

Find firms, people indicted by regulators

INVESTORS try to get as much data as possible before investing into a stock or security. But it is very difficult to get comprehensive information from one source particularly when it comes to default-history of companies or individuals. Here is a web site that provides such details. www.watchoutinvestors.com is a free site sponsored and funded by Investor Education and Protection Fund of ministry of company affairs, Government of India.

This site arms investors with the information to protect themselves from entities and persons associated with such entities, who have been indicted by a regulator for an economic default, non-compliance of laws/guidelines and/or who are no longer in the specified activity. A quick search on the site provides investor with history of such entity or person. As on August 12, this site has the data of 42,469 companies and 20,881 persons indicted in the past by various regulators. The regulators presently covered by this site are SEBI,

RBI, MCA, CLB, RoCs, Official Liquidators, NHB, NSE, BSE, NSDL, CDSL, EPFO, DRTs and Central Excise. It goes on adding whenever there is a new regulator.

Prime Investors Protection Association and League (PIPAL), New Delhi has been compiling the data under the sponsorship of ministry of company affairs. According to Prithvi Haldea, director of PIPAL, the web site has been created on the premise that investors have lost confidence in the market consequent to thousands of unscrupulous entities having committed frauds or not complying with the economic laws of the land. He says, many of these entities reappear again and again to harm the investors, often with a new company, changed names or by floating new schemes taking advantage of the short public memory and greed.

Though regulatory action has been taken against 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. web sites, databases, publications, notifications and orders. As of now, it is almost impossible for an investor to locate an indicted entity at any regulator's web site 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.

This site tracks all official web sites of the regulatory agencies whose actions have been tracked and listed by it. The web site enables investors to do a fast search on entities/persons before making any new investments with them. 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. Decisions of the higher appellate authorities are also provided. Significantly, the web site allows investors to list their portfolio under 'mywatchout' and get email alerts of such companies whenever there is any fresh regulatory action.

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