

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

LOK SABHA

UNSTARRED QUESTION NO: 251

ANSWERED ON:20.11.2009

DECREASE IN PRICES OF SHARES

ANANT KUMAR HEGDE

- (a) the proportion of companies listed in Bombay Stock Exchange (BSE) out of the total whose share have fallen during the last two years;
- (b) the details of companies which have earned money from the share market through various illegal/unfair means during the same period;
- (c) the details of companies which have not yet been detected; and
- (d) the amount raised from the market by these vanished companies?

Will the Minister of FINANCE be pleased to state:-

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) During the period November 9, 2007 to November 9, 2009, out of 3405 scrips traded at BSE prices of 2116 scrips (constituting 62.14 %) have fallen.

(b) The market regulator, Securities and Exchange Board of India (SEBI), maintains a constant vigil in the market, and in case of any abnormality, takes appropriate action against the concerned entities. There are systems and practices in place to promote a safe, transparent and efficient market and to protect market integrity such as advanced risk management mechanisms comprising on-line monitoring and surveillance, various limits on positions, margin requirements, circuit filters etc. These systems and practices are reviewed continuously and modified to meet emerging needs. SEBI does not have information regarding the companies which have earned money from the share market through various illegal/ unfair means.

(c) Ministry of Corporate Affairs (MCA) has informed that specific criteria have been adopted by the Coordination and Monitoring Committee (CMC), a joint mechanism set up between SEBI and MCA, for identification of vanishing companies. The objective of the CMC is to settle policy issue regarding delinquent companies/ promoters/ directors and to monitor the progress of action taken against. Out of those companies that brought out IPOs during the period 1992-2005, a total of 238 Companies have been identified as Vanishing Companies. Out of these, 117 companies have been traced back as they were regular in filing statutory returns etc. Further, on the basis of specified criteria, no company that had raised funds through Public issue during the last two years has been identified as vanishing company.

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