

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1791

ANSWERED ON:19.11.2010

EXPLOITATION OF SMALL INVESTORS IN IPO

Raghavan Shri M. K.;Rama Devi Smt. ;Singh Rajkumari Ratna

Will the Minister of FINANCE be pleased to state:

- (a) whether small investors are exploited in issue of Initial Public Offering (IPO);
- (b) if so, the details thereof and the reasons therefor for the last three years alongwith reaction of the Government thereto;
- (c) whether the Government has initiated investigations in the matter against officers and others involved;
- (d) if so, the details thereof; and
- (e) the measures proposed to overcome such a scenario in future by the Government?

Answer

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

- (a): No, Sir. SEBI has not received any case relating to exploitation of small investors when Initial Public Offerings are made.
- (b): Not applicable in view of reply to (a) above,
- (c): Not applicable in view of reply to (a) above,
- (d): Not applicable in view of reply to (a) above.
- (e): SEBI has taken a large number of initiatives for safeguarding the interests of the shareholders. These include market surveillance, inspection, investigations and enforcement measures in cases of breach of norms related to the functioning of securities market. Further, SEBI keeps a constant vigil on the market and has laid down various regulations, guidelines and circulars to ensure safety, transparency and efficiency in the securities market. SEBI also conducts public awareness programmes across the country to enhance investor awareness. It has also opened separate offices for receiving complaints from investors against intermediaries or listed companies.