THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) The Securities and Exchange Board of India (SEBI) has intimated that it has received only one complaint against the Delhi Stock Exchange (DSE) under the signatures of Shri Rajendra Kumar and Shri Subesh Kumar, in December, 1997, alleging that officials of DSE had committed an offence of forgery and cheating in respect of share transfer form dated 13.5.67, pertaining to sale of share certificate No. 149 of DSE Association Ltd., which was originally held by Shri Milkhy Ram Sharma. After the death of Shri Milkhy Ram Sharma, the certificate was transmitted in the name of his wife Smt. Tarawati Sharma and her three minor sons in July, 1952 and subsequently transferred in favour of one Shri Sudershan Bahadur Dewan in May, 1967. The complainant had alleged that the signatures of Smt. Tarawati and one of her sons Shri Ramesh Kumar were forged while effecting this transfer to Shri Dewan.

(f) ©and (d) SEBI took up the complaint with DSE and advised it to examine the allegations on merit. DSE in their report suggested that the complainant be asked to establish charge of forgery in a criminal court and then obtain an appropriate order frbm the Company Law Board for rectification of the Register of Members. SEBI agreed with the views of DSE. The complainant was informed about SEBI's and DSE's views. The complainant reverted to SEBI in June, 1998 with a request that DSE be asked to produce the relevant documents on the strength of which legal heirs of Shri Sharma were brought on record so that names of the persons involved in fraudulent transaction be identified to enable filing of a criminal complaint. SEBI advised the complainant to establish his identity and claim as a legal heir before DSE and obtain photo-copies of the relevant papers, because DSE had earlier informed that Shri Rajendra Kumar was not a legal heir of Smt. Tarawati Sharma as per their records. Subsequently, the complainant did not approach, SEBI and, therefore, the complaint has been treated as closed by SEBI.

Disappearance of Companies with Share Capital

†*331. SHRI DINA NATH MISHRA: Will the Minister of FINANCE be pleased to refer to answers to the Unstarred Question

141 and Starred Question 125 given in the Rajya Sabha on 30th November and 7th December, 1999 respectively and state:

(a) the action taken by Government on the directives issued by the Allahabad High Court on Petition number 659 M.B.—1998 with regard to the companies vanishing with the total share capital; and

(b) whether there is again a boom in the secondary market and what steps have been taken by Government to check that the companies do not disappear and the investors do not lose their money.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) In the context of Writ Petition No. 659 M.B. of 1998, the High Court at Allahabad, after considering the submissions of the Government and of the Securities and Exchange Board of India (SEBI), was satisfied with the action taken by SEBI/Government i.e. setting up of a joint mechanism both for sharing information and for taking action against the defaulting companies. A co-ordination and Monitoring Committee was set up with representatives of the Department of Company Affairs (DCA) and SEBI. The Committee also set up seven task forces with representatives of SEBI, DCA and the stock exchanges, which have been meeting regularly and examining cases brought to their notice to take action against the companies under the respective laws.

(b) During the current financial year, by and large, there has been an upward trend, with the Bombay Stock Exchange Sensitive Index (Sensex) moving from 3686 on 1st April, 1999 to 4676 on 17th December, 1999. There are several factors such as performance of the corporate sector and the economy in general, perceptions of the investors about economic policies of the Government, developments in the international capital market etc. which influence the stock market. In the recent past, there has been an increase in the trading volume in stock exchanges. However, a margining system, scrip specific price bands, trading and exposure limits are in place. These risk management measures are aimed at protecting the interests of investors. Further, SEBI has advised stock exchanges to closely monitor the trading in volatile scrips.

SEBI has debarred 70 promoters from associating with the capital market in any manner for a period of 5 years. Further, for initial public offer, SEBI has introduced requirements of a track record of distributable profits for at least three years out of the immediately preceding five years and a pre-issue net worth of Rs one crore in three out of the preceding five years with the minimum net worth to be met during the immediately preceding two years. If a company does not satisfy the requirement as stated above, it can make a public issue through appraisal route and the appraising agency has to participate to the extent of a minimum of 10% of the project cost by way of loan or equity.

Raising of Funds by SBI Through Shares

*332. SHRI GURUDAS DAS GUPTA:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India (SBI) propose to raise Rs. 3000 to 4000 crores through fresh offer of shares by July-August, 2000 with a view to bring down Government's holding in the Bank to around 40 per cent; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) Government of India does not hold equity in State Bank of India (SBI). The Reserve Bank of India (RBI) holds 59.73 per cent of the equity in SBI. Under the existing statutory provisions, RBI share holding in SBI cannot go below 55 per cent. It has been reported by SBI that there is no specific proposal presently under consideration of SBI for increasing the capital of the bank.

(b) Does not arise.

Financial crisis in Hindustan Shipyard Ltd.

*333. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the State Government of Andhra Pradesh has requested for shipbuilding orders for Hindustan Shipyard Ltd. And also for releasing Rs. 30 crores per annum for the next three years to