

**Pending proposals with SEBI**

194. DR. BHARAT KUMAR RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether there is any time limit for SEBI to sanction the names of Public Interest Directors recommended to it by stock exchanges, if so, the details as the same is not clear;

(b) the reasons for the names of Public Interest Directors forwarded by Vadodara Stock Exchange have not been sanctioned and finalized;

(c) the number of such other proposals from different stock exchanges with SEBI that are pending clearance and since how long; and

(d) the number of cases that are pending with SEBI for issuing new registration to those applicants who have applied through Stock Exchanges on transfer of cards duly approved by respective boards?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) No time limit has been specified in the SEBI Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 (SECC) Regulations), for sanctioning the names of the Public Interest Directors (PIDs) forwarded by stock exchanges. The stock exchanges, while forwarding the names to SEBI for approval of the PIDs have to submit the same along with other relevant information in this regard. Before approving the appointment of PIDs on the Board of stock exchanges, SEBI conducts necessary verifications which may entail some time.

(b) Vadodara Stock Exchange (VSE), *vide* their letter dated July 6, 2012, had requested for the approval of the appointment of PIDs on their Board. As is usually done, SEBI has sought further information on these appointments from VSE. Upon receipt of this information and further verification as required, SEBI will take suitable decision in the matter.

(c) Five proposals from various stock exchanges for the appointment of PIDs on their respective Boards are pending decision with SEBI. The details of the pending cases are given below:

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Name of the Stock Exchange	Date of Proposal
Bhubaneswar Stock Exchange Ltd.	May 15, 2012
OTC Exchange of India	May 13, 2012

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Name of the Stock Exchange	Date of Proposal
Calcutta Stock Exchange Ltd.	July 18, 2012
Jaipur Stock Exchange Ltd.	July 19, 2012
Pune Stock Exchange Ltd.	July 26, 2012

(d) As on 31/072012, four such applications are pending with SEBI for registration.

#### SEBI instructions

195. DR. BHARATKUMAR RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that SEBI, on many occasions, pass on instructions on phone to stock exchanges etc. though specific request for reply in writing is made;

(b) whether it is observed on several occasions that even in such cases only verbal reply is given and hence the details thereof;

(c) whether it is not essential that all instructions, directives and interpretations etc. have to be given in writing by SEBI as an authentic document/confirmation or the verbal communication is allowed on all such important matters, clarify; and

(d) whether it is fact that SEBI is allowed to enquire even on anonymous complaints where the identify of complaints is not disclosed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) No, Sir. SEBI has a structured mechanism of communication and interaction with Stock Exchanges. Instructions and directions of SEBI are communicated to Stock Exchanges through surveillance meetings, circulars, letters, regulatory orders and sometimes by e-mails.

(c) It is essential that all instructions, directives, interpretations etc. of SEBI are given in writing as it enables the creation of records and also facilitates the monitoring of their compliance.

(d) There is an established process for dealing with complaints including those that are anonymous. In the case of anonymous complaints, various parameters such as the seriousness of the complaints, its verifiability, the interests of investors