

**GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:7542
ANSWERED ON:16.05.2002
PROTECTION OF INTEREST OF SHAREHOLDERS
RATNA SINGH;SANGEETA KUMARI SINGH DEO

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

- (a) the action generally taken against the companies in regard to protection of interest of the shareholders ;
- (b) whether any case still pending to dispose the case under provision of interest of shareholders till December 31, 1999 out of registered cases of 1997-98 and 1998-99; and
- (c) if so, the reasons therefor ?

Answer

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY)

- (a) The protection of interests of the shareholders is ensured by
 - (i) Redressal of investor grievances by a fully computerised investor complaint redressal mechanism.
 - (ii) Launching prosecution against companies wherever statutorily feasible to ensure early redressal of grievances and also to act as a deterrent for erring companies.
 - (iii) Amending Companies Act to define `Small Investors` and to provide for representation to small investor in the Boards of Companies.
 - (iv) Setting up an Investor Education and Protection Fund to enable investor education and creation of awareness among investors.
- (b) and (c) During the years 1997-98, 1998-99 and 1999-2000 (up to 31/12/1999) 29,824 complaints were received out of which 14,198 complaints were disposed of.