

Government of India
Ministry of Finance
Department of Economic Affairs

LOK SABHA
UNSTARRED QUESTION NO. 1210
TO BE ANSWERED ON FRIDAY, 9th FEBRUARY, 2018/ MAGHA 20, 1939 (Saka)

NSE AND BSE TRADING

QUESTION

1210. SHRI RAJESHBHAI CHUDASAMA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any data on the total volume of money invested in various stocks in National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) trading;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the Government has initiated any check and monitor system on the veracity of financials/performances of companies listed in NSE and BSE, if so, the details thereof; and
- (d) the steps taken by Government to protect the investment made by common people in various stocks?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON RADHAKRISHNAN)

(a) and (b): The Securities and Exchange Board of India (SEBI) has informed that while the data on the amount of money invested in various stocks is not available, the annual total turnover of equity segment of Bombay Stock Exchange (BSE) & National Stock Exchange (NSE) stood at Rs. 51,84,500 Cr., Rs. 49,77,072 Cr., Rs. 60,54,174 Cr. and Rs. 69,70,610 Cr. respectively in the Financial Year (FY) 2014-15, 2015-16, 2016-17 and 2017-18 (up till February 1, 2018). In terms of market capitalization, the amount invested in listed companies was at Rs. 1,53,20,978 Cr. as on 31st January 2018.

(c): SEBI has informed that listed companies submit their financial information on a quarterly and annual basis with the stock exchanges on which their securities are listed and the stock exchanges monitor the adequacy and accuracy of the financial results disclosed by listed companies by undertaking the following checks:

- i. Verification for adoption of correct reporting format in terms of Schedule III of the Companies Act, 2013;
- ii. Basic arithmetical checks for data consistency;
- iii. Mismatch in Net profit and Earnings Per Share (EPS) calculations;
- iv. Missing submissions such as Consolidated Financial Results, Audit report, limited review report, Profit Reconciliation statement between Indian Accounting Standards (IND-AS) and Indian - Generally Accepted Accounting Principles (IND-GAAP);
- v. Inconsistency in accounting standards across quarters; and
- vi. Non-submission of Asset-Liability statements.

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(d): SEBI has informed that in order to enable investors to make well-informed investment decisions, comprehensive disclosure requirements on a continuous basis have been prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to ensure timely, adequate and accurate disclosure of information to the investor. Further, certain disciplinary actions for violation of these provisions have also been prescribed, including imposition of fines and freezing of promoter holdings. SEBI as well as the stock exchanges have put in place a surveillance mechanism to monitor trading in stock exchanges and in case of any abnormality, take appropriate action against the concerned entities. In addition, SEBI has stated that it constantly makes efforts for awareness and protection of the small investors. Further, the grievances lodged by investors are taken up with the respective listed company or intermediary and monitored on a regular basis.
