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'Protect Yourself from Defaulters'

Prithvi Haldea of PRIME Database, the mind behind watchoutinvestors.com, on the site's utility for investors.

How did the website come about?

The idea came to me in 1996-97, when we found that many of the 3,911 companies that had floated public issues during 1992-96 were either not listed or were trading way below their issue price. Many other financial frauds—FDs, plantation schemes, chit funds—were also taking place. However, no regulator was placing this information in the public domain.

When the RBI and Sebi started posting press releases on their websites, the idea seemed workable. In June 2003, I saw a Ministry of Company Affairs ad inviting proposals for grants from its Investor Education and Protection Fund. I submitted my proposal. After intensive discussions over the next six months, it was approved.

How is the site useful for investors?

Just 1.5 per cent of household savings is going into equities. This is worrying if we believe the capita market channels savings into the economy and spurs growth. Rogue companies and promoters have eroded investor confidence. The site wants to build investor confidence by protecting them from known defaulters through an easy and free search tool.

How will you ensure the site's integrity?

Creating a record involves about 45 steps. At each step, a staffer has to give approval. I am involved in three of the most critical steps. If it ever comes to my notice that data has been excluded, then accountability can be fixed.

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