

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA

UNSTARRED QUESTION NO. 1506

TO BE ANSWERED ON 14TH MARCH, 2023/ 23 PHALGUNA, 1944 (SAKA)

SEBI'S ROLE IN PROTECTING THE INTERESTS OF INVESTORS

1506. Dr. John Brittas:

Will the Minister of Finance be pleased to state:

- (a) the role of SEBI in protecting the interests of the investors and investigating into charges of stock manipulations and accounting frauds by companies;
- (b) whether there are any proposals to tighten the rules and regulations for regulating the share market; and
- (c) if so, the details thereof?

ANSWER

SHRI PANKAJ CHAUDHRY
MINISTER OF STATE FOR FINANCE

(a): The Securities and Exchange Board of India (SEBI), as the statutory regulator of securities markets, is mandated to put in place regulatory frameworks for effecting stable operations and development of the securities markets including protection of investors. SEBI has put in place SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 to ensure protection of investors against frauds and insider trading in securities markets. As per its mandate, it conducts investigations into any alleged violations of its Regulations by any market entity. SEBI also undertakes various investor education and awareness activities to create awareness on relevant issues and to protect the interests of investors in securities market.

(b) and (c): SEBI is empowered to frame appropriate regulations and update them, as and when required, in response to the dynamic nature of the markets and the new types of behavior that the market exhibits. Further, the Hon'ble Supreme Court vide its order dated 02.03.2023 has constituted an Expert Committee for the assessment of the extant regulatory framework and for making recommendations to strengthen it.
