# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:5023
ANSWERED ON:02.09.2011
WITHDRAWAL OF MNCS FROM STOCK EXCHANGES
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**Will the Minister of FINANCE be pleased to state:**

(a) the details of mechanism in place to prevent sudden flight of capital from the Stock Exchange;

(b) whether many Multi-national Companies (MNCs) propose to withdraw from the Indian Stock Exchanges during the recent times; and

(c) the reaction of the Government/Securities and Exchange Board of India (SEBI) thereto?

## Answer

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

(a) The Government and the Securities and Exchange Board of India (SEBI) have put in place mechanisms to monitor and assess foreign institutional investments. These mechanisms help to promote safe, transparent and efficient markets and protect market integrity. The systems established include advanced risk management mechanisms comprising of on-line monitoring and surveillance, circuit filters, prescription of limits on positions etc. The possible effects of investments made by Foreign Institutional Investors (FIIs) on the Indian economy are also assessed on a continuous basis. The endeavour is to build systems and practices and deepen and broaden markets which can withstand the impact of flight of capital.

(b) In the financial years 2009-10, 2010-11 and 2011-12 (till 29th August 2011), a total of eighteen companies have delisted from the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). Of these companies, only six companies had more than 50 percent foreign promoter shareholding. This reveals that not many companies with substantial foreign holding have delisted from Indian stock exchanges.

(c) Does not arise in view of reply to part (b) above.