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Securities And Exchange Board Of India: A Sentinel Of Ethos Of The Corporate Governance

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Abstract

One of the strongest regulators in India is the “Securities and Exchange Board of India (SEBI)”. As the overseer of the Indian securities market, it has a variety of enforcement tools at its disposal, including the ability to impose financial penalties, order the forfeiture of illegal gains made by violators, impose capital raising restrictions on businesses, and bar market participants from engaging in capital market activity. Although the law has expanded SEBI's enforcement authority over time, it neither specifies which infractions would result in which enforcement consequence nor establishes proportionality requirements for various offences or offenders.The research on SEBI's contribution to this growth and development is scant and somewhat out of date. By updating the changes in the securities markets throughout time, this paper updates the previous research. By improving the framework for assessing the appropriateness of institutional arrangements under SEBI and afterwards assessing whether the legislative arrangements at SEBI's disposal are adequate assure a well-functioning securities market, it adds to the body of existing research. This study will serve as a crucial starting point for a more thorough assessment of SEBI's contribution to the operation of the “Indian securities market”.

Keywords: Securities and Exchange Board of India, SEBI, Securities Contract Regulation Act, Securities Contract Regulation Rules, Controller of Capital Issues, Indian Securities Market.

1. INTRODUCTION

In response to the “World Bank and International Monetary Fund's Financial Services Assessment programmed”, which monitors and reports on the world's financial systems, the Indian parliament approved the “Securities and Exchange Board of India Act, 1992, creating the Securities and Exchange Board of India. The Indian government sought to create a robust financial environment and securities market, as well as a regulator that would support the most recent corporate governance norms”. In order to safeguard the rights of issuers and investors, SEBI establishes norms under which the securities market must function. SEBI has the authority to look into situations where the market or its participants have been affected and can impose rules and directions.Accountability and openness are guaranteed through an established appeals procedure. If a firm doesn't follow its governance rules and regulations, SEBI has the authority to remove it from the securities list.

The primary objective at the time of its inception was to stop improper practices such transparency issues in trading operationsand pricing paid to clients, Providing subpar services as a result of late or absent contract notes Delay in delivering shares to customers or in making payments to them, Odd lots' persistence and corporations' resistance to quit issuing shares in odd numbers, Insider trading by company representatives or brokers who manipulate prices, unofficial premiums on new issues, infractions of stock exchange rules and listing requirements, and more.

Customers began to lose trust in the stock exchange as a result of these frauds. Corporate governance in India needs to become more transparent because it has a significant impact on the country's development, as evidenced by a number of many well-publicized corporate governance fraud schemes, such as the stock market fraud, the UTI scam, the Ketan Parikh scam, and the Satyam scam, which received harsh criticism from shareholders. Only effective company governance can restore investors' faith and protect their interests. The purpose of this essay is to investigate SEBI's function in corporate upkeep and governance.

2. POWERS AND FUNCTIONS OF SEBI

The Government created SEBI to safeguard investors and encourage the securities market's orderly and healthy expansion. The Chairman of SEBI will be chosen by the Central Government. The Chairman will serve in that capacity until the Central Government decides otherwise and will be subject to any terms and conditions that may be established from time to time by the Government. The Central Government shall nominate additional SEBI members, not to exceed four. These individuals must have experience in and knowledge of the security and investment sectors.The SEBI Chairman will have the necessary authority to carry out the organization's duties successfully. SEBI is required to perform the following duties:

a) Handle all issues "pertaining to the growth and regulation of the securities market and investor protection";

b) Prepare a comprehensive piece of legislation for the growth and regulation of the securities market;

c) Perform any duties "that may be assigned to the Board or Chairman by the Central Government for the growth and regulation of the securities market".

SEBI will be allowed to choose its own methods and will have the authority to request documents from both official and non-official organisations that are pertinent to its work, as well as to hold meetings with them. Periodically, SEBI must provide the Government with reports on a variety of securities market topics as well as any other particular issues that may be requested by the Government. The Board is responsible for the following duties:

a) A regulation of the operation of stock exchanges and other securities markets,

b) registration and regulation of "the activities of stock brokers, sub-brokers, share transfer agents, bankers to an issue, trustees of trust deeds, registrars to an issue, merchant bankers, underwriters, portfolio managers, investment advisers, and other intermediaries who may be connected to the securities market in any way".

c) Registering collective investment plans, including mutual funds, and regulating their operation

d) "Promoting investor education and training of intermediaries in the securities market";

e) Prohibiting insider trading in securities; prohibiting substantial acquisition of shares and takeover of companies;encouraging and regulating self-regulatory organisations; and

f) Calling for information from, conducting inquiries,conducting inspections, and audits of the stock exchanges and intermediaries.

g) Performing the duties and exercising the authority granted to it by "the Central Government under the provisions of the Capital Issues (Control) Act, 1947 (subsequently repealed), and the Securities Contracts (Regulations) Act, 1956";

h) "levying fees or other charges for carrying out the purposes of Section 11 of the Act";

i) Conducting research for the aforementioned purpose; and carrying out any other duties that may be imposed by the Government.

3. SECURITIES MARKETS AND REGULATION IN INDIA

In terms of both value and deals, "the National Stock Exchange (NSE), founded in 1994, outperforms the Bombay Stock Exchange (BSE), founded in 1875", in the cash market. The sixteen regional exchanges' trading activity has all but vanished, with the exception of three, where trading

has virtually ceased altogether. Indian stock markets offer one of the most affordable trading platforms, excepting transaction taxes. The significant volume of transactions on the two exchanges demonstrates the value of the securities market to the Indian economy.

According to "NSE (2009)", "approximately 68.8% of the primary issuance of debt totaling Rs 6125 billion during 2008–09 and 99.3% of the secondary debt market turnover of Rs 62,713 billion were government paper, indicating that the market for corporate debt remained insignificant both in terms of resource mobilization and in terms of trading activity". Despite numerous governmental attempts, such as the requirement for price/order matching of trades in and dematerialization, the Indian corporate bond market, which consists mostly of commercial paper and bonds with maturities ranging from one to twelve years, is modest by worldwide standards.

From roughly Rs. 56 billion in 1993–1994 to over Rs. 6146 billion in 2008–09, purchases of securities by foreign institutional investors (FIIs) have increased significantly. As of March 2009, the total FII flows accounted for almost 8% of the market capitalization of the Bombay Stock Exchange . For several reasons, as we will discuss later in this paper, FIIs have become a significant class of investors. Several significant institutional developments have been at the core of this evolution in the securities market. This paper's research focuses on SEBI's regulatory involvement in bringing about these improvements.

In India, the legal structure that governs the trading of securities paints a somewhat ambiguous picture. India does highly on the DLLS (2003) formalism index but poorly in terms of enacting and upholding new laws, according to Berkowitz, Pistor, and Richard (2003). According to Hazra and Micevska, India's judicial system requires improvement because there are 23.2 million cases pending at both the lower and higher courts, and 63% of civil cases are older than a year and 31% are older than three years (2004). India performs well on the La Porta (2006) index of disclosure requirements, however this is countered by empirical evidence of earnings management methods.Similar to how SEBI performs well in terms of regulatory authority and autonomy, it falls well short of the SEC in terms of enforcement authority, as noted in Bose (2005).

3.1. ORGANIZATIONS REGULATING SECURITIES MARKETS IN INDIA

Currently, five agencies have a substantial regulatory impact, either directly or indirectly, on the Indian securities markets. These include:

- "The Company Law Board (CLB), a quasi-judicial entity that performs certain quasi-judicial and judicial powers under the Act that were formerly exercised by the Central Government and the High Court".
- "The Reserve Bank of India (RBI)", which is principally in charge of overseeing banks and the money markets.
- "The Department of Economic Affairs (DEA), which is in charge of managing the nation's economy and is the branch of government that is concerned with the orderly operation of the financial markets as a whole",
- "Securities and Exchange Board of India (SEBI), which is responsible for regulating capital markets and the various participants and activities therein, and Ministry of Corporate Affairs (MCA), which sits at the top of a three tier structure that has been established".

3.2. SECURITIES MARKET REGULATION PRIOR TO SEBI

The Stock Exchange Division of DEA had administrative jurisdiction over stock exchanges before to the foundation of "SEBI". The Stocks Contract Regulation Act of 1956 (SCR Act, 1956) was administered by the stock exchange division and regulated the buying, selling, and dealing of securities . The Controller of Capital Issues was in charge of controlling the raising or issuing of capital through the public securities market or in any other way (CCI).

In carrying out its duties, the CCI was required to achieve a number of social and economic goals, including (i) public investor protection, (ii) corporate investment alignment with Government of

India plan priorities, (iii) ensuring that the capital structure of companies was sound and in the public interest, (iv) preventing undue congestion of public issues at any time of the year, and (v) foreign investment regulation. The following were some of CCI's methods for achieving these goals: (i) micromanagement of the securities issuing process (ii) centralised administration and onerous processes and (iii) Strict restrictions over issuance quantity, terms (price and non-price), and even issue timing. Thus, the CCI regime was a blatant example of "merit regulation."

The CCI regime ultimately had the following effects: (i) it hindered resource mobilisation; (ii) it led to unhealthy administrative practises; (iii) it made the system unable to handle the increasing load of resource mobilisation; (iv) it caused the emergence of a "grey" market and its subsequent unfavourable effects on the capital market; and (v) it paid little to no attention to the growth of market institutions.Despite the fact that the CCI seems to have had many flaws, with the benefit of hindsight, the CCI's role must be viewed in the context of the political economy that was in place at the time. In this political economy, the government played a significant role in resource allocation to address a generalworry about distributive objectives and the generally underdeveloped state of the institutions that may have supported a market economy. An essential prerequisite had already been mentioned: an ideal corporation law. The Indian Companies Act of 1956 is the legislation that governs businesses in India “the Companies Act, hereafter”.

The Company's Act is a complex piece of legislation that regulates almost every aspect of how a body corporate functions in India. “The Companies Act and the rules enacted thereunder, which are modelled after and essentially derived from their British antecedents, are a key component of the regulation of a corporation in India and are applicable to all body corporates in that country”. The MCA claims that it “enables a statutory basis for basic corporate governance requirements required for operating the companies with openness and accountability, recognizing and defending the interests of numerous stakeholders.” (MCA (2009)).

The current Act was passed in 1956 and has undergone 25 changes, including two significant ones. To meet the business demands of that industry, companies in some sectors may be exempt from certain sections of the Companies Act. Examples of such industries that benefit from unique exemptions include banking and power production. The Company's Act offers complete coverage. For many years, a "full review" has been planned.

Enable a streamlined compact statute that would be able to accommodate the changes in the national and international scenario, enable adoption of internationally recognised best practises while offering flexibility for development of new arrangements as merited, is the goal of the review. (MCA (2005)). Too many and complicated laws and changes exist for this to be a useful explanation. We only point out that India has a well-established corporation law legislation that has been recognised as sufficient to suit the needs of the Indian corporate sector, despite occasional criticism that it is too laboriously complex and hence expensive to comply with.

4. CORPORATE GOVERNANCE

Although all body corporates, listed or not, should be concerned with corporate governance, SEBI has taken the lead in the push to raise standards in India. Long before corporate governance became the popular topic it is today, “the Companies Act addressed some aspects of the responsibility of the Board of Directors of a company collectively and that of directors individually. Clause 49 was added to the listing agreement as a result of SEBI activities, which began with the committee led by Mr. Kumar Mangalam Birla and continued with the two reports delivered by the committee led by Mr. N R Narayanamurthy”.

Clause 49's main provisions include “ensuring the Board's independence and disclosing their compensation (ii) ensuring the accuracy, sufficiency, and credibility of disclosures (iii), and (iii) requiring financial literacy among audit committee members and expertise in accounting or financial management among one of them. (iv) a requirement for a formal risk management policy (v) certification of financial and cash flow statements to the Board by the CEO/CFO; and (vii)

quarterly reporting to the stock exchanges on compliance with each clause 49 requirement".By December 31, 2005, all listed corporations have to comply with Clause 49. At the time of launching an IPO, all companies are expected to adhere to Clause 49.

The Sarbanes Oxley Act of 2002 is frequently contrasted with the requirements of Clause 49, and it is claimed that these provisions borrow from that law's goals and method for regulating corporate governance. Although some studies, "like Black and Khanna (2007), have attempted to gauge the impact of compliance with Clause 49 on the market valuation of corporations, it is possibly too early to quantify the impact of Clause 49 on the governance standards of companies in India. Others have questioned if simply passing regulations will be enough to guarantee the Board's actual independence and raise the bar for governance".

4.1. MARKET FOR CORPORATE CONTROL

"The SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997, generally referred to as the Takeover Code, which is itself a significantly modified version of the 1994 Code, considerably updated again in 2002", and currently the subject of a massive reform. (Mergers are not covered by the Code.) The Code has allowed an active market for corporate control to develop in India, despite receiving several critiques. According to the data, there were more corporate acquisition initiatives throughout the time period overall.An initiative completely due to SEBI is the Takeover Code. The purchase of assets and other acquisition methods seem to have been popular at the same time. Understanding all the methods of corporate acquisition is necessary to determine whether the takeover law hada favorable effect on the growth of the corporate control market.

4.2. TRADING AND TRADING MECHANISM

Many Indian stock exchanges were persuaded to adopt an electronic trading system thanks in large part to SEBI. "The automation of trading and post-trading systems on the major stock exchangesreduced (i) price manipulation and concealed audit trails of such manipulation (ii) ensured investors received time-based priority and accurate prices for their (iii) fundamentally changed the economics of the stock exchange business as operations of NSE and The Stock Exchange, Mumbai were permitted to be extended electronically to other cities from 1996–1997).As a result, from 57% in 1994–1995 (SEBI (1995)) to 4% in 2002–2003 (SEBI (2003)), the share of trade on regional stock markets decreased steadily". The fact that SEBI had to press some of the exchanges to switch to electronic trading despite market signals that this was likely to be the best course of action for Indian stock exchanges based on the success of NSE suggests that "market forces may not have provided the necessary incentives for the incumbent players to make the best decision for the trade as a whole".

4.3. INSTITUTIONALIZATION OF TRADING AND OWNERSHIP OF SECURITIES

The degree of institutional ownership of shares and the growing participation of institutions in the securities trade are important characteristics of many of the more developed securities markets. A sizable portion of these flows have been invested in stock ownership.Along with the sizable shareholdingthat Indian institutions, like insurance companies and former development financial institutions, currently hold. These shares were acquired through a number of mechanisms, including the direct purchase of equity stakes in Indian companies as well as the conversion of their loans to Indian corporates.

These flows are said to be valuable not only as a source of capital, but also for the effect they appear to have on market pricing. According to Allen et al., the correlation between monthly net FII inflows and monthly returns on the Sensex was 0.49 from 1994 to 2005, indicating a substantial and growing relationship between FII inflows and market gains, but one that is unclear in terms of causality. Even more significantly, according to certain academics like Goswami (2000), these investors have put pressure on Indian corporations to improve their governance standards.

Patibandla (2005) made the difference that state-owned or state-controlled investors did not contribute to equivalent gains in governance.

4.4. MARKET INTEGRITY AND INSIDER TRADING

There is a growing understanding that certain economic agents who have an informational advantage over others must not use that edge for personal financial gain in order to retain the confidence of investors in the public securities market. Insider trading "has totally no place in any fair-minded law-abiding economy," according to a comment attributed to "Mr. Arthur Levitt, a former chairman of the Securities and Exchange Commission of the United States.Additionally, there seems to be some empirical support for the idea that insider trading can raise volatility. Due to ineffective enforcement, SEBI's first insider trading legislation, the SEBI (Prohibition of Insider Trading) Regulations, 1992, did not achieve much success. These rules have undergone significant changes throughout time".

The present strategy focuses on avoiding insider trading by mandating that publicly traded businesses, middlemen, and advisors establish internal procedures for doing so and report to SEBI on compliance or otherwise. There has been some worry that this strategy places an undue strain on the organizations, which can be particularly burdensome for smaller groups. However, the consensus seems to be that prevention is preferable given the challenges in establishing and prosecuting an insider trading offence.The manipulation of the Indian financial markets has been a major source of worry. Traders and brokers frequently use manipulative tactics in the market. They frequently involve business owners, managers, or promoters who may stand to gain from their actions.

These have often been intended to use circular trading and other techniques to artificially inflate the price of the securities or to establish a phoney market in them. Such actions have not only been taken in the so-called "penny stocks," but also frequently in the shares of bigger, more established corporations. Therefore, manipulative methods have the potential to hurt the interests of both small and large investors, as well as those of the corporations whose shares are involved. Through the SEBI (Fraudulent and Unfair Trade Practices) Regulation, 2003, SEBI addressed these issues.SEBI has made a significant investment in market surveillance to support these regulatory efforts. Over time, the stock exchanges have largely taken over the duty of surveillance.

The level and type of monitoring devices placed in the various exchanges are actively being monitored by SEBI. There are procedures in place for looking into anomalous price changes in order for the stock exchanges to trade securitiesto notify SEBI of these occurrences. The below-discussed measures at enhancing governance are part of SEBI's efforts to increase the integrity of the securities markets. The ability of the stock exchanges, in particular, to effectively reduce the level of manipulative tactics in the market should be made possible by the division of property rights from trading rights.

4.5. GOVERNANCE OF STOCK EXCHANGES

Since its inception, SEBI's approach to stock exchange governance appears to have been shaped by the results of the examination finished in 1992–1993. According to SEBI (1993), "the main conclusion of this inspection was that the exchanges were not operating as effective SROs, were not policing their members through the enforcement of bye-laws, rules, and regulations, and gave little thought to resolving investor complaints with pending arbitration cases". Numerous revisions to the stock exchanges' regulations and articles of organisation were requested by SEBI in the years 1993–1994.

These modifications mostly dealt with "forcing a break before members could be reelected to the Board and including public representation on the boards overseeing stock exchanges and in the various statutory committees". In SEBI's annual report, the goal of these adjustments is succinctly stated: "It is envisioned that with this restructure stock exchanges will move away from their "closed club character" and re-orient themselves to function as public institutions. The move to

separate ownership and trading rights, also known as corporatization and de-mutualization, was SEBI's most important initiative to enhance the governance of stock exchanges in India (C&D, for short)".

The main demands of C&D were that all stock exchanges be corporatized and that the public, other than stockholders with trading rights, hold at least 51% of the stock exchanges' ownership. "Sixteen of the nineteen stock exchanges had completed the C&D requirement as of 2008-09, while three exchanges had lost recognition for failing to meet the standards".

5. SEBI ROLE IN CORPORATE GOVERNANCE

In an effort to enhance corporate governance, the SEBI has launched numerous initiatives since its founding in 1992, established a number of committees, and modified Clauses 35B and 49 of the listing agreement.Here, the listing agreement's Clause 35B and Clause 49 include rules and requirements that highlight the SEBI's involvement in corporate governance. SEBI standards and recommendations for good corporate governance under Clauses 35B and 49 of the listing agreement: "Since its inception, SEBI has worked to align Indian corporate governance practices with the standards set by other developed nations. The latest amendments to Clauses 35B and 49 of the Listing Agreement make Governance more effective and stringent in protecting the interests of all stakeholders. The updated Clause 49 of the Listing Agreement complies with the 2013 Companies Act. In the future, non-listing companies would also be subject to this rule, which is currently only applicable to organizations that are publicly traded, according to a SEBI explanation".

5.1. CLAUSE 35B

The Issuer has agreed to provide shareholders with the option to vote electronically or by postal ballot for any shareholder resolutions that must be passed at general meetings in accordance with the amended clause 35B. Meeting announcements must be sent to all members, the company's auditors, and the directors via registered mail, registered email, or courier. The notices must also be published on the company's official website. The possibility to cast postal and electronic ballots is something the organization should make clear in the meeting announcement.A big number of shareholders can choose the board members thanks to this provision.

5.2. BOARD COMPOSITION

This sub-clause outlines the ideal BOD composition, "which includes at least one-woman director and at least 50% non-executive directors. Again, it stipulates that half of the Board must be independent directors if the Chairman is an executive director. But if the Chairman is a nonexecutive director, then one-third of the board members must be independent".

5.3. RESTRICTIONS ON INDEPENDENT DIRECTORSHIP

No one may serve as an independent director of more than seven listed firms in accordance with the Revised Clause. A person may not serve as the independent director of more than three listed companies if they are a full-time director of any listed business. According to the 2013 New Companies Act, an independent director's term will be five years. Significant changes to the nonexecutive directors' salaries and disclosures are also included in the listing agreement's proposed revision to clause.

5.4. STOCK EXCHANGES

Economic Activity and Development Throughout the history of Indian corporate law's evolution, striking disparities have been present. India gained independence with one of the poorest economies in the world, but it also had a manufacturing sector that contributed 10% of the country's GDP, four active stock exchanges with clear rules governing listing, trading, and settlement, a well-established

equity culture among urban elites, and a banking system with robust lending standards and recovery procedures.India thus distinguished itself as having greater resources than the majority of other colonies in terms of business legislation and the financial system. On this foundation, the Firms Act of 1956 and rules governing the operation of joint stock companies and safeguarding investor rights were constructed.

Good corporate governance standards increase a company's value and stakeholders' trust, which leads to the healthy growth of the capital market, the economy, and also aids in the emergence of a lively and productive shareholder's activism. The ministry of corporate affairs has looked over committee findings and proposals for how to improve corporate governance that were submitted by various stakeholders.

The creation and dissemination of a set of voluntary guidelines known as Corporate Governance Voluntary 2009 that are pertinent in the current context have been deemed necessary. "Keeping in mind that there are inherent limitations in implementing many aspects of corporate governance by legal and regulatory measures, and that the subject of corporate governance may go well beyond the law".

Few people in the corporate sector of today are becoming tremendously wealthy overnight. Despite the popularity of social responsibility and corporate governance mechanisms, greed and the abundance of available chances enable criminals to act in an unwanted manner. Whatever they are dubbed as—CSR, corporate governance, social responsibility—they are all just words on paper for the sake of compliance.

6. CONCLUDING REMARK

The crucial element of the capital market, the securities market, is regulated by the Securities Exchange Board of India. SEBI was established by the SEBI Act of 1992. SEBI now has increased responsibilities and authority. But while having vast administrative authority, SEBI is still considered to be unable to control the growing scandals, infractions, and frauds in the securities sector. Small investors, in particular, are put at significant risk by SEBI's precarious situation, which also gives con artists plenty of opportunities to steal large sums of money.

As a result, this investigation examined 586 instances of "other than collective investment schemes" and discovered that rule infractions had been widespread since since SEBI was established. Six categories were used to group these incidents of SEBI rule and norm violations: resolved, resolved but still under appeal, unresolved, vanishing companies, delisted companies, and others. In summary, it can be concluded that information for 29.86% (175) of the cases was not available online, 12.47% (78) of the cases remained unresolved, and 56.79% (333) of the cases were resolved;According to the study's findings, it is clear that even though SEBI has the authority to punish wrongdoers, those who violate rules and norms frequently get away with it, leaving investors in a precarious situation.

According to our study, SEBI has actively enforced its rules, with the level of enforcement increasing after 2017. However, we discover that the majority of SEBI's enforcement power is focused on a small number of infractions, particularly insider trading, fraudulent and unfair trade practices, and takeover code. Over time, this ratio has stayed largely constant. Second, despite the SEBI Act's overall design, we discover that SEBI efficiently employs its directive-making authority to address, prevent, and punish wrongdoing in the securities market.This is clear from both the unusually long time frame for which such directives are in effect and the comparatively long time frame during which the proceedings were resolved prior to the issuance of such directions.

Third, the study shows that SEBI favours monetary penalties above nonmonetary ones, with the exception of violations of the Companies Act. Normal speaking, there are two reasons why this is a good habit. First off, compared to monetary fines, direction-making under the SEBI Act tends to be a harsher enforcement action due to the lack of a clear due process and the somewhat broader reasons for doing so. Second, the impact of a non-monetary sanction is difficult to quantify in

monetary terms, leaving room for debate over the proportionality of such sanctions.Having said that, the total amount of non-monetary penalties is not insignificant. We demonstrated that the conviction rates for all types of violations continue to be significantly high in the range of 80% in terms of the effectiveness of the usage of enforcement capacity.
While this might be a sign of high enforcement capacity, a more robust assessment would entail an estimation ofthe number of SEBI orders that are appealed against before the Securities Appellate Tribunal and the constitutional courts. This is a good area for further research. However, if one were to view efficiency from the perspective of time to disposal, we showed that the average time period in both the phases, namely, from the date of violation to the date of issuance of a SCN and from 625 the data of the SCN to the date of disposal of the proceeding, is significantly high.
In India, the area of securities laws is frequently examined in light of a particular case, a particular piece of legislation, or a particular court decision. While such analysis is valuable, it does little to advance our knowledge of how the regulator employs the tools at its disposal, how it strives to clamp down on various forms of wrongdoing, or how well it performs its enforcement duties. It is now easy to do thorough research on the application of securities regulations in India thanks to SEBI's constant posting of enforcement data on its website.

For the reasons already explained in the opening parts of the paper, such analysis is useful to the regulator and to the Parliament. To the best of our knowledge, while academic research has been undertaken on the enforcement of particular kinds of securities laws, such as insider trading or fraudulent practices, and too among the developed countries, this is the first attempt to undertake an overall descriptive assessment of a securities regulator in a developing country.A solid regulatory framework for the Indian market has been established by the introduction of the SEBI Act in conjunction with other statutes including the Companies Act, Depositories Act, and Securities Contracts Regulation Act.

Therefore, a significant portion of the Indian market's expansion may be credited to SEBI's effective mechanisms for the issuance, pricing, allocation, and listing of securities. It would be possible for SEBI to respond quickly to legal issues like those encountered during dematerialization or disclosure obligations if its investigative, administrative, and legal powers were strengthened. To increase public confidence, SEBI should adopt more transparency in the future.

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