GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:109
ANSWERED ON:10.07.2009
MANAGEMENT OF STOCK EXCHANGES
Chitthan Shri N.S.V.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has noticed deficiencies in the management of many stock exchanges in the country; and

(b) if so, the details thereof and the steps taken/being taken by the Government to remove the deficiencies?

Answer

FINANCE MINISTER(SHRI PRANAB MUKHERJEE)

(a) to (b) : A statement is placed on the Table of the House

Statement referred to in reply to parts (a) to (b) of Lok Sabha Starred Question no. 109 regarding " MANAGEMENT OF STOCK EXCHANGES" raised by SHRI N.S.V. CHITTHAN for reply on 10th July 2009

Securities and Exchange Board of India (SEBI) is the regulator for the securities markets in India including the stock exchanges which are an important part of the securities market infrastructure. As part of ongoing regulatory supervision of stock exchanges, SEBI conducts inspections of stock exchanges during which deficiencies in the management of stock exchanges come to its notice. These deficiencies are discussed with management of the exchange for expeditious compliance. Pursuant to the inspection, the exchanges are required to submit timely and periodic compliance reports to SEBI duly approved by the Governing Boards of the exchanges.

SEBI has not reported any deficiency in the management of the major stock exchanges in the country − National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). However, SEBI has noticed some deficiencies in some of the stock exchanges i.e.
(i) Mangalore Stock Exchange
(ii) Saurashtra Kutch Stock Exchange Ltd.
(iii) Magadh Stock Exchange Ltd.
(iv) Coimbatore Stock Exchange Ltd. and
(iv) Madhya Pradesh Stock Exchange Ltd.

Based on inspection findings and the regulatory provisions, SEBI has initiated appropriate actions against such stock exchanges including withdrawal or non-renewal of recognition and appointment of Committees to look into the day to day affairs of the Exchange.