

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5163  
ANSWERED ON:10.12.2010  
MANIPULATION OF SHARE PRICES  
Patil Shri C. R.

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

- (a) whether some companies resort to spreading rumours to increase their share prices,
- (b) if so, the details thereof; and
- (c) the reaction of the Government thereto?

**Answer**

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

- (a): As per Securities and Exchange Board of India (SEBI) regulations, listed companies are to disclose information related to their activities. All such information as are required for investors to take informed decisions are in the public domain.
- (b): Further, as per clause 36 of the listing agreement, listed companies are required to intimate immediately to the stock exchanges, where their shares are listed, relevant information including all the events which will have a bearing on the performance/operations of a company. The objective of ensuring such disclosures is to ensure timely and adequate dissemination of price sensitive information by listed companies. SEBI and Stock Exchanges also maintain constant vigil in the markets with respect to authenticity of the contents appearing in the public domain and in case of any manipulation of information comes to notice, appropriate action is taken against the concerned entities.
- (c): Does not arise, in view of reply to part (b) above.