

CA FINAL SEBI ACT 1992

SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

ESTABLISHMENT OF SEBI SEC 3 & 4



By CG by issuing a notification in the Official Gazette.

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HO at Mumbai

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SEBI is a body corporate having perpetual succession and a common seal



CONSTITUTION OF SEBI

**One
Chairman**

Two members from amongst the officials of the Ministry of CG dealing with finance and administration.

One member from amongst the officials of the RBI;

Five other members of whom at least three shall be whole time members

The members of SEBI shall be appointed by **CG**.

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The general superintendence, direction and management of the affairs of the SEBI shall vest in a Board of members pursuing

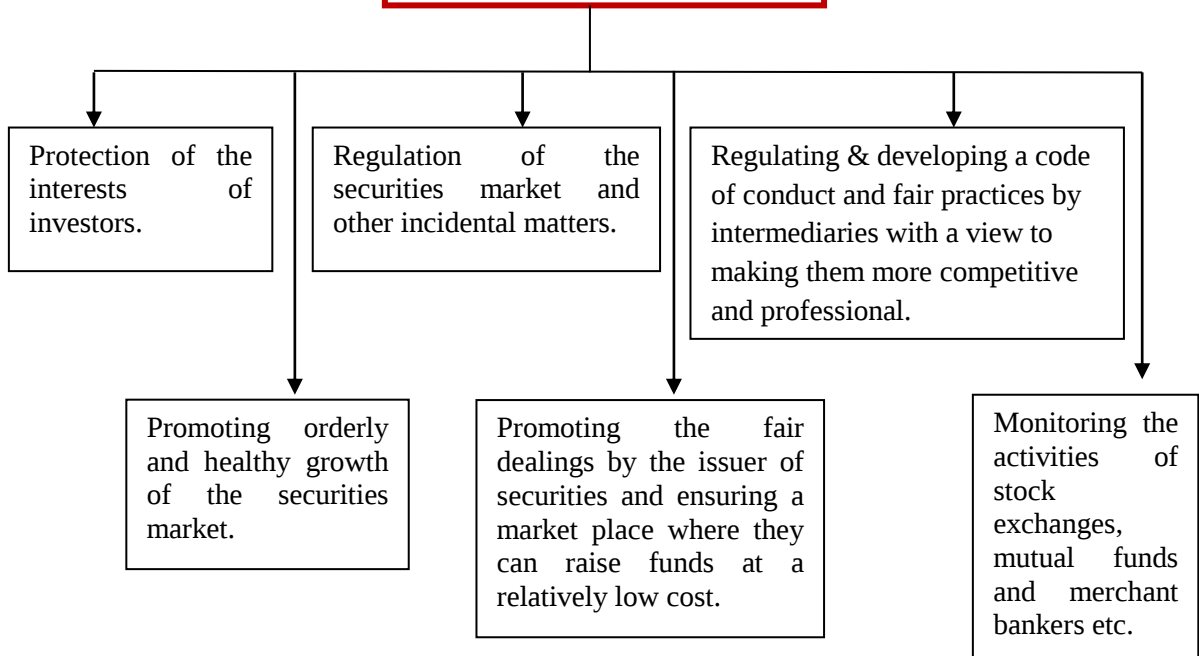
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The Chairman and the other members shall be persons of ability, integrity and standing who have shown capacity in dealing with problems relating to securities market or have special knowledge or experience of law, finance, economics, accountancy, administration or in any other discipline which, in the opinion of CG, shall be useful to SEBI.

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OBJECTS OF THE SEBI ACT



PROHIBITION ON ISSUE OF PROSPECTUS SEC 11 A

SEBI may for the protection of investors, by general or special orders

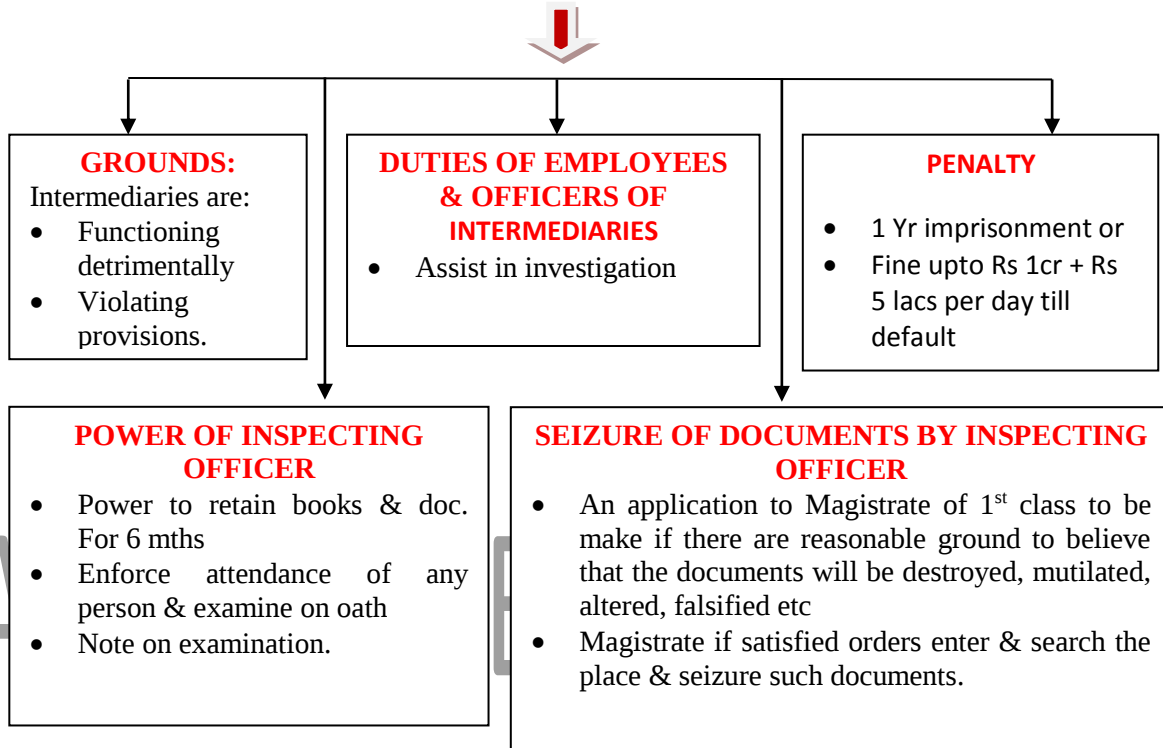
Prohibit any company from issuing of prospectus, any offer document, or advertisement soliciting money from the public for the issue of securities

Specify the conditions subject to which the prospectus, such offer document or advertisement, if not prohibited, may be issued.

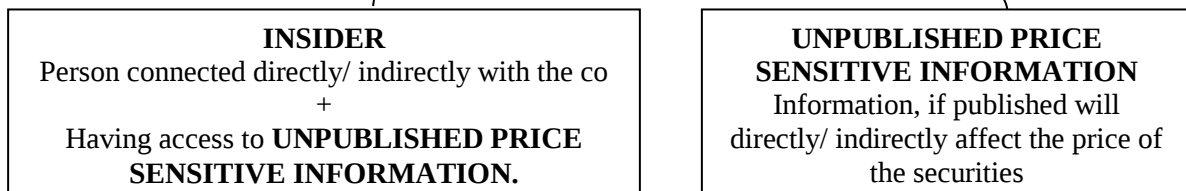
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INVESTIGATION OF INTERMEDIARIES BY SEBI sec 11C

SEBI appoints an **INSPECTING OFFICER**



INSIDER TRADING SEC 15 G

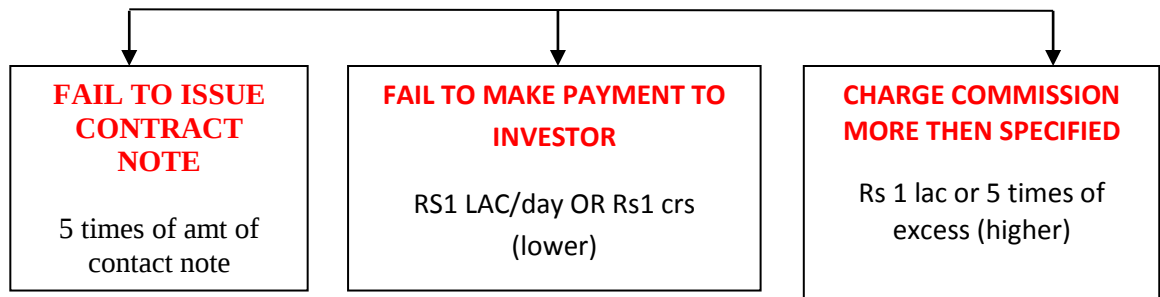


Penalty= Rs 25 crs or 3 times of amt of profit (higher)

- If he deals himself or
- Communicate such information.

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PENALTIES ON STOCK BROKERS SEC 15 F



Factors considered before imposing penalty:

- Amt of loss suffered by investor
- Amt of unfair gain to stock broker
- Repetitive nature of default.

APPEAL AGAINST ORDER OF SEBI

