

Interactive Session with Mr. C.B. Bhave, Chairman, Securities and Exchange Board of India (SEBI) held on Tuesday, September 8, 2009



From R to L : Mr. Vivek Kulkarni, Chairman and CEO, Brickwork India Pvt. Ltd.; Mr. Shekar Viswanathan, Vice-President, BCIC; Mr. K.R. Girish, President, BCIC; Mr. C.B. Bhave, Chairman, SEBI; Mr. H.V. Harish, Chairman, Economic & Corporate Affairs Expert Committee, BCIC and Mr. T.S. Sampath Kumar, Secretary General, BCIC

The Bangalore Chamber of Industry and Commerce (BCIC) organized an Interactive Session with Mr. C.B. Bhave, Chairman, Securities and Exchange Board of India (SEBI) on Tuesday, 8th September, 2009. Mr. K.R. Girish, President, BCIC welcomed the Chief Guest and expressed his gratefulness for accepting the invitation to address the members of the Chamber.

Welcoming Mr. Bhave, Mr. H.V. Harish, Chairman, Economic and Corporate Affairs Expert Committee, BCIC listed the following issues which were brought out by the members and sought his views and clarifications:-

1. Corporate Governance Adherence
2. SME Stock Exchange
3. De-listing of strategies for SMEs
4. Implementation of IFRS by the Ministry of Corporate Affairs
5. Corporate disclosure norms
6. Education on capital markets

Mr. Vivek Kulkarni, Former Secretary, IT & BT Dept. Government of Karnataka and Chairman & CEO, Brickwork India Pvt. Ltd., in his presentation stressed the need and importance of financial literacy for the public in general and requested SEBI to play a major role in this regard by spreading education on financial investments more particularly by including the same in the curriculum at the School and College level.

Mr. C.B. Bhave, Chairman, SEBI in his address cautioned the investors to understand the true nature of markets before making their investment decisions as the stock markets are always dynamic and volatile. He further added that SEBI, being the regulatory agency and overseer of the

financial markets, has initiated a dialogue with educational institutions to promote financial literacy in the Country and they are in touch with Central Board of Secondary Education (CBSE) and other educational institutions to bring stock market education as part of the curriculum.

He said that SEBI would soon release its report on "peer view" on financial audits.

With regard to rights issue and listing, he said that SEBI had done well to shorten the time between the time of a rights issue and its listing. He also said that SEBI would soon set up a committee to look into the entire takeover code and said that gamut of policy framework was evolving and SEBI was in discussion whether to make changes or not.

Regarding setting up of Small and Medium Enterprises (SME) Stock Exchange, he said that it might not happen soon since SEBI is not sure whether there is viability for this Exchange at present.

Referring to the operation of Mutual Funds, Mr. Bhave said that the regulatory agency had reduced transaction costs and increased efficiency. Although this move had met with some resistance, that would result in the Mutual Fund industry becoming "more broad-based".

On the Satyam episode, Mr. Bhave said that there was no evidence yet to implicate the independent Directors of the Company and said that the law will take its own course. However he assured SEBI will ensure that similar crimes do not happen in the future.

Mr. Bhave responded to the several queries raised by the participants and asked the Chamber to submit a suitable representation to SEBI accordingly.

Mr. Shekar Viswanathan, Vice President, BCIC proposed vote of thanks.