Role of SEBI in Indian Securities Market

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ABSTRACT
The structure and processes of the SEBI have been developed over the year. In 1602 when Amsterdam stock exchange was admitted by the East India Company for dealings in its own securities the establishment of the native share and stock brokers Association (now remand as Bombay Stock Exchange) in 1875 in the existing India undoubtedly marked a beginning of the stock exchange in India despite being the first ever stock exchange in Asia. The earliest legislative efforts to regulate the securities market in India was made by the Bombay Securities Contracts control act 1925, which was enacted to regulate and control certain contras acts for purchase and sale of securities in the city of Bombay.

KEYWORDS Security, India, Regulation, SEBI

Introduction
The security Exchange and Board of India was established by the government of India on 12 April 1988 an interim administra-
tive body to provide orderly and healthy growth of the securities orderly and healthy growth of the securities market and to protect investors rights. It is functioning under administra-
tive control of Ministry of Finance. The SEBI was given statutory status on 30th January 1992 through and ordinance, later it was replaced by an act of parliament, Securities and Exchange Board of India Act, 1992. The capital market had witness a heavy growth during 1980's. This ever expending investor population and market capitalization led to variety of malpractices on the part of companies, brokers merchant brokers, investment consultants involved in Securities Market. Such malpractices and unfair practices have eroded investor confidence and multiplied investor grievances. The exam-
ple of malpractices include existence of self styled merchant bankers, unofficial private placement, rigging of prices unofficial premium in new issues, non adherence of provisions of the companies act, violation of rules and regulation of stock exchange listing requirements, delay in delivering shares etc. The government and stock exchanges were rather helpless in redressing the investor's complaints because of lack of proper penal provisions in the existing legislation.

Role of SEBI
To assure it aims to provide a market a place in which they can confidently look forward to raising finance they need in a fair and efficient manner. SEBI protects investor's rights and interest through adequate accurate and authentic information and disclosure of information on a continuous basis. For the intermediaries on a continuous basis. For the intermediaries it offers a competitive, professionalized and expanding market with adequate and efficient infrastructure so as to render better service to investors and issuers.

objectives
The SEBI has also defined 'short term for funds' investment cap would also
funds short-terms deposits of scheduled commercial banks by
the short term deposits of single bank, said the securities and
without any external intervention. Mutual funds can not invest
just cause can be given. In matters of securities trading
the whole-time members.

Powers vested to SEBI
The management of the board consist of a Chairman, tow
member from amongst the Officials of the Reserve Bank of In-
dia and five other members of whom at least three shall be
the whole-time members. The SEBI has right to search and seizure
where just cause can be given. In matters of securities trading
SEBI has power to restrict and allow trading in a given script
without any external intervention. Mutual funds can not invest
more then 10 per cent of the total net assets of a scheme in
the short term deposits of single bank, said the securities and
Exchange Board India. Announcing guidelines for parking of
funds short-terms deposits of scheduled commercial banks by
mutual funds, the regulator said investment cap would also
take in to account the deposit scheme of bank's subsidiaries.
The SEBI has also defined 'short term for funds' investment
purpose as a period not exceeding 91 days.

Types of valid complaints
• Complaints arising out of activities are covered under SEBI
• Securities Contract Regulation Act, 1956.
• Depositories Act, 1996.
Types of invalid complaints

Complaints against unlisted delisted wound up liquidated sick companies

Complaint are the sub judicary which are under consideration by court of law.

Table 1: Investigations by SEBI

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Case taken up for investigations</th>
<th>Case completed</th>
<th>Success Rate(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>2</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>1993-94</td>
<td>3</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>1994-95</td>
<td>2</td>
<td>2</td>
<td>100</td>
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<tr>
<td>1995-96</td>
<td>60</td>
<td>18</td>
<td>30</td>
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<tr>
<td>1996-97</td>
<td>122</td>
<td>55</td>
<td>45</td>
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<tr>
<td>1997-98</td>
<td>53</td>
<td>46</td>
<td>87</td>
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<tr>
<td>1998-99</td>
<td>55</td>
<td>60</td>
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<td>1999-00</td>
<td>56</td>
<td>57</td>
<td>102</td>
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<td>2000-01</td>
<td>68</td>
<td>46</td>
<td>68</td>
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<tr>
<td>2001-02</td>
<td>111</td>
<td>29</td>
<td>26</td>
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<tr>
<td>2002-03</td>
<td>125</td>
<td>106</td>
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<td>2003-04</td>
<td>121</td>
<td>152</td>
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<td>2004-05</td>
<td>130</td>
<td>179</td>
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<td>2005-06</td>
<td>159</td>
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<td>2006-07</td>
<td>120</td>
<td>102</td>
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<td>2007-08</td>
<td>25</td>
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<td>2008-09</td>
<td>76</td>
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<td>2009-10</td>
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<td>2010-11</td>
<td>104</td>
<td>82</td>
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<td>2011-12</td>
<td>154</td>
<td>74</td>
<td>48</td>
</tr>
<tr>
<td>Apr 11-Dec 11</td>
<td>107</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Apr 12-Dec 12</td>
<td>103</td>
<td>68</td>
<td>66</td>
</tr>
</tbody>
</table>

Source : SEBI HANDBOOK OF STATISTICS ON INDIAN SECURITIES MARKET 2012 – 2013 April

Regulation of security market

The security market is regulated by various agencies, such as the Department of Economics Affairs (DAE), the Department of Company Affairs (DC), the Reserve Bank of India (RBI) and the SEBI. The Activities of these agencies are coordinated by a high level committee on capital and financial markets.

The security and exchange board of India

With the declaration of the amendment box up in 19911. The dimension of business in both the primary and secondary sector has been increased enormously till now. An harmony with supplies of security exchange board of India and exchange Act,1992. In the same year on April 12th 1992 the security exchange board of India was well – known. SEBI's efforts are to create effective surveillance mechanism for the securities market, and encourage responsible and accountable autonomy on the part of all players the market, who should discipline themselves and observes and observe the rules of the game. This would be possible, if the intermediaries set themselves up as effective self-regulatory bodies. Self-regulation is therefore the cornerstone of the regulatory framework advocated by SEBI, which like management by exception would result in regulation by exception. However, self regulation can work only if there is an effective regulatory body overseeing activities of self-regulatory organisations. beginning to end the securities market a skeleton, which would prop up efficiency of the market so that it could make available the compulsory services to trade and business and classified investors in the most efficient economic way, conjure up rivalry and give confidence modernization, be approachable to worldwide improvement a skeleton which is bendable and charge successful so that it has simplicity to conduct and not limit the changes, and at last encourage self - belief on the part of the investors and other users of the bazaar by ensuring the bazaar place is, and is also seen to be, clean to do business in a fair, see – through and well-organized behaviour.4

Scope of the study

This study was mainly planned to observed the performance SEBI, relating to supervision of securities market and what kind of Investor Protection Measure taken by SEBI since 1992.

Objective of study

What kind of investors protection taken by SEBI from it establishment.

- To find out whether any statutory body required to regulate the security market?
- To find out the facts whether SEBI has taken legal action against frauds

Tools of data collection

information gathered to you from books, websites, and Other related resource to SEBI!

Limitation of study

The study in limited to theoretical data collected from various source Text Books, Websites, Brochure an financial press reports

Finding role of SEBI in Indian capital market

SEBI's efforts are to create effective surveillance5 mechanism for the securities market, and encourage responsible and accountable autonomy on the part of all players the market, who should discipline themselves and observes and observe the rules of the game. This would be possible, if the intermediaries set themselves up as effective self-regulatory bodies. Self-regulation is therefore the cornerstone of the regulatory framework advocated by SEBI, which like management by exception would result in regulation by exception. However, self regulation can work only if there is an effective regulatory body overseeing activities of self-regulatory organisations. SEBI endeavours to provide a controller structure which would simplification an effective mobilisation and allotment of wealth through the securities bazaar a structure, which would encourage effective of the bazaar so that it could manage the essential services to business and commerce and personal investors in the most effective economic route jog competion and promote innovation, be responsive to international growth a structure which is flexible and cost effective so that it has clarity to guide and not cramp the changes, and finally in breath trust on the part of the investors and other users of the bazaar by ensuring the bazaar place is, and is also seen to be, clean to do trade in a fair, transparent and efficient manner.

Conclusion

The SEBI is a regulatory body which is twenty one years old and the capital market system is more then 100 years old. There should be cross – border cooperation among all sorts regulators and between regulators and profession. Security
Exchange Board Of India has enjoyed success as a regulator by pushing systematic reforms aggressively and respectively. Security Exchange Board Of India did out with corporeal example that were prone to postal delays, thievery and product, separate from making the solution action slow and carking by passing Depositories Act, 1996. Security Exchange Board Of India has also been instrumental in taking fast and useful steps in light of the universal meltdown and the Satyam fiasco. In October 2011, it increased the region and stock of disclosures to be made by Indian corporate promoters. In light of the universal meltdown, it liberalised the takeover code to straighten investments by removing regulatory structures. In one such move, Security Exchange Board Of India has increased the application limit for retail investors to Rs 2 lakh, from Rs 1 lakh at present.