

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:937
ANSWERED ON:22.07.2016
Delisting of Companies
Singh Shri Hukum

Will the Minister of FINANCE be pleased to state:

- (a) whether Securities and Exchange Board of India (SEBI) proposes to push for delisting of over 4200 listed companies whose shares are not being traded and promoters refusing to give exit opportunity to investors;
- (b) if so, the details thereof;
- (c) whether the Government sets the target to reduce the number of listed companies where no or little trading is taking place; and
- (d) if so, the details and the status thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b): Section 21A of the Securities Contracts (Regulation) Act, 1956 read with rule 21 of the Securities Contracts (Regulation) Rules, 1957 and Chapter V of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ('Delisting Regulations') grant powers to the recognised stock exchanges to compulsorily delist the equity shares of listed companies on any of the grounds prescribed therein, including those companies whose trading has remained suspended for more than six months.

As on date, trading in the securities of 1707 listed companies has been suspended on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The exchanges have initiated the process of delisting those companies which have been under suspension for a very long time and have not been complying with the listing requirements, in accordance with the above-mentioned provisions.

The shares of Exclusively Listed Companies (ELCs) of non-operational Stock Exchanges, which do not get listed elsewhere and have been suspended for trading, are placed in the Dissemination Boards setup by nationwide stock exchanges viz. NSE and BSE. Further, it is stipulated that the promoters and directors of such ELCs who fail to provide the trading platform or exit to its shareholders within the specified period will have to undergo stricter scrutiny for their any future association with securities market and also be liable for other actions by SEBI.

(c): No specific target has been set by the Government.

(d): Does not arise in view of reply to part (c) above.
