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That's your own lookout

THERE'S A WATCHDOG ON THE WEB TO HELP YOU WEED OUT THE BAD FROM THE GOOD COMPANIES TO INVEST IN. **SATADRU OJHA** REPORTS

Timely warning: Putting your money where your mind is

There's this new company your friend has told you a lot about. Its stocks are doing very well and there's every reason for you to invest in it. Or so your friend thinks. But are *you* sure you'd like to invest in it?

For doubting souls like you there's finally help at hand — and it goes by the name of [www.watchoutinvestors.com](#). A new watchdog on the web for Indian investors, the site is an easy-to-access database that has the names of thousands of defaulters as shown by nine leading market regulators in the country.

“Going just by numbers, Watchout is the first database of its kind in the world,” says Prithvi Haldea, head of Prime Database Investors and one of the chief driving forces behind putting the website together.

Detailed entries for all persons and companies, as well as lists of regulatory actions taken against them since January 1, 2000, have been carefully gleaned from the records of the ministry of company affairs (MCA), Securities and Exchanges Board of India (SEBI) and other regulatory authorities like the Mumbai stock exchange and the Reserve Bank of India.

It helps that the website is updated regularly — while it started out with 29,000-odd defaulter entries, by this week the figure had already risen to over 32,000. And by then, Watchout had already been visited by some 175,000 curious investors.

“It's an effort that grew out of our concern for the individual investor,” adds Haldea. Till now, an investor not familiar with topsy-turvy share fortunes, had very little to guide him through the minefields in the market and, more importantly, help him find out who the bad guys were.

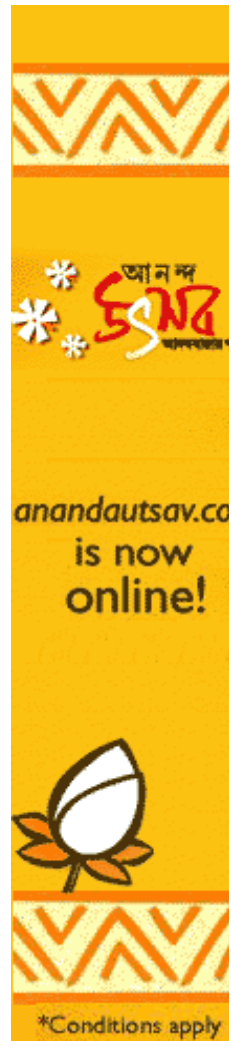
“SEBI brings out a list of entities with questionable antecedents but most aren't aware of its significance,” says Sambit Guha of Money Matters, a wealth management and investment advisory services concern. If the investor got involved in such a shady transaction unawares, there was very little chance he would ever get to see his money again.

It's here that Watchout steps in with pre-emptive action. According to Haldea, “The website shows you which entities are in the red. The idea is that since there's little you can do once you've put in your money, you can at least check up from beforehand on who you're investing with.”

The best thing about the website is its easy accessibility. Earlier, while the information was scattered all over the Net, Watchout — which was created with money provided by the Investor Education and Protection Fund of the MCA — brings you detailed lists, alphabetically arranged. And since the site doesn't take in advertisements, there are no pop-ups. Registration is free and all you need to do is log on and get your unique password to dig deeper into the site.

“At a time when fixed-return avenues, like a fixed deposit account, are drying up, more and more people are looking at the equity market for satisfactory gains,” feels Chandra Mohan Mukherjee of Money Matters. But a great number of investors are not aware of the perils of the market.

“Essentially, there are three types of investors — one, the serious type who are extremely well read and fully informed. Two, the ones who get most of their information from financial magazines and other media and three, the absolutely uninitiated ones. The third type just depend on hearsay for guidance on market trends,” says Guha. According to



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some estimates, feels Guha, these uninformed investors make up almost half of regular investors in the market.

“Though an accurate estimate has never been done, in the Nineties, the Indian investor lost over 100,000 crores in various scams — 15,000 crore in dubious fixed deposit transactions alone. We never want that nightmare to return,” stresses Haldea. And to see that it doesn’t, all you have to do is stay logged on to Watchout.



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