

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:163
ANSWERED ON:08.03.2013
COMPANIES SUSPENDED FROM TRADING
Gaikwad Shri Eknath Mahadeo;Ganeshamurthi Shri A.

Will the Minister of FINANCE be pleased to state:

- (a) the number of companies suspended from trading of shares along with the reasons therefor during the last three years and the current year;
- (b) the effect of such suspension on the investors;
- (c) whether some of these companies have been relisted in the trading exchanges recently;
- (d) if so, the details thereof; and
- (e) the steps taken/being taken by the Government to protect the interests of the small investors in this regard?

Answer

MINISTER OF THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (e): A statement is placed on the table of the House.

Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question No. 163 raised by Shri A. Ganeshamurthi and Shri Eknath M. Gaikwad regarding Companies Suspended From Trading due for answer on 08.03.2013

1125 companies were suspended from trading during the period April 1, 2009 to February 25, 2013 mainly due to non-compliance with the listing agreement and also due to non-payment of listing fees. Year-wise data on suspension of companies from trading in various exchanges is given below:

Name of the Exchange	2009-10	2010-11	2011-12	2012-13	Total
(upto 25-02-2013)					
BSE Ltd. (BSE)	NIL	75	24	144	243
National Stock Exchange of India Ltd.					
U.P. Stock Exchange Ltd (UPSE)	1	NIL	8	9	18
Ahmedabad Stock Exchange Ltd. (ASE)	370	NIL	NIL	NIL	370
Bhubaneshwar Stock Exchange Ltd. (BhSE)	NIL	NIL	29	NIL	29
Madhya Pradesh Stock Exchange Ltd. (MPSE)	NIL	NIL	195	NIL	195
Calcutta Stock Exchange Ltd. (CSE)	1	1	97	46	145
Madras Stock Exchange Ltd. (MSE)	39	1	53	NIL	93
Total	420	84	412	209	1125

The details of the companies suspended from Stock Exchanges are given on the websites of the respective Stock Exchanges. Of the 1125 companies suspended, 705 Companies have been suspended by the Regional Stock Exchanges where there is no trading. Remaining 420 companies have been suspended by NSE, BSE and CSE (Trading Exchanges). Of these 420 companies, suspension for 148 companies has been revoked by the Exchanges. Details thereto are given below:

NSE	BSE	CSE	
Number of companies whose suspension from trading has been revoked	5	109	34

The Stock Exchanges have laid out a framework and follow certain procedure before suspending companies from trading. The Exchange gives adequate notice to the market participants, including investors, about the proposed suspension / revocation. In case

of suspension of trading of shares of a company by the Stock Exchange, the scrip would no longer be traded on that exchange till such time of suspension. Accordingly, an investor may not be able to buy or sell the shares through that Stock Exchange where the scrip is suspended. However, the investor will be able to encash the value of shares whose trading is suspended if they are able to find a willing buyer for the shares, outside the exchange platform. Further, the company whose shares have been suspended will not be able to raise capital during the period under suspension.

Periodically, the Stock Exchanges disclose the details of compliance or otherwise by the listed companies with respect to various requirements of Listing Agreement including those relating to corporate governance, on their website for the information of the companies and investors. The Exchanges also display on their website, every quarter, the name of the promoters, directors and compliance officer (alongwith their PAN and DIN) of the listed companies who have failed to comply with any clause of the listing agreement. SEBI and Exchanges also impart education to investing public on a regular basis to observe due diligence before investing in securities listed in the stock market. The awareness material provided by SEBI, inter-alia, includes do's and don'ts for the investing public and gives details on the issues that an investor needs to focus on while investing, such as risk factors pertaining to the issue, IPO Grading /Credit rating, business overview, background of promoters, outstanding litigations and defaults, if any etc. Further, it also gives details about the rights and responsibilities of the investors.