

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4336
ANSWERED ON:08.08.2014
INSIDER TRADING
Rao Shri Rayapati Sambasiva

Will the Minister of FINANCE be pleased to state:

- (a) whether the Securities and Exchange Board of India (SEBI) has initiated investigation into a nexus between promoters of listed companies, investment bankers and foreign funds for suspected insider trading and market manipulation through misuse of participatory notes during the recent time;
- (b) if so, the details thereof; and
- (c) the time by which the investigation report is likely to be made available and the guilty punished?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a) to (c): In recent times, Securities and Exchange Board of India (SEBI) has issued two orders – in the matter of Astrazeneca Pharma India Ltd. (dated June 24, 2014) under section 11(1) and 11B of SEBI Act, 1992 and in the matter of L&T Finance Holdings Ltd. (dated June 05, 2014) under section 11(1), 11(4) (b) and 11B of SEBI Act, 1992 - based on preliminary investigation/examination conducted by SEBI with regard to nexus between promoters of listed companies, investment bankers and foreign funds for suspected insider trading, market manipulation and misuse of participatory notes.

SEBI carries out investigation from time to time based on alerts and references received from various stakeholders. Based on the findings of the investigation, actions such as debarment and/or monetary penalties are levied. Thus, investigation and the resultant enforcement actions is an ongoing process.