

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4458

ANSWERED ON:19.05.2006

IPO SCAM

Patasani Dr. (Prof.) Prasanna Kumar;Scindia Shri Jyotiraditya Madhavrao;Singh Shri Prabhunath

Will the Minister of FINANCE be pleased to state:

(a) whether Securities and Exchange Board of India (SEBI) passed an exparte order during the recent time naming some big market players as guilty of cornering shares in IPOs meant for retail investors as reported in The Times of India dated May 2, 2006 ;

(b) if so, the complete details thereof;

(c) further action taken therefrom ;

(d) whether the Government proposes to probe the matter through CBI in the interests of small investors;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

Answer

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

(a) to (c): The Securities and Exchange Board of India (SEBI), vide its interim order dated April 27, 2006, has directed 85 financiers and 24 key operators not to buy, sell or deal in securities market including in IPOs, directly or indirectly, till further directions. The details of the order are available on SEBI's website www.sebi.gov.in

(d) to (f): SEBI has filed an FIR with CBI for criminal conspiracy, cheating, forgery, making fictitious applications for acquiring shares etc in February, 2006.