

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3431
ANSWERED ON:07.09.2007
IRREGULARITIES IN EXCHANGE BOARDS
Sarvey Shri Sathyanarayana;Singh Shri Uday

Will the Minister of FINANCE be pleased to state:

- (a) whether the various irregularities have come to the notice of the Securities and Exchange Board of India (SEBI) in the functioning of various Exchange Boards;
- (b) if so, the details thereof;
- (c) whether SEBI has urged the Government for a more functional and financial autonomy;
- (d) if so, the facts and details thereof; and
- (e) the extent to which more powers to SEBI would curb such malpractices?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. K. BANSAL)

(a) and (b): Some instances of irregularities in functioning of the board of a few stock exchanges have come to the notice of Securities and Exchange Board of India (SEBI) at various points of time. The irregularities include non-compliance with SEBI circulars, directives and guidelines, non-compliance with trading and settlement requirements, inadequate risk management systems, and financial and administrative mismanagement.

(c): No, Sir.

(d) and (e): Don't arise in view of answer to (c) above.