

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2280
ANSWERED ON:05.12.2014
INVESTMENT OF COMPANIES IN STOCK EXCHANGES
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Will the Minister of FINANCE be pleased to state:

- (a) the average stake holding of large companies in stock exchanges in India during each of the last three years and the current year;
- (b) whether interests of small investors in stock exchanges are protected and if so, the details thereof; and
- (c) the remedial steps taken by the Government in this regard and the success achieved as a result thereof?

Answer

MINISTER OF THE MINISTRY OF FINANCE (SHRI ARUN JAITLEY)

(a):Details of top ten shareholders of nationwide and operational stock exchanges namely BSE Ltd, National Stock Exchange of India Ltd (NSE), United Stock Exchange of India Limited (USEIL) and MCX Stock Exchange Limited (MCX-SX) is at Annexure.

(b) & (c): Stock exchanges are incorporated as a company under Companies Act. As such, all the provisions of Companies Act, protecting shareholders right are applicable to the Stock Exchanges also.

Besides, being recognized as a stock exchange, the company is governed by the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. The regulation, inter-alia, has laid down general conditions of ownership of the stock exchange wherein there is restriction on the shareholding of the stock exchange for the better governance.

In addition, the Board requires representation of minimum 50% of the Public Interest Directors (PIDs) who represent the interests of investors in securities market.