

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3304  
ANSWERED ON:12.05.2006  
INTERESTS OF GENERAL INVESTORS  
Mahato Shri Sunil Kumar

**Will the Minister of FINANCE be pleased to state:**

- a) The details of the measures taken by the Government to safeguard the interest of general investors;
- (b) Whether the Government have taken steps in this regard recently;
- (c) If so, how these measures are different from the measures taken earlier; and
- (d) The role of the Securities and Exchange Board of India (SEBI) in this regard during the last year?

**Answer**

MINISTER OF STATE IN THE MINISTER OF FINANCE (SHRI P. K. BANSAL)

- (a): The SEBI Act and the Companies Act and Rules and Regulations made thereunder mandate measures to be taken by the Government and the Regulators to safeguard the interest of investors in securities.
- (b): The recent measures taken by Government include the proposal in the budget for 2006-07 to set up an investor protection fund under the aegis of SEBI.
- (c): Different measures are being taken to improve the regulatory framework and systems and practices in the securities market and to strengthen the investor protection mechanism. This is a continuous process.
- (d): SEBI is mandated to protect the interest of investors in securities. The major initiatives taken by SEBI recently include introduction of optional grading of public issues by unlisted companies, high corporate governance standards, setting up of National Institute of Securities Markets, etc.