

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:802
ANSWERED ON:21.02.2003
KANIA COMMITTEE REPORT
RAMESH CHENNITHALA;S. MURUGESAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether Kania Committee has recently given its report on corporatisation of the stock exchanges;
- (b) if so, whether the SEBI has approved the report;
- (c) if so, whether the Union Government propose to amend the income tax laws to facilitate the conversions of existing stock exchanges into profitable venture;
- (d) if so, whether there is also a proposal to set up a Central Listing Authority in March, 2003; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

- (a) In order to advise the Securities and Exchange Board of India (SEBI) on the process of corporatisation and demutualisation of stock exchanges, SEBI set up committee under the chairmanship of Justice M.H. Kania Committee, which submitted its report to SEBI on 28th August, 2002.
- (b) The Kania Committee report has been approved by the SEBI Board on 29th November, 2002, with certain modification.
- (c) Yes, Sir. Necessary amendments to facilitate conversion of mutualised exchanges to demutualised form are under contemplation.
- (d) SEBI's Delisting Committee, which submitted its report in August, 2002, inter-alia recommended the setting up of a Central Listing Authority (CLA) to bring about uniformity in the exercise of due diligence in scrutinising listing applications. Accordingly, SEBI has notified the SEBI (Central Listing Authority) Regulations, 2003 on 13th February, 03 to provide for setting up of a CLA.
- (e) The proposed CLA shall, inter-alia, discharge the following functions:
 - (i) processing the application made by any body corporate, mutual fund or collective investment scheme;
 - (ii) making recommendations as to listing conditions;

The CLA shall give a `letter of recommendation` to any corporate/mutual fund or Collective investment scheme to get itself listed on a particular exchange, after examining its listing application.