

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1490  
ANSWERED ON:27.11.2009  
INTERESTS OF SMALL INVESTORS  
Hassan Dr. Monazir ;Singh Shri Rajiv Ranjan (Lalan)

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

- (a) whether small investors have pulled out a large amount of money from the Indian share market during the year 2009;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken or proposed to be taken by the Government to protect the interests of the small investors in the share market?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) Stock Exchanges maintain data of transactions for various categories of Investors namely Foreign Institutional Investors (FII), Domestic Financial Institutions (DFI), Mutual Funds (MF), Broker's proprietary trades, other clients (which includes retail investors) etc. As per the trade data of the National Stock Exchange (NSE) during the period January 1, 2009 to October 31, 2009, net investments made by individuals and High Networth Individuals (HNIs) stood at Rs.(-) 14,117.98 crore, whereas, in case of BSE the data for the corresponding period under the client category is Rs.(-) 12,202.33 crore.

(b) Investment decision is, inter-alia, an outcome of perception of investors about the sector, the economy and the company. Investors are, however, not required to specify reasons for such decisions.

(c) Under the provisions of the Securities & Exchange Board of India (SEBI) Act, 1992, it is the duty of the SEBI to protect the interest of investors in securities and to promote the development of, and to regulate the securities market. In discharge of its statutory duty under the SEBI Act, 1992, the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956 and Depositories Act, 1996 SEBI has framed various regulations/guidelines for the protection of the investors in securities market. SEBI adopts a multi pronged approach to investor protection that focuses on quick investor grievance redressal, educating investors to enable them to take informed investment decisions, taking deterrent enforcement actions against errant entities, compensating investors for defaults and identifying systemic causes of investor grievances and rectifying them.