

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3457  
ANSWERED ON:20.08.2004  
SUSPENSION OF MEMBERS OF COIMBATORE STOCK EXCHANGE  
Subbarayan Shri K.

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government has received a complaint regarding illegal suspension of more than fifty members of the Coimbatore Stock Exchange by its Board; and

(b) if so, the details and action taken thereon?

**Answer**

MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM )

(a)&(b): The Securities and Exchange Board of India (SEBI) has informed that it had received a complaint regarding suspension of members of Coimbatore stock exchange. It had taken up the issue with Coimbatore stock exchange and as per the information obtained from the stock exchange, the Council of Management of the exchange withdrew the membership rights of 62 members for non-compliance with certain regulatory requirements in accordance with the provisions of Article 124 of Articles of Association of the exchange. The non compliances by the members were:

(i) Non payment of annual subscription of exchange for the year 2002-03 and 2003-04,

(ii) Non payment of contribution for Investor Protection Fund for the year 2003-04. and

(iii) Non submission of the audit report to the exchange.

The exchange had written more than five letters to each member for non-compliance over the last nine months. The membership rights were withdrawn for those who failed to comply. Subsequently, the membership rights of the members, who complied with the requirements, were restored by the Council of Management.