

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:717
ANSWERED ON:05.12.2003
INVESTMENT IN STOCK MARKET
PUSHPDAN SHAMBHUDAN GADHAVI

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have desired to revive the capital market and wanted the people to invest in stock market rather than depositing in banks;
- (b) if so, whether National Securities Depository Limited (NSDL) and SEBI are following this policy for expanding the activities in stock market by reducing the unwarranted and unnecessary expense of the investor for holding of their portfolios; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI ANANDRAO V. ADSUL)

(a): The Government has stressed the need for a dynamic capital market.

(b) & (c) : The Securities and Exchange Board of India (SEBI) and National Securities Depository Ltd. (NSDL) continuously try to minimize the cost to investors of holding their portfolio. Although tariff charges by the Depositories is a commercial issue, SEBI had advised NSDL to review the fee and the charges' structure. NSDL has revised the tariff structure with effect from May, 2002.

NSDL reduced its charges twice during 2002-2003. The settlement fee of Rs. 15 per debit instruction announced in February, 2002 was reduced to Rs. 10 with effect from May 1st, 2002. Similarly, the custody fee of Re. 0.75 per month for securities held under each International Securities Identification Number announced in February, 2002, was reduced to Re. 0.50 per month, with effect from October 1, 2002.