

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:972
ANSWERED ON:30.07.2010
INVESTORS PROTECTION FUND
Suvendu Shri Adhikari

Will the Minister of FINANCE be pleased to state:

- (a) the steps by the Union Government has taken to ensure of the Retail Investors' Protection during the recent times:
- (b) whether the Government is contemplating to make Indian Stock Exchanges much more efficient and transparent in their activities;
and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a): Various measures taken by the Government and Securities Exchange Board of India (SEBI) for protecting interests of the investors include introduction of Applications Supported by Blocked Amounts (funds are debited from investors' accounts only upon confirmed allotment of securities), reduction of time taken between public issue closure and listing, abolition of entry load in mutual funds, permitting transaction of mutual fund schemes through registered stock brokers of recognized stock exchanges, revision of standard warning in advertisements by mutual funds and inspection of stock brokers with a focus on redressal of investor complaints.

(b): SEBI is continuously in the process of attempting to make Indian Stock Exchanges more efficient and transparent in their activities.

(c): The various initiatives taken to improve efficiency and transparency of stock exchanges include:

1. Review of the ownership and governance norms of Market Infrastructure Institutions which includes stock exchanges.
2. Review of arbitration mechanism at stock exchanges and mandatory disclosures on arbitration proceedings.
3. Disclosure of regulatory orders and arbitration awards on the stock exchange website.
4. SEBI has permitted introduction of call auction in pre-open session.