007-2008 63
2008-2009 78
2009-2010 58

(d) & (e): As informed by NSE and BSE, there are no major complaints pending against listed companies regarding default in payment of dues to small investors. As on March 31, 2010, there were about 12 companies at NSE and 18 companies at BSE which are actively trading and have pending complaints of non-payment of dues. These complaints relate to issues like non-receipt of dividend, non-receipt of refund and interest on debentures.

(f) : There is no provision for a Rehabilitation package of repayment of small investors. However, the Company Law Board (CLB), under section 58A(9) of the Companies Act, 1956 has powers to issue suitable directions for the repayment to the small depositors.

(g) : In view of (f) above, Question does not arise.

ANNEXURE-I

Annexure- I referred to in part (b) of the Lok Sabha Starred Question No. 362 to be answered on 19.08.2010 regarding Redressal of Investors Grievances

The mechanism for redressal of investor grievances

The Ministry has an Investor Grievances Management Cell (IGMC) at the Headquarters and nodal officers at all field offices of Regional Directors (RD) and Registrars of Companies (ROC). The investors may take up their grievances with the concerned nodal officers.

With the implementation of MCA21 e-Governance program, the investors can also lodge their complaints on-line. The system acknowledges the receipt of complaint online by generating a complaint number which can be used for future follow up of the complaint. All complaints received in the Ministry in physical form are also logged into the MCA21 system.

A website namely www.investorhelpline.in has been sponsored and launched in September, 2006 to provide a mechanism for redressal of grievances of investors free of cost. It provides a facility to the investors to lodge their grievance on the website and acts as an intermediary between investors and companies, stock exchanges, and other authorities.