

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

STARRED QUESTION NO:278

ANSWERED ON:30.08.2012

INVESTORS GRIEVANCES QUESTION

Das Shri Ram Sundar;Jaiswal Shri Gorakh Prasad

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the measures stated to have been taken by the Government for awareness and protection of small investors have yielded the desired results;
- (b) if so, the details thereof;
- (c) the details of the action initiated against the companies with regard to investors' complaints during the last three years, year-wise;
- (d) whether a number of companies have not paid the outstanding amount due to the small investors and are still trading actively in the stock exchanges; and
- (e) if so, the details thereof along with the reasons therefor?

Answer

THE MINISTER OF CORPORATE AFFAIRS (DR. M. VEERAPPA MOILY)

(a) to (e): A Statement is laid on the Table of the House.

Statement referred to in Answer to the Lok Sabha Starred Question No. 278 for 30.08.2012 on Investors Grievances

(a) & (b): Investor Awareness Programmes are conducted by the Ministry of Corporate Affairs (MCA) in partnership with the three Professional Institutes, namely, Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Institute of Cost and Works Accountants of India (now renamed as Institute of Cost Accountants of India). These cover various cities, towns (including small towns) and involve distribution of booklets whose content is available on the websites of the MCA (www.iepf.gov.in) and of Securities and Exchange Board of India (SEBI) (investor.sebi.gov.in) in different languages. These have brought awareness among the common investors. Lodging investors' complaints in the MCA21 is in the form of an electronic platform for registering and redressing complaints of the investors. Similar facility has also been provided by SEBI on its website www.sebi.gov.in. This Ministry has also created a sub-site on its website www.mca.gov.in where companies are required to file investor-wise details of unpaid and unclaimed amounts of investors lying with them. This website enables investors, specially the small investors and investors from remote areas, to search and locate information relevant to their complaints.

(c): Based on Investors' Grievances, MCA initiated action against 19 companies in 2009-10, 49 companies in 2010-11 and 39 companies in 2011-12.

(d) & (e): SEBI takes up cases of non-payment of dividend/interest on listed securities, pertaining to companies listed at stock exchanges. Companies which fail to pay dividend, face action under sections 11B/15C of the SEBI Act, 1992. Details of action taken for non-redressal of investor grievances year-wise during the last three years in respect of such companies are following:

Financial Year Number of cases where

Action taken under Adjudication
Section 11

| | | |
|---------|----|----|
| 2009-10 | 33 | 13 |
| 2010-11 | 18 | 4 |
| 2011-12 | 11 | 6 |