

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3543
ANSWERED ON:15.12.2006
INVESTMENT IN STOCK MARKET
Panda Shri Prabodh

Will the Minister of FINANCE be pleased to state:

- (a) whether divergence of opinion exist among the Union Government, Security and Exchange Board of India and Reserve Bank of India in respect of investment by Foreign Direct Investment and Foreign Institutional Investors as reported in Times of India, dated October 9, 2006;
- (b) if so, the reasons therefor;
- (c) the corrective measures taken/being taken by the Government in this regard;
- (d) whether various stock exchanges have been demutualised; and
- (e) if so, the details thereof along with details of exchanges demutualised ?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

- (a) to (c): These agencies have different responsibilities and hence different perspectives. Hence, they may have different opinion on certain issues. However, such differences are reconciled in the consultation process leading to policy decision.
- (d) & (e): The Securities and Exchange Board of India (SEBI) has informed that it has notified that two exchanges were already corporatised and demutualised. It has also notified the orders approving the corporatisation and demutualization schemes of 19 other stock exchanges. These notifications are available on its website (www.sebi.gov.in).