

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1702
ANSWERED ON:12.12.2003
NEW INTEGRATED SYSTEM TO CURB FRAUD
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Will the Minister of FINANCE be pleased to state:

- (a) whether SEBI has approved a new Integrated System to curb security market frauds;
- (b) if so, the details thereof; and
- (c) the extent of success likely to be achieved thereof?

Answer

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

(a) Yes, Sir.

(b)&(c): Considering the need for an adequate surveillance system and also having due regard to the Joint Parliamentary Committee recommendations, Securities and Exchange Board of India (SEBI) has decided to put in place an integrated surveillance system across all stock exchanges and across cash and derivative markets.

Pursuant to this, in September 2003, a study was conducted by a team of National Association of Securities Dealers (NASD), at the initiative of SEBI, to examine the feasibility of implementing such a system for the Indian capital market and also to draw an overall roadmap, high level architectures and time and cost estimates for this system. It was indicated in this study report that implementation of such a system would involve a time period of two years after various components of the project are awarded to vendors. The envisaged regulatory platform would provide automated data reporting capable of capturing market transactions, reference data research, regulatory analysis and market alerts generation for further frontline proactive surveillance.