

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1910
ANSWERED ON:31.07.2015
Trading of Shares Wing Black Money
Shekhawat Shri Gajendra Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any guidelines/norms in place to prevent entry of black money in stock market/share trading;
- (b) if so, the details thereof; and
- (c) the number of such companies whose share trading has been suspended on account of using the black money obtained through tax evasion and money laundering in stock market during the last three years and the current year?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) and (b): Yes Sir. Securities and Exchange Board of India (SEBI) in accordance with the requirements of the Prevention of Money-laundering Act, 2002 and Rules made thereunder has put in place a framework to prevent entry of black money in stock market/share trading. As part of these requirements, SEBI has put in place a framework that is required to be complied by all SEBI registered intermediaries.

(c): SEBI, while conducting preliminary inquiries, have come out with interim directions that the following entities / companies acting in concert with each other have misused the stock exchange system to generate bogus Long Term Capital Gains (LTCG) which is tax exempt.

1. Moryo Industries Limited
2. First Financial Services Limited
3. Radford Global Limited
4. Kamalakshi Finance Corporation Limited
5. Mishka Finance and Trading Limited.
6. Pine Animation Limited
7. Eco Friendly Food Processing Park Limited; Esteem Bio Organic Food Processing Limited; Channel Nine Entertainment Limited and HPC Biosciences Limited.
