

Investor awareness

What is the objective behind the launch of www.watchoutinvestors.com?

This public service website has been launched primarily to arm the investors with a self-defense tool against unscrupulous promoters and companies.



Watchoutinvestors.com has been created on the premise that investors have lost confidence in the market consequent to thousands of entities having committed frauds or not complying with the economic laws of the land, and that many of these entities keep reappearing to harm the investors again, often with a new company or changed company names or by floating new schemes, taking advantage of short public memory and exploiting investors' greed.

Though penal regulatory action has been taken against many of such entities, information about such actions lies scattered and is in a difficult-to-access, difficult-to-use format across a large number of sources i.e. websites, databases, publications, notifications and orders. As of now, it is almost impossible for an investor to locate an indicted entity at any regulator's website and worse, the absence of a combined database of actions taken by all regulators prevents the investors from assessing the extent of defaults by a given entity.

Over an 18 month period, watchoutinvestors.com undertook the huge job of collating, value adding, cleaning and tabulating information on all regulatory actions of the past few years (in most cases from 1st January 2000 onwards). This website is now a national web-based registry covering entities including companies intermediaries, and wherever available persons associated with such entities, who have been indicted for an economic default and/or for non-compliance of laws/guidelines and/or who are no longer in a specified activity.

The website enables investors to do a fast search on entities/persons before making any new investments with them. The search results are provided in a simple tabular format. For each entry, the reason for the action and the action taken by the regulatory body is provided in a summary form and the source document is attached, wherever available, for authenticity and details. Decisions of the higher appellate authorities are also provided. The site does not carry any analysis or commentary nor pass any judgements.

How many indicted entities have been covered by this website till date?

This website already (as on 14 February 2005) covers 32,421 entities and 8,905 persons indicted in the past by various regulators. The regulators presently covered are MCA, CLB, RoCs, Official Liquidators, SEBI, RBI, NHB, NSE, BSE, NSDL, CDSL, EPFO and Central Excise, and more regulators will be added in future. The website is being updated on a daily basis.

Is there any fee or charges for using this website?

This is an absolutely free website. All that the investor needs to do is to enrol, with some basic personal details. He is then allocated a password that he can use to access the website anytime and free of any charges.

How do you plan to co-ordinate with regulatory bodies like SEBI and DCA to provide protection to the investors? Don't you think this will tantamount to duplication of work?

What we are doing is unique, and is the first time ever in the world. We have not only converted the presently unusable /unavailable data of each of the regulators into an investor friendly format but have also combined at one place the actions taken by the various regulators. To give an example, if one tried to find out if any regulatory action has been taken by SEBI against a specific entity, there is no way you can search it on SEBI's website. If for the same entity, one wished to know the actions taken by all regulatory bodies like RBI, DCA etc., one will have to visit the websites/data of all such regulators (and fail to get the desired information).

So, watchoutinvestors.com lets you know at one place all the relevant information on actions taken by various regulators. In fact, this site is easier to access, search and navigate than the official websites of the very regulatory agencies whose actions have been tracked and listed by it. Interestingly, many of the regulators themselves are now using this website, not only for searching their own regulatory actions but also for actions of other regulators.

What plans do you have for the investors who have already lost money?

We are not a redressal body. Our main objective is help the investors not to get defrauded again by the known defaulters. For convenience of the investors, we have however provided the link on our website to investor complaints platforms at SEBI and DCA.

Does this website cover only the indicted corporates or does it also cover the indicted intermediaries?

The website also covers intermediaries who have been indicted by the regulators. This includes all categories of intermediaries-brokers,DPs, registrars, merchant bankers etc. We have also provided a comprehensive list of all the intermediaries and addresses of the relevant regulator for each of these.

How do you propose to handle volumes?

We have employed suitable technology to handle volumes. We have already received over two lakh hits and the system has been working well. Our entire approach has been to use technology to deliver easy-to-read results in very quick time.

What is the mission of this website?

As a mission, watchoutinvestors.com aspires to build public confidence in India's financial system, enabling thereby flow of public investment to the right vehicles. The website will undertake new projects in the area of investor education and protection. This website will also be of great use to the media, lawyers, academicians, researchers, and the regulators themselves.

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