

SEBI

September 23, 2020

The Preamble of the Securities and Exchange Board of India describes the basic functions of the Securities and Exchange Board of India as “to **protect the interests of investors** in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto”.

More About SEBI

- SEBI is a **statutory regulatory body** established by the Government of India to regulate the securities market in India and protect the interests of investors in securities.
- The Securities and Exchange Board of India was **established on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.**
- SEBI has the **power to regulate** and perform functions such as:
 - . check the books of accounts of stock exchanges and call for periodical returns
 - . approve by-laws of stock exchanges
 - . inspect the books of financial intermediaries such as banks
 - . compel certain companies to get listed on one or more stock exchanges
 - . handle the registration of brokers
 - The organization was created to meet the requirements of the following three groups:
 - . **Issuers:** SEBI works towards providing a marketplace to the

investors where they can efficiently and fairly raise their funds

. **Intermediaries:** SEBI works towards providing a professional and competitive market to the intermediaries

. **Investors:** SEBI protects and supplies accurate information to investors

▪ **Functions of SEBI**

- . Checks price manipulation
- . Bans insider trading
- . Promotes fair code of conduct in the security market
- . Prohibits unfair and fraudulent trade practices
- . Regulates and registers mutual funds as well
- . Facilitates training of intermediaries