

SEBI(Securities and Exchange Board of India)

About SEBI

- The Securities and Exchange Board of India is the highest regulatory body with regards to the functioning of the Security Markets, Stock Exchanges, Commodities Markets etc in India.
- SEBI was formed in 1988 as a non-statutory body.
- It was made an Autonomous and Independent Regulatory body after the passing of the Securities and Exchange Board of India Act, 1992 by the Indian Parliament.
- SEBI functions under the Ministry of Finance.
- SEBI now has Statutory powers with regards to regulation of the Securities and Commodities market in India.
- The main objective of SEBI is to facilitate the growth and development of the capital markets and to ensure that the interests of investors are protected.
- The Head office of SEBI is in Mumbai and regional offices at Kolkata (East), Ahmedabad (West), New Delhi (North) and Chennai (South).
- It also has local offices in almost all major cities of the country.

Structure of SEBI

- The functions of SEBI are carried out by a Board of 9 members – 1 Chairman and 8 members
- The Chairman of SEBI is nominated by Central Government
- Two members are nominated by the Finance Ministry of India.
- The Reserve Bank of India nominates one member to the SEBI board.
- Rest of 5 members(3 of them must be full time) are nominated by the Government of India.
- The current Chairman of SEBI is Mr Ajay Tyagi.

Functions of SEBI

Functions of SEBI can be divided into 3 type –

1. Quasi-Legislative – It drafts regulations in its legislative capacity
2. Quasi-Executive – It conducts investigation and enforcement action
3. Quai-Judicial – It passes rulings and orders in its judicial capacity.

Powers of SEBI

For the discharge of its functions efficiently, SEBI is vested with the following powers:

- to approve by-laws of stock exchanges.
- to require the stock exchange to amend their bylaws.
- inspect the books of accounts and call for periodical returns from recognized stock exchanges.
- inspect the books of accounts of financial intermediaries.
- compel certain companies to list their shares in one or more stock exchanges.
- registration brokers.

Responsibilities of SEBI

- To promote the development of the Securities Market and to regulate the Securities Market.
- To Protect the Interest of Investor in Securities.
- To overview the market operations, organizational structure and administrative control of exchange.
- Registration and regulation of the working of the intermediaries.
- To prohibit the unfair trade practices in the market.
- Promoting and regulating self-regulatory organizations.
- To provide education for the investors and to give training for the intermediaries.
- To regulate substantial acquisition of shares and to take over it.
- Performing such functions and exercising such powers under the provisions of the securities contracts (Regulations) Act 1956 as may be delegated to it by the central government.

Dr. Archana joshi

Company law and secretarial practices

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