

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1469
ANSWERED ON:04.03.2011
CIRCULAR TRADING
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Will the Minister of FINANCE be pleased to state:

- (a) whether a large number of share brokers are indulging in circular trading and are making innocent investors lose their money;
- (b) if so, the details thereof;
- (c) whether the Securities and Exchange Board of India (SEBI) has banned several share brokers/speculators/entities from accessing, buying, selling or dealing in shares;
- (d) if so, the details thereof; and
- (e) the steps taken by the Central Government to protect the interests of innocent investors from such speculators/ share brokers?

Answer

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

- (a) Some brokers have been found to be indulging in circular trading.
- (b) The details are at Annexure I.
- (c) Yes, Sir.
- (d) The details are at Annexure II.
- (e) The exchanges and SEBI have put in place systems and practices to promote a safe, transparent and efficient market. SEBI maintains a constant vigil in the market, and in case any wrongdoing is noticed, it takes appropriate action like cancelling the registrations of erring broking entities who may have assisted the manipulators, restraining the brokers controlled/closely associated with them from dealing in the securities market, filing prosecution against them etc. The systems and practices are also reviewed continuously and modified to meet emerging requirements.