

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3888

ANSWERED ON:27.04.2012

WIDENING SCOPE OF SEBI QUESTION

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Will the Minister of FINANCE be pleased to state:

- (a) whether Securities and Exchange Board of India (SEBI) has widening the scope of its investigation to probe misuse of funds or price manipulation by some of the companies that came out with Initial Public Offers (IPOs) last year;
- (b) if so, the details of the companies short-listed by the SEBI in this regard;
- (c) the amount involved in the misuse of funds by these companies;
- (d) the action taken/being taken by the Government against the promoter of these companies as well as brokers and intermediaries; and
- (e) the steps taken/being taken by the SEBI to avoid such type of irregularities in future?

Answer

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

- (a) Yes Sir.
- (b) SEBI has widened the scope of its investigation by including 19 additional companies that issued Initial Public Offers (IPOs) in 2011. Names of these 19 companies are at Annexure.
- (c) The extent of funds that may have been misused by the concerned companies have not yet been quantified.
- (d) Not Applicable in view of reply to (c) above.
- (e) SEBI maintains constant vigil on the market, and in case any wrong doing is found, it takes appropriate action against the erring entities. Where serious and concrete cases are noticed, these are investigated in detail and measures such as prohibitory orders, adjudications, prosecutions are resorted to.

SEBI has put in place systems and practices to ensure safe, transparent and efficient market to protect market integrity. The systems instituted include advanced risk management mechanisms comprising of on-line monitoring and surveillance, imposition of various limits on positions, and provision of margin requirements, circuit filters etc.

SEBI reviews regularly any difficulties/short comings in the enforcement of regulations and necessary amendments are made therein to promote a safe, transparent and efficient market and protect its integrity.