



KAMARAJ IAS ACADEMY
Only IAS Academy by Grandson of "Perunthalaivar Kamarajar"

Securities and Exchange Board of India (SEBI)

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Why is in news? SEBI tweaks rules to appoint, remove independent directors

The Securities and Exchange Board of India was constituted as a **non-statutory body on April 12, 1988** through a resolution of the Government of India.

The Securities and Exchange Board of India was established as a **statutory body in the year 1992** and the provisions of the **Securities and Exchange Board of India Act, 1992** (15 of 1992) came into force on January 30, 1992.

The Securities and Exchange Board of India (SEBI) is the **regulatory body** for securities and commodity market in India under the ownership of Ministry of Finance within the Government of India.

The **headquarters of SEBI** is situated in **Mumbai**. The regional offices of SEBI are located in Ahmedabad, Kolkata, Chennai and Delhi.

Members:

The SEBI is managed by its members, which consists of the following:

The chairman is nominated by the Union Government of India.

Two members, i.e., Officers from the Union Finance Ministry.

One member from the Reserve Bank of India.

The remaining five members are nominated by the Union Government of India, out of them at least three shall be whole-time members.

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 there with or incidental there to".

Functions:

SEBI is a quasi-legislative and quasi-judicial body which can draft regulations, conduct inquiries, pass rulings and impose penalties.

It functions to fulfill the requirements of three categories –

Issuers – By providing a marketplace in which the issuers can increase their finance.

Investors – By ensuring safety and supply of precise and accurate information.

Intermediaries – By enabling a competitive professional market for intermediaries.

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By **Securities Laws (Amendment) Act, 2014**, SEBI is now able to regulate any money pooling scheme worth Rs. 100 cr. or more and attach assets in cases of non-compliance.