SEBI 1992

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function of Board →

function

Duty of Board (SS-1.) → General function of Board (2) → To Investigate Accounts (2 A) → Extra ordinary Power (SS-4)

General function of Board → (Sec. 2.)

1. To Regulate the working of Stock exchange.
2. To Regulate ~~the~~ & register of Broker etc.
3. To Regulate & register mutual funds etc.
4. To Regulate & Register foreign institution investor including credit rating agency.
5. To Regulate & Register Substantial acquisition of shares.
6. To Prohibited insider Trading.

Levy = उगाही

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~~(1) To Regulate assorting~~

(7) To Promote the investor education

(8) To Promote & Regulate self regulatory organisation.

(9) To calls the information from bank in regarding the ~~investigation~~ transaction which are in the investigation.

(10) To conduct enquiry, audit to calls the information.

(11) To perform the power given by the govt.

(12) To perform the extra power to fulfill the above object.

(13) To levy the fees and taxes.

~~Investigate~~

Extra Ordinary Power (SS4)

(1) To prohibited any intermediators.

(2) To restrict any person to work in exchange

(3) To restrict any company to trade in Stock exchange

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(4) To attach the bank account of intermediaries after the approval of judicial megistrate of I class for maximum 1 month.

(5) To impound any transaction/security.

(6) To prohibited ~~order~~ any person (on which enquiry or investigation is continue) ~~for~~ to dispose off any asset related to the enquiry or investigation.

Note: If the listed co. is engaged in the Insider Treading only then the SEBI will use the above power no. 4, 5, and 6. otherwise it will not use that powers in other ~~case~~ case.

for the Protection of Investor (Sec 11A)

To Specify the matter for issue of share	Prohibited issue of Prospectus

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Board can Issue Direction (Sec 11B)

Direction to whom

1. To Intermediators
2. To whom company on which sec 11A apply.

Object of Issue of Directions

1. To proper Management.
2. To protect the interest of investor.
3. To prevent the affais of any intermediary

Investigation (Sec 11C)

Grounds for Inspection (SS-1)

Duty SS-2

Power of Investigating Authority

- SS-3
- SS-4
- SS-5

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~~Penalties. S. Sec~~

Penalty.
SS-6

To Seize books & Papers.

↓ SS-8 ↓ SS 9 ↓ SS 10 ↓ SS-11

Grounds for Inspection.

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- Derimental to the investor or Stock exchange market
- Violation of any provision by intermediary or person associate with security market

Duty.

↓

Manager, MD, officer, other employee of a company or intermediary

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To produce books & paper to investigating authority

↓

To provide further information to investigating authority.

Power of Investigating Authority

(1) To produce books & Account

(2) To provide further Information.

(SS-3)

Keep books & papers for 6 months only

(SS-4)

To call any person to appear. and ask him to oath.

(SS-5)

Penalty (SS-6)

To Seize Books & papers

SS-8 → (1) To make an Application to Magistrate of first class to seize books & papers.

~~[illegible]~~ (2) If the reasonable ground, then court will permit to the investigating authority.

SS-9 → To ~~keep the~~ seize the books & papers in the manner specified by the court.

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SS-10 → 1 To keep ~~a~~ books or papers till the conclusion of the investigation.

~~SS-11 → To procedure followed according SS-11 to seize the books + papers.~~

SS-11 → Procedure to seize the books + papers.

Cease and Desist Proceedings (Sec 11D)

Order will be passed ~~for~~ against to listed company when it is engaged in the Insider Trading or market manipulation.

Prohibition by SEBI. (Sec. 12A)

Employ or Use	Use or Practice	Engage
Insider Trading	Deal in Non public Information	Acquire control of company/security in contravention of act.

Collective Investment Scheme (Sec. 11 AA)

Meaning →
1. पैसा Dividend ~~[illegible]~~ के लिए देते है।
2. पैसा किसी और के द्वारा Manage किया जाता है।
3. पैसा देने वाले Day to day management में हिस्सा नहीं लेते है।

M.Imp.

Penalties.

	Quantum of Penalty.	Nature of Contravention.
15A	1 lakh per day or 1 crore whichever is less	Failure to furnish document etc. etc.
15B	1 lakh per day or 1 crore whichever is less	Failure to make contract
15C	1 lakh per day or 1 crore whichever is less	Failure to remove grievence
15D	1 lakh per day or 1 crore whichever is less.	To carry on without certificate with certificate to carry but fail to fulfill conditions

15E	1 lakh perday or 1 crore whichever is less.	Failure by asset management company. example ⇒ Mutual fund.
15F (a)	Not exceeding 5 times.	failure to issue contract notes by stock broker in the manner specified by the stock exchange.
(b)	1 lakh per day or 1 crore. whichever is less.	Fail to deliever any security or fails to make payment ~~to~~ of the amount due to the investor by stock broker
(c)	1 lakh or 5 times the amount of excess brokerage charge whichever is Higher	A registered stock broker charges brokerage in excess of the brokerage specified in the regulation.
15 G.	25 Crore or 3 times the amount of profit made out of such default. whichever is Higher	(i) Where an insider deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price sensitive information. (ii) Where an insides communicates any ~~information~~ unpublished

		price sensitive information to any person except as required in the ordinary course of business or under any law.
		(iii) where an insider counsels, or procures for any other person to deal in any securities of any body corporate on the basis of unpublished price sensitive information.
15HA	25 crore or 3 times of profit whichever is Higher.	where a person indulges in fraudulent and unfair trade practice relating to Security
15HB	Maximum Rs. 1. crore.	where a person fails to comply with any provision of this act, rule, regulation made there under or direction issued by SEBI for which no separate penalty has been provided.
15H.	25 Crore or 3 time of profit whichever is Higher.	(i) failure to disclose the aggregate of his shareholding in the body corporate before he acquires any shares of that body corporate.

(ii) failure to make a public announcement to acquire shares at a minimum prices.

(iii) failure to make a public offer by sending letter of offer to the shareholders of the concerned company.

(iv) failure to make payment of consideration to the shareholders who sold their shares pursuant to letter of offer.

24.	Imprisonment for not less than 1 month but up to 10 years. 'or' fine up to 25 crore 'or' Both	Where a person fails to pay the penalty imposed by adjudicating offices or fails to comply with any of his direction or order

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Imp. Adjudicating Authority (Sec 15-I)

Imp. factor to be taken in to Account (Sec 15 J)

① Contravention की वजह से कितना Profit हुआ है।

② Contravention की वजह से investor को कितना loss हुआ है।

③ क्या वह person बार-बार Contravention कर रहा है।

इन सब बातों को देखकर ही penalty impose की जाएगी।

Not Important

Sec 24 A → Composition

24 B → Grant Immunity

Appeal to Securities Appellate Tribunal (SAT)

(Sec 15T)

Appeal to SAT.

- Appealable Orders
  - With in 45 days
  - delay in Appeal → SAT May Permit
  - SAT can modify / set off / change order of Adjudicating Authority
  - Appeal should be made in 3 copies with authorised signature
- Consent Order
  - No Appeal can make to SAT.

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Appeal against the Order of SAT (Sec. 15Z)

Appeal to Supreme Court

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With in 60 days

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Delay in Appeal

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Supreme Court may provide other 60 days to appeal.