

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1020
ANSWERED ON FRIDAY, THE 8th FEBRUARY, 2019/
MAGHA 19, 1940 (SAKA)**

SEBI FINE ON COMPANIES

QUESTION

**1020. SHRI LAXMI NARAYAN YADAV:
SHRI RAM TAHAL CHOUDHARY:**

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) the number of companies fined by Securities and Exchange Board of India (SEBI) during the last three years along with the reasons for which these companies have been fined;**
- (b) whether the said fines have been recovered; and**
- (c) if not, the reasons therefor along with the efforts being made by the Government to recover the said fines and the outcomes thereof?**

ANSWER

**MINISTER OF STATE FOR LAW AND JUSTICE
AND CORPORATE AFFAIRS**

**(SHRI P. P. CHAUDHARY)
(श्री पी. पी. चौधरी)**

विधि और न्याय एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(a):- Securities and Exchange Board of India (SEBI) under the Department of Economic Affairs (Ministry of Finance) has stated on 04.02.2019 that as per SEBI Act, 1992 only the courts have power to impose fines. SEBI on the other hand has power to levy penalty and not fine. Details of adjudication proceedings disposed of during the last three financial years are as below:

Financial year	Cases disposed
2017-18	888
2016-17	83
2015-16	425

The reason for passing of adjudication orders against entities, imposing penalty on them is violation of various provisions of Securities Laws.

(b):- The amount of penalty received during the last 3 financial years from the entities against whom adjudication orders have been passed are as below:

Financial year	Amount received
2017-18	Rs. 30.87 crores
2016-17	Rs. 35.33 crores
2015-16	Rs. 58.80 crores

(c):- In certain number of cases, the monetary penalties imposed by Adjudicating Officers have not been fully recovered because the entities have filed appeals before Hon'ble Securities Appellate Tribunal challenging the orders imposing monetary penalty passed by Adjudicating Officers. As regards other entities who have not paid the penalties imposed by Adjudicating Officers, SEBI has initiated recovery proceedings to recover the penalty amount. The amount recovered by way of recovery proceedings during the last 3 financial years is as below:

Financial year	Amount recovered through recovery proceedings
2017-18	Rs. 16.2 crores
2016-17	Rs. 8.4 crores
2015-16	Rs. 11.4 crores

Further, for non-payment of penalty imposed by Adjudicating Officers, SEBI also initiates prosecution under Section 24(2) of SEBI Act, 1992, Section 20(2) of Depositories Act, 1996 and / or Section 23M of Securities Contracts (Regulation) Act, 1956.
