



सत्यमेव जयते

The Securities and Exchange Board of India Act, 1992

(ACT No. 15 OF 1992)

[As on the 15th December, 2025]

LIST OF AMENDING ACTS

1. The Securities Laws (Amendment) Act, 1995 (9 of 1995).
2. The Depositories Act, 1996 (22 of 1996).
3. The Securities Laws (Amendment) Act, 1999 (31 of 1999).
4. The Repealing and Amending Act, 2001 (30 of 2001).
5. The Securities and Exchange Board of India (Amendment) Act, 2002 (59 of 2002).
6. The Securities and Insurance Laws (Amendment and Validation) Act, 2010 (26 of 2010).
7. The Securities Laws (Amendment) Act, 2014 (27 of 2014).
8. The Finance Act, 2017 (7 of 2017).
9. The Finance Act, 2018 (13 of 2018).
10. The Banning of Unregulated Deposit Schemes Act, 2019 (21 of 2019).
11. The Finance (No. 2) Act, 2019 (23 of 2019).
12. The International Financial Services Central Authority Act, 2019 (50 of 2019).
13. The Finance Act, 2021 (13 of 2021).
14. The Tribunal Reforms Act, 2021 (33 of 2021).

LIST OF ABBREVIATIONS USED

Cl., cls.	.	.	.	.	.	<i>for</i>	Clause, clauses.
Ins.	.	.	.	.	.	„	Inserted.
Notifn.	.	.	.	.	.	„	Notification.
S., ss.	.	.	.	.	.	„	Section, sections.
Sch.	.	.	.	.	.	„	Schedule.
Subs.	.	.	.	.	.	„	Substituted.
w.e.f.	„	with effect from.

THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

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THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

ACT NO. 15 OF 1992

[4th April, 1992.]

An Act to provide for the establishment of a Board to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Forty-third Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Securities and Exchange Board of India Act, 1992.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 30th day of January, 1992.

2. Definitions.—(1) In this Act, unless the context otherwise requires,—

(a) “Board” means the Securities and Exchange Board of India established under section 3;

(b) “Chairman” means the Chairman of the Board;

¹[(ba) “collective investment scheme” means any scheme or arrangement which satisfies the conditions specified in section 11AA;]

(c) “existing Securities and Exchange Board” means the Securities and Exchange Board of India constituted under the Resolution of the Government of India in the Department of Economic Affairs No. 1(44)SE/86, dated the 12th day of April, 1988;

(d) “Fund” means the Fund constituted under section 14;

²[(da) “Insurance Regulatory and Development Authority” means the Insurance Regulatory and Development Authority of India established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);]

(db) “Judicial Member” means a Member of the Securities Appellate Tribunal appointed under sub-section (1) of section 15MA and includes the Presiding Officer;]

(e) “member” means a member of the Board and includes the Chairman;

(f) “notification” means a notification published in the Official Gazette;

²[(fa) “Pension Fund Regulatory and Development Authority” means the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013);]

(g) “prescribed” means prescribed by rules made under this Act;

(h) “regulations” means the regulations made by the Board under this Act;

³[(ha) “Reserve Bank” means the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934);]

(i) “securities” has the meaning assigned to it in section 2 of the Securities Contracts (Regulation) Act, 1956 (41 of 1956);

²[(j) “Technical Member” means a Technical Member appointed under sub-section (1) of section 15MB.]

1. Ins. by Act 31 of 1999, s. 11 (w.e.f. 22-2-2000).

2. Ins. by Act 7 of 2017, s. 146 (w.e.f. 26-4-2017).

3. Ins. by Act 59 of 2002, s. 2 (w.e.f. 29-10-2002).

¹[(2) Words and expressions used and not defined in this Act but defined in ²[the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Depositories Act, 1996 (22 of 1996)] shall have the meanings respectively assigned to them in that Act.]

CHAPTER II

ESTABLISHMENT OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

3. Establishment and incorporation of Board.—(1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Act, a Board by the name of the Securities and Exchange Board of India.

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued.

(3) The head office of the Board shall be at Bombay.

(4) The Board may establish offices at other places in India.

4. Management of the Board.—(1) The Board shall consist of the following members, namely:—

(a) a Chairman;

(b) two members from amongst the officials of the ³[Ministry] of the Central Government dealing with Finance ⁴[and administration of the Companies Act, 1956 (1 of 1956)];

(c) one member from amongst the officials of ⁵[the Reserve Bank];

⁶[(d) five other members of whom at least three shall be the whole-time members,]

to be appointed by the Central Government.

(2) The general superintendence, direction and management of the affairs of the Board shall vest in a Board of members, which may exercise all powers and do all acts and things which may be exercised or done by the Board.

(3) Save as otherwise determined by regulations, the Chairman shall also have powers of general superintendence and direction of the affairs of the Board and may also exercise all powers and do all acts and things which may be exercised or done by that Board.

(4) The Chairman and members referred to in clauses (a) and (d) of sub-section (1) shall be appointed by the Central Government and the members referred to in clauses (b) and (c) of that sub-section shall be nominated by the Central Government and the ⁷[Reserve Bank] respectively.

(5) The Chairman and the other members referred to in clauses (a) and (d) of sub-section (1) 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 the Central Government, shall be useful to the Board.

5. Term of office and conditions of service of Chairman and members of the Board.—(1) The term of office and other conditions of service of the Chairman and the members referred to in clause (d) of sub-section (1) of section 4 shall be such as may be prescribed.

(2) Notwithstanding anything contained in sub-section (1), the Central Government shall have the right to terminate the services of the Chairman or a member appointed under clause (d) of sub-section (1) of section 4, at any time before the expiry of the period prescribed under sub-section (1), by giving him

1. Subs. by Act 9 of 1995, s. 2, for sub-section (2) (w.e.f. 25-1-1995).

2. Subs. by Act 22 of 1996, s. 30 and Sch., for “the Securities Contracts (Regulation) Act, 1956 (42 of 1956)” (w.e.f. 20-9-1995).

3. Subs. by Act 59 of 2002, s. 3, for “Ministries” (w.e.f. 29-10-2002).

4. Subs. by s. 3, *ibid.*, for “and Law” (w.e.f. 29-10-2002).

5. Subs. by s. 3, *ibid.*, for “the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934)” (w.e.f. 29-10-2002).

6. Subs. by s. 3, *ibid.*, for clause (d) (w.e.f. 29-10-2002).

7. Subs. by s. 3, *ibid.*, for “Reserve Bank of India” (w.e.f. 29-10-2002).

notice of not less than three months in writing or three months' salary and allowances in lieu thereof, and the Chairman or a member, as the case may be, shall also have the right to relinquish his office, at any time before the expiry of the period prescribed under sub-section (1), by giving to the Central Government notice of not less than three months in writing.

6. Removal of member from office.—^{1***} The Central Government shall remove a member from office if he—

(a) is, or at any time has been, adjudicated as insolvent;

(b) is of unsound mind and stands so declared by a competent court;

(c) has been convicted of an offence which, in the opinion of the Central Government, involves a moral turpitude;

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(e) has, in the opinion of the Central Government, so abused his position as to render his continuation in office detrimental to the public interest:

Provided that no member shall be removed under this clause unless he has been given a reasonable opportunity of being heard in the matter.

7. Meetings.—(1) The Board shall meet at such times and places, and shall observe such rules of procedure in regard to the transaction of business at its meetings (including quorum at such meetings) as may be provided by regulation.

(2) The Chairman or, if for any reason, he is unable to attend a meeting of the Board, any other member chosen by the members present from amongst themselves at the meeting shall preside at the meeting.

(3) All questions which come up before any meeting of the Board shall be decided by a majority votes of the members present and voting, and, in the event of an equality of votes, the Chairman, or in his absence, the person presiding, shall have a second or casting vote.

³[7A. **Member not to participate in meetings in certain cases.**—Any member, who is a director of a company and who as such director has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Board, shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and such disclosure shall be recorded in the proceedings of the Board, and the member shall not take any part in any deliberation or decision of the Board with respect to that matter.]

8. Vacancies, etc., not to invalidate proceedings of Board.—No act or proceeding of the Board shall be invalid merely by reason of—

(a) any vacancy in, or any defect in the constitution of, the Board; or

(b) any defect in the appointment of a person acting as a member of the Board; or

(c) any irregularity in the procedure of the Board not affecting the merits of the case.

9. Officers and employees of the Board.—(1) The Board may appoint such other officers and employees as it considers necessary for the efficient discharge of its functions under this Act.

(2) The term and other conditions of service of officers and employees of the Board appointed under sub-section (1) shall be such as may be determined by regulations.

1. The brackets and figure “(1)” omitted by Act 9 of 1995, s. 3 (w.e.f. 25-1-1995).

2. Cl. (d) omitted by Act 9 of 1995, s. 3 (w.e.f. 25-1-1995).

3. Ins. by s. 4, *ibid.* (w.e.f. 25-1-1995).

CHAPTER III

TRANSFER OF ASSETS, LIABILITIES, ETC., OF THE EXISTING SECURITIES AND EXCHANGE BOARD TO THE BOARD

10. Transfer of assets, liabilities, etc., of existing Securities and Exchange Board to the Board.—

(1) On and from the date of establishment of the Board,—

(a) any reference to the existing Securities and Exchange Board in any law other than this Act or in any contract or other instrument shall be deemed as a reference to the Board;

(b) all properties and assets, movable and immovable, of, or belonging to, the existing Securities and Exchange Board, shall vest in the Board;

(c) all rights and liabilities of the existing Securities and Exchange Board shall be transferred to, and be the rights and liabilities of, the Board;

(d) without prejudice to the provisions of clause (c), all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the existing Securities and Exchange Board immediately before that date, for or in connection with the purpose of the said existing Board shall be deemed to have been incurred, entered into or engaged to be done by, with or for, the Board;

(e) all sums of money due to the existing Securities and Exchange Board immediately before that date shall be deemed to be due to the Board;

(f) all suits and other legal proceedings instituted or which could have been instituted by or against the existing Securities and Exchange Board immediately before that date may be continued or may be instituted by or against the Board; and

(g) every employee holding any office under the existing Securities and Exchange Board immediately before that date shall hold his office in the Board by the same tenure and upon the same terms and conditions of service as respects remuneration, leave, provident fund, retirement and other terminal benefits as he would have held such office if the Board had not been established and shall continue to do so as an employee of the Board or until the expiry of the period of six months from that date if such employee opts not to be the employee of the Board within such period.

(2) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947), or in any other law for the time being in force, absorption of any employee by the Board in its regular service under this section shall not entitle such employee to any compensation under that Act or other law and no such claim shall be entertained by any court, tribunal or other authority.

CHAPTER IV

POWERS AND FUNCTIONS OF THE BOARD

11. Functions of Board.—(1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.

(2) Without prejudice to the generality of the foregoing provisions, the measures referred to therein may provide for—

(a) regulating the business in stock exchanges and any other securities markets;

(b) registering and regulating the working 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 such other intermediaries who may be associated with securities markets in any manner;

¹[(ba) registering and regulating the working of the ²[depositories, participants, custodians] of securities, foreign institutional investors, credit rating agencies and such other intermediaries as the Board may, by notification, specify in this behalf;]

1. Ins. by Act 9 of 1995, s. 5 (w.e.f. 25-1-1995).

2. Subs. by Act 22 of 1996, s. 30 and Sch., for “depositories, custodians” (w.e.f. 20-9-1995).

(c) registering and regulating the working of ¹[venture capital funds and collective investment schemes], including mutual funds;

(d) promoting and regulating self-regulatory organisations;

(e) prohibiting fraudulent and unfair trade practices relating to securities markets;

(f) promoting investors' education and training of intermediaries of securities markets;

(g) prohibiting insider trading in securities;

(h) regulating substantial acquisition of shares and take-over of companies;

(i) calling for information from, undertaking inspection, conducting inquiries and audits of the ²[stock exchanges, mutual funds, other persons associated with the securities market] intermediaries and self-regulatory organisations in the securities market;

³[(ia) calling for information and records from any person including any bank or any other authority or board or corporation established or constituted by or under any Central or State Act which, in the opinion of the Board, shall be relevant to any investigation or inquiry by the Board in respect of any transaction in securities;]

⁴[(ib) calling for information from, or furnishing information to, other authorities, whether in India or outside India, having functions similar to those of the Board, in the matters relating to the prevention or detection of violations in respect of securities laws, subject to the provisions of other laws for the time being in force in this regard:

Provided that the Board, for the purpose of furnishing any information to any authority outside India, may enter into an arrangement or agreement or understanding with such authority with the prior approval of the Central Government;]

(j) performing such functions and exercising such powers under the provisions of ⁵*** the Securities Contracts (Regulation) Act, 1956 (42 of 1956), as may be delegated to it by the Central Government;

(k) levying fees or other charges for carrying out the purposes of this section;

(l) conducting research for the above purposes;

⁶[(la) calling from or furnishing to any such agencies, as may be specified by the Board, such information as may be considered necessary by it for the efficient discharge of its functions;]

(m) performing such other functions as may be prescribed.

⁷[(2A) Without prejudice to the provisions contained in sub-section (2), the Board may take measures to undertake inspection of any book, or register, or other document or record of any listed public company or a public company (not being intermediaries referred to in section 12) which intends to get its securities listed on any recognised stock exchange where the Board has reasonable grounds to believe that such company has been indulging in insider trading or fraudulent and unfair trade practices relating to securities market.]

⁸[(3) Notwithstanding anything contained in any other law for the time being in force while exercising the powers under ⁹[clause (i) or clause (ia) of sub-section (2) or sub-section (2A)], the Board shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908) while trying a suit, in respect of the following matters, namely:—

(i) the discovery and production of books of account and other documents, at such place and such time as may be specified by the Board;

1. Subs. by Act 9 of 1995, s. 5, for "collective investment schemes" (w.e.f. 25-1-1995).

2. Subs. by s. 5, *ibid.*, for "stock exchanges and" (w.e.f. 25-1-1995).

3. Subs. by Act 27 of 2014, s. 2, for clause (ia) (w.e.f. 18-7-2013).

4. Ins. by s. 2, *ibid.* (w.e.f. 6-3-1998).

5. The words, brackets and figures "the Capital Issues (Control) Act, 1947 (29 of 1947) and" omitted by Act 9 of 1995, s. 5 (w.e.f. 25-1-1995).

6. Ins. by s. 5, *ibid.* (w.e.f. 25-1-1995).

7. Ins. by Act 59 of 2002, s. 4 (w.e.f. 29-10-2002).

8. Ins. by Act 9 of 1995, s. 5 (w.e.f. 25-1-1995).

9. Subs. by Act 59 of 2002, s. 4, for "clause (i) of sub-section (2)" (w.e.f. 29-10-2002).

(ii) summoning and enforcing the attendance of persons and examining them on oath;

(iii) inspection of any books, registers and other documents of any person referred to in section 12, at any place;]

¹[(iv) inspection of any book, or register, or other document or record of the company referred to in sub-section (2A);

(v) issuing commissions for the examination of witnesses or documents.]

¹[(4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely:—

(a) suspend the trading of any security in a recognised stock exchange;

(b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;

(c) suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;

(d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;

²[(e) attach, for a period not exceeding ninety days, bank accounts or other property of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder:

Provided that the Board shall, within ninety days of the said attachment, obtain confirmation of the said attachment from the Special Court, established under section 26A, having jurisdiction and on such confirmation, such attachment shall continue during the pendency of the aforesaid proceedings and on conclusion of the said proceedings, the provisions of section 28A shall apply:

Provided further that only property, bank account or accounts or any transaction entered therein, so far as if related to the proceeds actually involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder shall be allowed to be attached.]

(f) direct any intermediary or any person associated with the securities market in any manner not to dispose of or alienate an asset forming part of any transaction which is under investigation:

Provided that the Board may, without prejudice to the provisions contained in sub-section (2) or sub-section (2A), take any of the measures specified in clause (d) or clause (e) or clause (f), in respect of any listed public company or a public company (not being intermediaries referred to in section (2) which intends to get its securities listed on any recognised stock exchange where the Board has reasonable grounds to believe that such company has been indulging in insider trading or fraudulent and unfair trade practices relating to securities market:

Provided further that the Board shall, either before or after passing such orders, give an opportunity of hearing to such intermediaries or persons concerned.]

³[(4A) Without prejudice to the provisions contained in sub-sections (1), (2), (2A), (3) and (4), section 11B and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.]

⁴[(5) The amount disgorged, pursuant to a direction issued, under section 11B of this Act or section 12A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or section 19 of the Depositories Act, 1996 (22 of 1996), ³[or under a settlement made under section 15JB or section 23JA of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or section 19-IA of the Depositories Act, 1996 (22 of 1996)] as the case may be, shall be credited to the Investor Protection and Education Fund

1. Ins. by Act 59 of 2002, s. 4 (w.e.f. 29-10-2002).

2. Subs. by Act 21 of 2019, s. 42 and Sch. II, for clause (e) (w.e.f. 21-2-2019).

3. Ins. by Act 13 of 2018, s. 179 (w.e.f. 8-3-2019).

4. Ins. by Act 27 of 2014, s. 2 (w.e.f. 18-7-2013).

established by the Board and such amount shall be utilised by the Board in accordance with the regulations made under this Act.]

¹ ²**[11A. Board to regulate or prohibit issue of prospectus, offer document or advertisement soliciting money for issue of securities.—**(1) Without prejudice to the provisions of the Companies Act, 1956 (1 of 1956), the Board may, for the protection of investors,—

(a) specify, by regulations—

(i) the matters relating to issue of capital, transfer of securities and other matters incidental thereto; and

(ii) the manner in which such matters shall be disclosed by the companies;

(b) by general or special orders—

(i) prohibit any company from issuing prospectus, any offer document, or advertisement soliciting money from the public for the issue of securities;

(ii) specify the conditions subject to which the prospectus, such offer document or advertisement, if not prohibited, may be issued.

(2) Without prejudice to the provisions of section 21 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Board may specify the requirements for listing and transfer of securities and other matters incidental thereto.]

³**[11AA. Collective investment scheme.—**(1) Any scheme or arrangement which satisfies the conditions referred to in sub-section (2) ⁴[or sub-section (2A)] shall be a collective investment scheme:

⁴[Provided that any pooling of funds under any scheme or arrangement, which is not registered with the Board or is not covered under sub-section (3), involving a corpus amount of one hundred crore rupees or more shall be deemed to be a collective investment scheme.]

(2) Any scheme or arrangement made or offered by any ⁵[person] under which,—

(i) the contributions, or payments made by the investors, by whatever name called, are pooled and utilized for the purposes of the scheme or arrangement;

(ii) the contributions or payments are made to such scheme or arrangement by the investors with a view to receive profits, income, produce or property, whether movable or immovable, from such scheme or arrangement;

(iii) the property, contribution or investment forming part of scheme or arrangement, whether identifiable or not, is managed on behalf of the investors;

(iv) the investors do not have day-to-day control over the management and operation of the scheme or arrangement.

⁴[(2A) Any scheme or arrangement made or offered by any person satisfying the conditions as may be specified in accordance with the regulations made under this Act.]

(3) Notwithstanding anything contained in sub-section (2) ⁴[or sub-section (2A)], any scheme or arrangement—

(i) made or offered by a cooperative society registered under the Co-operative Societies Act, 1912 (2 of 1912) or a society being a society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State;

(ii) under which deposits are accepted by non-banking financial companies as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934);

1. Ins. by Act 9 of 1995, s. 6 (w.e.f. 25-1-1995).

2. Subs. by Act 59 of 2002, s. 5, for section 11A (w.e.f. 29-10-2002).

3. Ins. by Act 31 of 1999, s. 11 (w.e.f. 22-2-2000).

4. Ins. by Act 27 of 2014, s. 3 (w.e.f. 18-7-2013).

5. Subs. by s. 3, *ibid.*, for “company” (w.e.f. 18-7-2013).

(iii) being a contract of insurance to which the Insurance Act, 1938 (4 of 1938), applies;

(iv) providing for any scheme, pension scheme or the insurance scheme framed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952);

(v) under which deposits are accepted under section 58A of the Companies Act, 1956 (1 of 1956);

(vi) under which deposits are accepted by a company declared as a *Nidhi* or a Mutual Benefit Society under section 620A of the Companies Act, 1956 (1 of 1956);

(vii) falling within the meaning of chit business as defined in clause (e) of section 2 of the Chit Funds Act, 1982 (40 of 1982);

(viii) under which contributions made are in the nature of subscription to a mutual fund;

¹[(ix) such other scheme or arrangement which the Central Government may, in consultation with the Board, notify,]

shall not be a collective investment scheme.]

11B. Power to issue directions ²[and levy penalty].—³[(1)] Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary—

(i) in the interest of investors, or orderly development of securities market; or

(ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interests of investors or securities market; or

(iii) to secure the proper management of any such intermediary or person,

it may issue such directions,—

(a) to any person or class of persons referred to in section 12, or associated with the securities market; or

(b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.]

⁴[*Explanation.*—For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.]

⁵[(2) Without prejudice to the provisions contained in sub-section (1), sub-section (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.]

⁶[**11C. Investigation.**—(1) Where the Board has reasonable ground to believe that—

(a) the transactions in securities are being dealt with in a manner detrimental to the investors or the securities market; or

(b) any intermediary or any person associated with the securities market has violated any of the provisions of this Act or the rules or the regulations made or directions issued by the Board thereunder,

it may, at any time by order in writing, direct any person (hereafter in this section referred to as the Investigating Authority) specified in the order to investigate the affairs of such intermediary or persons associated with the securities market and to report thereon to the Board.

(2) Without prejudice to the provisions of sections 235 to 241 of the Companies Act, 1956 (1 of 1956), it shall be the duty of every manager, managing director, officer and other employee of the company and every intermediary referred to in section 12 or every person associated with the securities market to preserve and to produce to the Investigating Authority or any person authorised by it in this

1. Ins. by Act 27 of 2014, s. 3 (w.e.f. 18-7-2013).

2. Ins. by Act 13 of 2018, s. 180 (w.e.f. 8-3-2019).

3. Section 11B renumbered as sub-section (1) thereof by s. 180, *ibid.* (w.e.f. 8-3-2019).

4. Ins. by Act 27 of 2014, s. 4 (w.e.f. 18-7-2013).

5. Ins. by Act 13 of 2018, s. 180 (w.e.f. 8-3-2019).

6. Ins. by Act 59 of 2002, s. 6 (w.e.f. 29-10-2002).

behalf, all the books, registers, other documents and record of, or relating to, the company or, as the case may be, of or relating to, the intermediary or such person, which are in their custody or power.

(3) The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before it or any person authorised by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.

(4) The Investigating Authority may keep in its custody any books, registers, other documents and record produced under sub-section (2) or sub-section (3) for six months and thereafter shall return the same to any intermediary or any person associated with securities market by whom or on whose behalf the books, registers, other documents and record are produced:

Provided that the Investigating Authority may call for any book, register, other document and record if they are needed again:

Provided further that if the person on whose behalf the books, registers, other documents and record are produced requires certified copies of the books, registers, other documents and record produced before the Investigating Authority, it shall give certified copies of such books, registers, other documents and record to such person or on whose behalf the books, registers, other documents and record were produced.

(5) Any person, directed to make an investigation under sub-section (1), may examine on oath, any manager, managing director, officer and other employee of any intermediary or any person associated with securities market in any manner, in relation to the affairs of his business and may administer an oath accordingly and for that purpose may require any of those persons to appear before it personally.

(6) If any person fails without reasonable cause or refuses—

(a) to produce to the Investigating Authority or any person authorised by it in this behalf any book, register, other document and record which is his duty under sub-section (2) or sub-section (3) to produce; or

(b) to furnish any information which is his duty under sub-section (3) to furnish; or

(c) to appear before the Investigating Authority personally when required to do so under sub-section (5) or to answer any question which is put to him by the Investigating Authority in pursuance of that sub-section; or

(d) to sign the notes of any examination referred to in sub-section (7),

he shall be punishable with imprisonment for a term which may extend to one year, or with fine, which may extend to one crore rupees, or with both, and also with a further fine which may extend to five lakh rupees for every day after the first during which the failure or refusal continues.

(7) Notes of any examination under sub-section (5) shall be taken down in writing and shall be read over to, or by, and signed by, the person examined, and may thereafter be used in evidence against him.

(8) Where in the course of investigation, the Investigating Authority has reasonable ground to believe that the books, registers, other documents and record of, or relating to, any intermediary or any person associated with securities market in any manner, may be destroyed, mutilated, altered, falsified or secreted, the Investigating Authority may make an application to ¹[the Magistrate or Judge of such designated court in Mumbai, as may be notified by the Central Government] for an order for the seizure of such books, registers, other documents and record.

²[(8A) The authorised officer may requisition the services of any police officer or any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in sub-section (8) and it shall be the duty of every such officer to comply with such requisition.]

(9) After considering the application and hearing the Investigating Authority, if necessary, ³[the Magistrate or Judge of the Designated Court] may, by order, authorise the Investigating Authority—

1. Subs. by Act 27 of 2014, s. 5, for “the Judicial Magistrate of the first class having jurisdiction” (w.e.f. 18-7-2013).

2. Ins. by s. 5, *ibid.* (w.e.f. 28-3-2014).

3. Subs. by s. 5, *ibid.*, for “the Magistrate” (w.e.f. 18-7-2013).

(a) to enter, with such assistance, as may be required, the place or places where such books, registers, other documents and record are kept;

(b) to search that place or those places in the manner specified in the order; and

(c) to seize books, registers, other documents and record, it considers necessary for the purposes of the investigation:

Provided that ¹[the Magistrate or Judge of the Designated Court] shall not authorise seizure of books, registers, other documents and record, of any listed public company or a public company (not being the intermediaries specified under section 12) which intends to get its securities listed on any recognised stock exchange unless such company indulges in insider trading or market manipulation.

(10) The Investigating Authority shall keep in its custody the books, registers, other documents and record seized under this section for such period not later than the conclusion of the investigation as it considers necessary and thereafter shall return the same to the company or the other body corporate, or, as the case may be, to the managing director or the manager or any other person, from whose custody or power they were seized and inform ¹[the Magistrate or Judge of the Designated Court] of such return:

Provided that the Investigating Authority may, before returning such books, registers, other documents and record as aforesaid, place identification marks on them or any part thereof.

(11) Save as otherwise provided in this section, every search or seizure made under this section shall be carried out in accordance with the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) relating to searches or seizures made under that Code.

11D. Cease and desist proceedings.—If the Board finds, after causing an inquiry to be made, that any person has violated, or is likely to violate, any provisions of this Act, or any rules or regulations made thereunder, it may pass an order requiring such person to cease and desist from committing or causing such violation:

Provided that the Board shall not pass such order in respect of any listed public company or a public company (other than the intermediaries specified under section 12) which intends to get its securities listed on any recognised stock exchange unless the Board has reasonable grounds to believe that such company has indulged in insider trading or market manipulation.]

CHAPTER V

REGISTRATION CERTIFICATE

12. Registration of stock-brokers, sub-brokers, share transfer agents, etc.—(1) No stock-broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market shall buy, sell or deal in securities except under, and in accordance with, the conditions of a certificate of registration obtained from the Board in accordance with the ²[regulations] made under this Act:

Provided that a person buying or selling securities or otherwise dealing with the securities market as a stock-broker, sub-broker, share transfer agent, banker to an issue, trustee of trust deed, registrar to an issue, merchant banker, underwriter, portfolio manager, investment adviser and such other intermediary who may be associated with securities market immediately before the establishment of the Board for which no registration certificate was necessary prior to such establishment, may continue to do so for a period of three months from such establishment or, if he has made an application for such registration within the said period of three months, till the disposal of such application:

³[Provided further that any certificate of registration, obtained immediately before the commencement of the Securities Laws (Amendment) Act, 1995 (9 of 1995), shall be deemed to have been obtained from the Board in accordance with the regulations providing for such registration.]

³[(1A) No ⁴[depository, participant, custodian] of securities, foreign institutional investor, credit rating agency or any other intermediary associated with the securities market as the Board may by notification in this behalf specify, shall buy or sell or deal in securities except under and in accordance with the

1. Subs. by Act 27 of 2014, s. 5, for “the Magistrate” (w.e.f. 18-7-2013).

2. Subs. by Act 9 of 1995, s. 7, for “rules” (w.e.f. 25-1-1995).

3. Ins. by s. 7, *ibid.* (w.e.f. 25-1-1995).

4. Subs. by Act 22 of 1996, s. 30 and the Sch., for “depository, custodian” (w.e.f. 20-9-1995).

conditions of a certificate of registration obtained from the Board in accordance with the regulations made under this Act:

Provided that a person buying or selling securities or otherwise dealing with the securities market as a ¹[depository, participant, custodian] of securities, foreign institutional investor or credit rating agency immediately before the commencement of the Securities Laws (Amendment) Act, 1995 (9 of 1995), for which no certificate of registration was required prior to such commencement, may continue to buy or sell securities or otherwise deal with the securities market until such time regulations are made under clause (d) of sub-section (2) of section 30.

(1B) No person shall sponsor or cause to be sponsored or carry on or cause to be carried on any venture capital funds or collective investment scheme including mutual funds, unless he obtains a certificate of registration from the Board in accordance with the regulations:

Provided that any person sponsoring or causing to be sponsored, carrying or causing to be carried on any venture capital funds or collective investment scheme operating in the securities market immediately before the commencement of the Securities Laws (Amendment) Act, 1995 (9 of 1995) for which no certificate of registration was required prior to such commencement, may continue to operate till such time regulations are made under clause (d) of sub-section (2) of section 30.]

²[(1C) No person shall sponsor or cause to be sponsored or carry on or cause to be carried on the activity of an alternative investment fund or a business trust as defined in clause (13A) of section 2 of the Income-tax Act, 1961 (43 of 1961), unless a certificate or registration is granted by the Board in accordance with the regulations made under this Act.]

³[Explanation.—For the removal of doubts, it is hereby declared that, for the purposes of this section, a collective investment scheme or mutual fund shall not include any unit linked insurance policy or scrips or any such instrument or unit, by whatever name called, which provides a component of investment besides the component of insurance issued by an insurer.]

(2) Every application for registration shall be in such manner and on payment of such fees as may be determined by regulations.

(3) The Board may, by order, suspend or cancel a certificate of registration in such manner as may be determined by regulations:

Provided that no order under this sub-section shall be made unless the person concerned has been given a reasonable opportunity of being heard.

⁴[CHAPTER VA

PROHIBITION OF MANIPULATIVE AND DECEPTIVE DEVICES, INSIDER TRADING AND SUBSTANTIAL ACQUISITION OF SECURITIES OR CONTROL

12A. Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.—No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognised stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(d) engage in insider trading;

(e) deal in securities while in possession of material or non-public information or communicate such material or non-public information to any other person, in a manner which is in contravention of the provisions of this Act or the rules or the regulations made thereunder;

1. Subs. by Act 22 of 1996, s. 30 and the Sch., for “depository, custodian” (w.e.f. 20-9-1995).

2. Ins. by Act 13 of 2021, s. 159 (w.e.f. 1-4-2021).

3. Ins. by Act 26 of 2010, s. 5 (w.e.f. 9-4-2010).

4. Ins. by Act 59 of 2002, s. 7 (w.e.f. 29-10-2002).

(a) to furnish any document, return or report to the Board, fails to furnish the same ¹[or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents] he shall be liable to ²[a penalty ³[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]]];

(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations ¹[or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents], he shall be liable to ⁴[a penalty ³[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]]];

(c) to maintain books of account or records, fails to maintain the same, he shall be liable to ⁵[a penalty ³[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]]].

15B. Penalty for failure by any person to enter into agreement with clients.—If any person, who is registered as an intermediary and is required under this Act or any rules or regulations made thereunder to enter into an agreement with his client, fails to enter into such agreement, he shall be liable to ⁶[a penalty ⁷[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]]].

⁸**[15C. Penalty for failure to redress investors' grievances.**—If any listed company or any person who is registered as an intermediary, after having been called upon by the Board in writing ⁹[including by any means of electronic communication], to redress the grievances of investors, fails to redress such grievances within the time specified by the Board, such company or intermediary shall be liable to a penalty ¹⁰[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees].]

15D. Penalty for certain defaults in case of mutual funds.—If any person, who is—

(a) required under this Act or any rules or regulations made thereunder to obtain a certificate of registration from the Board for sponsoring or carrying on any collective investment scheme, including mutual funds, sponsors or carries on any collective investment scheme, including mutual funds, without obtaining such certificate of registration, he shall be liable to ¹¹[a penalty ¹²[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which he sponsors or carries on any such collective investment scheme including mutual funds subject to a maximum of one crore rupees]]];

(b) registered with the Board as a collective investment scheme, including mutual funds, for sponsoring or carrying on any investment scheme, fails to comply with the terms and conditions of certificate of registration, he shall be liable to ¹³[a penalty ¹⁴[which shall not be less than one lakh

1. Ins. by Act 13 of 2018, s. 181 (w.e.f. 8-3-2019).

2. Subs. by Act 59 of 2002, s. 9, for “a penalty not exceeding one lakh and fifty thousand rupees for each such failure” (w.e.f. 29-10-2002).

3. Subs. by Act 27 of 2014, s. 6, for certain words (w.e.f. 8-9-2014).

4. Subs. by Act 59 of 2002, s. 9, for “a penalty not exceeding five thousand rupees for every day during which such failure continues” (w.e.f. 29-10-2002).

5. Subs. by s. 9, *ibid.*, for “a penalty not exceeding ten thousand rupees for every day during which such failure continues” (w.e.f. 29-10-2002).

6. Subs. by s. 10, *ibid.*, for “a penalty not exceeding five lakh rupees for every such failure” (w.e.f. 29-10-2002).

7. Subs. by Act 27 of 2014, s. 7, for certain words (w.e.f. 8-9-2014).

8. Subs. by Act 59 of 2002, s. 11, for section 15C (w.e.f. 29-10-2002).

9. Ins. by Act 23 of 2019, s. 183 (w.e.f. 20-1-2020).

10. Subs. by Act 27 of 2014, s. 8, for certain words (w.e.f. 8-9-2014).

11. Subs. by Act 59 of 2002, s. 12, for “a penalty not exceeding ten thousand rupees for each day during which he carries on any such collective investment scheme including mutual funds, or ten lakh rupees, whichever is higher” (w.e.f. 29-10-2002).

12. Subs. by Act 27 of 2014, s. 9, for certain words (w.e.f. 8-9-2014).

13. Subs. by Act 59 of 2002, s. 12, for “a penalty not exceeding ten thousand rupees for each day during which such failure continues or ten lakh rupees, whichever is higher” (w.e.f. 29-10-2002).

14. Subs. by Act 27 of 2014, s. 9, for certain words (w.e.f. 8-9-2014).

rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]];

(c) registered with the Board as a collective investment scheme including mutual funds, fails to make an application for listing of its schemes as provided for in the regulations governing such listing, he shall be liable to ¹[a penalty ²[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]];

(d) registered as a collective investment scheme, including mutual funds, fails to despatch unit certificates of any scheme in the manner provided in the regulation governing such despatch, he shall be liable to ³[a penalty ²[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]];

(e) registered as collective investment scheme, including mutual funds, fails to refund the application monies paid by the investors within the period specified in the regulations, he shall be liable to ⁴[a penalty ²[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]];

(f) registered as a collective investment scheme, including mutual funds, fails to invest money collected by such collective investment schemes in the manner or within the period specified in the regulations, he shall be liable to ⁵[a penalty ²[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]].

15E. Penalty for failure to observe rules and regulations by an asset management company.—

Where any asset management company of a mutual fund registered under this Act fails to comply with any of the regulations providing for restrictions on the activities of the asset management companies, such asset management company shall be liable to ⁶[a penalty ⁷[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees]].

⁸[**15EA. Penalty for default in case of alternative investment funds, infrastructure investment trusts and real estate investment trusts.—**Where any person fails to comply with the regulations made by the Board in respect of alternative investment funds, infrastructure investment trusts and real estate investment trusts or fails to comply with the directions issued by the Board, such person shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees or three times the amount of gains made out of such failure, whichever is higher.

15EB. Penalty for default in case of investment adviser and research analyst.—Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.]

15F. Penalty for default in case of stock brokers.—If any person, who is registered as a stock broker under this Act,—

(a) fails to issue contract notes in the form and manner specified by the stock exchange of which such broker is a member, he shall be liable to ⁹[a penalty which shall not be less than one lakh rupees but which may extend to ¹⁰[one crore rupees]] for which the contract note was required to be issued by that broker;

1. Subs. by Act 59 of 2002, s. 12, for “a penalty not exceeding five thousand rupees for each day during which such failure continues or five lakh rupees, whichever is higher” (w.e.f. 29-10-2002).

2. Subs. by Act 27 of 2014, s. 9, for certain words (w.e.f.8-9-2014).

3. Subs. by Act 59 of 2002, s. 12, for “a penalty not exceeding five thousand rupees for each day during which such failure continues” (w.e.f. 29-10-2002).

4. Subs. by s. 12, *ibid.*, for “a penalty not exceeding one thousand rupees for each day during which such failure continue” (w.e.f. 29-10-2002).

5. Subs. by s. 12, *ibid.*, for “a penalty not exceeding five lakh rupees for each such failure” (w.e.f. 29-10-2002).

6. Subs. by s. 13, *ibid.*, for “a penalty not exceeding five lakh rupees for each such failure” (w.e.f. 29-10-2002).

7. Subs. by Act 27 of 2014, s. 10, for certain words (w.e.f.8-9-2014).

8. Ins. by Act 13 of 2018, s. 182 (w.e.f. 8-3-2019).

9. Subs. by Act 27 of 2014, s. 11, for “a penalty not exceeding five times the amount” (w.e.f. 8-9-2014).

10. Ins. by Act 23 of 2019, s. 184 (w.e.f. 20-1-2020).

(b) fails to deliver any security or fails to make payment of the amount due to the investor in the manner within the period specified in the regulations, he shall be liable to ¹[a penalty ²[which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which ³[such failure continues] subject to a maximum of one crore rupees]];

(c) charges an amount of brokerage which is in excess of the brokerage specified in the regulations, he shall be liable to ⁴[a penalty ⁵[which shall not be less than one lakh rupees but which may extend to five times the amount of brokerage]] charged in excess of the specified brokerage, whichever is higher.

15G. Penalty for insider trading.—If any insider who,—

(i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price sensitive information; or

(ii) communicates any unpublished price sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or

(iii) counsels, or procures for any other person to deal in any securities of any body corporate on the basis of unpublished price sensitive information,

shall be liable to a penalty ⁶[which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher].

15H. Penalty for non-disclosure of acquisition of shares and take-overs.—If any person, who is required under this Act or any rules or regulations made thereunder, fails to—

(i) disclose the aggregate of his share holding in the body corporate before he acquires any shares of that body corporate; or

(ii) make a public announcement to acquire shares at a minimum price;

⁷[(iii) make a public offer by sending letter of offer to the shareholders of the concerned company; or

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

he shall be liable to a penalty ⁸[which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher].

⁹[**15HA. Penalty for fraudulent and unfair trade practices.**—If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty ¹⁰[which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher].

¹¹[**15HAA. Penalty for alteration, destruction, etc., of records and failure to protect the electronic database of Board.**—Any person, who—

(a) knowingly alters, destroys, mutilates, conceals, falsifies, or makes a false entry in any information, record, document (including electronic records), which is required under this Act or any

1. Subs. by Act 59 of 2002, s. 14, for “a penalty not exceeding five thousand rupees for each day during which such failure continues” (w.e.f. 29-10-2002).

2. Subs. by Act 27 of 2014, s. 11, for certain words (w.e.f. 8-9-2014).

3. Subs. by Act 13 of 2018, s. 183, for “he sponsors or carries on any such collective investment scheme including mutual funds” (w.e.f. 8-3-2019).

4. Subs. by Act 59 of 2002, s. 14, for “a penalty not exceeding five thousand rupees” (w.e.f. 29-10-2002).

5. Subs. by Act 27 of 2014, s. 11, for “of one lakh rupees or five times the amount of brokerage” (w.e.f. 8-9-2014).

6. Subs. by s. 12, *ibid.*, for certain words (w.e.f. 8-2-2014).

7. Ins. by Act 59 of 2002, s. 16 (w.e.f. 29-10-2002).

8. Subs. by Act 27 of 2014, s. 13, for certain words (w.e.f. 8-9-2014).

9. Ins. by Act 59 of 2002, s. 17 (w.e.f. 29-10-2002).

10. Subs. by Act 27 of 2014, s. 14, for certain words (w.e.f. 8-9-2014).

11. Ins. by Act 23 of 2019, s. 185 (w.e.f. 20-1-2020).

rules or regulations made there under, so as to impede, obstruct, or influence the investigation, inquiry, audit, inspection or proper administration of any matter within the jurisdiction of the Board.

Explanation.—For the purposes of this clause, a person shall be deemed to have altered, concealed or destroyed such information, record or document, in case he knowingly fails to immediately report the matter to the Board or fails to preserve the same till such information continues to be relevant to any investigation, inquiry, audit, inspection or proceeding, which may be initiated by the Board and conclusion thereof;

(b) without being authorised to do so, access or tries to access, or denies of access or modifies access parameters, to the regulatory data in the database;

(c) without being authorised to do so, downloads, extracts, copies, or reproduces in any form the regulatory data maintained in the system database;

(d) knowingly introduces any computer virus or other computer contaminant into the system database and brings out a trading halt;

(e) without authorisation disrupts the functioning of system database;

(f) knowingly damages, destroys, deletes, alters, diminishes in value or utility, or affects by any means, the regulatory data in the system database; or

(g) knowingly provides any assistance to or causes any other person to do any of the acts specified in clauses (a) to (f),

shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to ten crore rupees or three times the amount of profits made out of such act, whichever is higher.

Explanation.—In this section, the expressions “computer contaminant”, “computer virus” and “damage” shall have the meanings respectively assigned to them under section 43 of the Information Technology Act, 2000 (21 of 2000).]

15HB. Penalty for contravention where no separate penalty has been provided.—Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be ¹[liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees].]

15-I. Power to adjudicate.—(1) For the purpose of adjudging under sections 15A, 15B, 15C, 15D, 15E, ²[15EA, 15EB,] 15F, 15G, ³[15H, 15HA and 15HB] the Board ⁴[may] appoint any officer not below the rank of a Division Chief to be an adjudicating officer for holding an inquiry in the prescribed manner after giving any person concerned a reasonable opportunity of being heard for the purpose of imposing any penalty.

(2) While holding an inquiry the adjudicating officer shall have power to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document which in the opinion of the adjudicating officer, may be useful for or relevant to the subject matter of the inquiry and if, on such inquiry, he is satisfied that the person has failed to comply with the provisions of any of the sections specified in sub-section (1), he may impose such penalty as he thinks fit in accordance with the provisions of any of those sections.

⁵[(3) The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify:

1. Subs. by Act 27 of 2014, s. 15, for “liable to a penalty which may extend to one crore rupees” (w.e.f. 8-9-2014).

2. Ins. by Act 13 of 2018, s. 184 (w.e.f. 8-3-2019).

3. Subs. by Act 59 of 2002, s. 18, for “and 15H” (w.e.f. 29-10-2002).

4. Subs. by Act 13 of 2018, s. 184, for “shall” (w.e.f. 8-3-2019).

5. Ins. by Act 27 of 2014, s. 16 (w.e.f. 28-3-2014).

Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter:

Provided further that nothing contained in this sub-section shall be applicable after an expiry of a period of three months from the date of the order passed by the adjudicating officer or disposal of the appeal under section 15T, whichever is earlier.]

15J. ¹[Factors to be taken into account while adjudging quantum of penalty].—While adjudging the quantum of penalty under ²[15-I or section 11 or section 11B, the Board or the adjudicating officer] shall have due regard to the following factors, namely:—

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

³[*Explanation.*—For the removal of doubts, it is clarified that the power ⁴*** to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.]

⁵[**15JA. Crediting sums realised by way of penalties to Consolidated Fund of India.**—All sums realised by way of penalties under this Act shall be credited to the Consolidated Fund of India.]

⁶[**15JB. Settlement of administrative and civil proceedings.**—(1) Notwithstanding anything contained in any other law for the time being in force, any person, against whom any proceedings have been initiated or may be initiated under section 11, section 11B, section 11D, sub-section (3) of section 12 or section 15-I, may file an application in writing to the Board proposing for settlement of the proceedings initiated or to be initiated for the alleged defaults.

(2) The Board may, after taking into consideration the nature, gravity and impact of defaults, agree to the proposal for settlement, on payment of such sum by the defaulter or on such other terms as may be determined by the Board in accordance with the regulations made under this Act.

(3) The settlement proceedings under this section shall be conducted in accordance with the procedure specified in the regulations made under this Act.

(4) No appeal shall lie under section 15T against any order passed by the Board or adjudicating officer, as the case may be, under this section.]

⁷[(5) All settlement amounts, excluding the disgorgement amount and legal costs, realised under this Act shall be credited to the Consolidated Fund of India.]

CHAPTER VIB

ESTABLISHMENT, JURISDICTION, AUTHORITY AND PROCEDURE OF ⁸[SECURITIES APPELLATE TRIBUNAL]

⁹[**15K. Establishment of Securities Appellate Tribunal.**—(1) The Central Government shall, by notification, establish a Tribunal to be known as the Securities Appellate Tribunal to exercise the

1. Subs. by Act 13 of 2018, s. 185, for marginal heading (w.e.f. 8-3-2019).

2. Subs. by s. 185, *ibid.*, for “section 15-I, the adjudicating officer” (w.e.f. 8-3-2019).

3. Ins. by Act 7 of 2017, s. 147 (w.e.f. 1-3-2017).

4. The words “of an adjudicating officer” omitted by Act 13 of 2018, s. 185 (w.e.f. 8-3-2018).

5. Ins. by Act 59 of 2002, s. 19 (w.e.f. 29-10-2002).

6. Ins. by Act 27 of 2014, s. 17 (w.e.f. 20-4-2007).

7. Ins. by Act 13 of 2018, s. 186 (w.e.f. 8-3-2019).

8. Subs. by Act 7 of 2017, s. 148, for “APPELLATE TRIBUNAL” (w.e.f. 1-3-2017).

9. Subs. by s. 148, *ibid.*, for section 15K (w.e.f. 1-3-2017).

jurisdiction, powers and authority conferred on it by or under this Act or any other law for the time being in force.

(2) The Central Government shall also specify in the notification referred to in sub-section (1), the matters and places in relation to which the Securities Appellate Tribunal may exercise jurisdiction.]

¹[**15L. Composition of Securities Appellate Tribunal.**—(1) The Securities Appellate Tribunal shall consist of a Presiding Officer and such number of Judicial Members and Technical Members as the Central Government may determine, by notification, to exercise the powers and discharge the functions conferred on the Securities Appellate Tribunal under this Act or any other law for the time being in force.

(2) Subject to the provisions of this Act,—

(a) the jurisdiction of the Securities Appellate Tribunal may be exercised by Benches thereof;

(b) a Bench may be constituted by the Presiding Officer of the Securities Appellate Tribunal with two or more Judicial or Technical Members as he may deem fit:

Provided that every Bench constituted shall include at least one Judicial Member and one Technical Member;

(c) the Benches of the Securities Appellate Tribunal shall ordinarily sit at Mumbai and may also sit at such other places as the Central Government may, in consultation with the Presiding Officer, notify.

(3) Notwithstanding anything contained in sub-section (2), the Presiding Officer may transfer a Judicial Member or a Technical Member of the Securities Appellate Tribunal from one Bench to another Bench.]

²[**15M. Qualification for appointment as Presiding Officer, Judicial Member and Technical Member.**—A person shall not be qualified for appointment as the Presiding Officer or a Judicial Member or a Technical Member of the Securities Appellate Tribunal, unless he—

(a) is, or has been, a Judge of the Supreme Court or a Chief Justice of a High Court or a Judge of High Court for at least seven years, in the case of the Presiding Officer; and

(b) is, or has been, a Judge of High Court for at least five years, in the case of a Judicial Member; or

(c) in the case of a Technical Member—

(i) is, or has been, a Secretary or an Additional Secretary in the Ministry or Department of the Central Government or any equivalent post in the Central Government or a State Government; or

(ii) is a person of proven ability, integrity and standing having special knowledge and professional experience, of not less than fifteen years, in financial sector including securities market or pension funds or commodity derivatives or insurance.

15MA. Amendment of Presiding Officer and Judicial Members.—The Presiding Officer and Judicial Members of the Securities Appellate Tribunal shall be appointed by the Central Government in consultation with the Chief Justice of India or his nominee.

15MB. Search-cum-Selection Committee for appointment of Technical Members.—(1) The Technical Members of the Securities Appellate Tribunal shall be appointed by the Central Government on the recommendation of a Search-cum-Selection Committee consisting of the following, namely:—

(a) Presiding Officer, Securities Appellate Tribunal—Chairperson;

(b) Secretary, Department of Economic Affairs—Member;

1. Subs. by Act 7 of 2017, s.148, for section 15L (w.e.f. 1-3-2017).

2. Subs. by s. 148, *ibid.*, for section 15M (w.e.f. 1-3-2017).

(c) Secretary, Department of Financial Services—Member; and

(d) Secretary, Legislative Department or Secretary, Department of Legal Affairs—Member.

(2) The Secretary, Department of Economic Affairs shall be the Convener of the Search-cum-Selection Committee.

(3) The Search-cum-Selection Committee shall determine its procedure for recommending the names of persons to be appointed under sub-section (1).

15MC. Vacancy not to invalidate selection proceeding.—(1) No appointment of the Presiding Officer, a Judicial Member or a Technical Member of the Securities Appellate Tribunal shall be invalid merely by reason of any vacancy or any defect in the constitution of the Search-cum-Selection Committee.

(2) A member or part time member of the Board or the Insurance Regulatory and Development Authority or the Pension Fund Regulatory and Development Authority, or any person at senior management level equivalent to the Executive Director in the Board or in such Authorities, shall not be appointed as Presiding Officer or Member of the Securities Appellate Tribunal, during his service or tenure as such with the Board or with such Authorities, as the case may be, or within two years from the date on which he ceases to hold office as such in the Board or in such Authorities.

(3) The Presiding Officer or such other member of the Securities Appellate Tribunal, holding office on the date of commencement of Part VIII of Chapter VI of the Finance Act, 2017 (7 of 2017) shall continue to hold office for such term as he was appointed and the other provisions of this Act shall apply to such Presiding Officer or such other member, as if Part VIII of Chapter VI of the Finance Act, 2017 had not been enacted.]

¹[**15N. Tenure of office of Presiding Officer, Judicial or Technical Members of Securities Appellate Tribunal.**—The Presiding Officer or every Judicial or Technical Member of the Securities Appellate Tribunal shall hold office for a term of five years from the date on which he enters upon his office, and shall be eligible for reappointment for another term of maximum five years:

Provided that no Presiding Officer or the Judicial or Technical Member shall hold office after he has attained the age of seventy years.]

15-O. Salary and allowances and other terms and conditions of service of Presiding Officers.—The salary and allowances payable to, and the other terms and conditions of service (including pension, gratuity and other retirement benefits) of, the ²[Presiding Officer and other Members of a Securities Appellate Tribunal] shall be such as may be prescribed:

Provided that neither the salary and allowances nor the other terms and conditions of services of the ³[Presiding Officer and other Members of a Securities Appellate Tribunal] shall be varied to their disadvantage after appointment.

15P. Filling up of vacancies.—If, for reason other than temporary absence, any vacancy occurs in ⁴[the office of the Presiding Officer or any other Member,] of a Securities Appellate Tribunal, then the Central Government shall appoint another person in accordance with the provisions of this Act to fill the vacancy and the proceedings may be continued before the Securities Appellate Tribunal from the stage at which the vacancy is filled.

⁵[**15PA. Member to act as Presiding Officer in certain circumstances.**—In the event of occurrence of any vacancy in the office of the Presiding Officer of the Securities Appellate Tribunal by reason of his death, resignation or otherwise, the senior-most Judicial Member of the Securities Appellate Tribunal shall act as the Presiding Officer until the date on which a new Presiding Officer is appointed in accordance with the provisions of this Act.]

1. Subs. by Act 7 of 2017, s.148, for section 15N (w.e.f. 26-5-2017).

2. Subs. by Act 59 of 2002, s. 22, for “Presiding Officer of a Securities Appellate Tribunal” (w.e.f. 29-10-2002).

3. Subs. by s. 22, *ibid.*, for “said Presiding Officers” (w.e.f. 29-10-2002).

4. Subs. by s. 23, *ibid.*, for “office of the Presiding Officer” (w.e.f. 29-10-2002).

5. Ins. by Act 7 of 2017, s. 148 (w.e.f. 26-5-2017).

15Q. Resignation and removal.—(1) ¹[The Presiding Officer or any other Member of a Securities Appellate Tribunal] may, by notice in writing under his hand addressed to the Central Government, resign his office:

Provided that ²[the Presiding Officer or any other Member] shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor inters upon his office or until the expiry of his term of office, whichever is the earliest.

³[(2) The Central Government may, after an inquiry made by the Judge of the Supreme Court, remove the Presiding Officer or Judicial Member or Technical Member of the Securities Appellate Tribunal, if he—

(a) is, or at any time has been adjudged as an insolvent;

(b) has become physically or mentally incapable of acting as the Presiding Officer, Judicial or Technical Member;

(c) has been convicted of any offence which, in the opinion of the Central Government, involves moral turpitude;

(d) has, in the opinion of the Central Government, so abused his position as to render his continuation in office detrimental to the public interest; or

(e) has acquired such financial interest or other interest as is likely to affect prejudicially his functions as the Presiding Officer or Judicial or Technical Member:

Provided that he shall not be removed from office under clauses (d) and (e), unless he has been given a reasonable opportunity of being heard in the matter.]

(3) The Central Government may, by rules, regulate the procedure for the investigation of misbehaviour or incapacity of the ⁴[the Presiding Officer or any other Member].

⁵**[15QA. Qualifications, terms and conditions of service of Presiding Officer and Member.**— Notwithstanding anything contained in this Act, the qualifications, appointment, term of office, salaries and allowances, resignation, removal and the other terms and conditions of service of the Presiding Officer and other Members of the Appellate Tribunal appointed after the commencement of ⁶[the Tribunals Reforms Act, 2021, shall be governed by the provisions of Chapter II of the said Act]:

Provided that the Presiding Officer and Member appointed before the commencement of Part XIV of Chapter VI of the Finance Act, 2017, shall continue to be governed by the provisions of this Act and the rules made thereunder as if the provisions of section 184 of the Finance Act, 2017 had not come into force.]

15R. Orders constituting Appellate Tribunal to be final and not to invalidate its proceedings.— No order of the Central Government appointing any person as the ⁷[Presiding Officer or a Member] of a Securities Appellate Tribunal shall be called in question in any manner, and no act or proceeding before a Securities Appellate Tribunal shall be called in question in any manner on the ground merely of any defect in the constitution of a Securities Appellate Tribunal.

15S. Staff of the Securities Appellate Tribunal.—(1) The Central Government shall provide the Securities Appellate Tribunal with such officers and employees as that Government may think fit.

(2) The officers and employees of the Securities Appellate Tribunal shall discharge their functions under general superintendence of the Presiding Officer.

1. Subs. by Act 59 of 2002, s. 24, for “Presiding Officer of a Securities Appellate Tribunal” (w.e.f. 29-10-2002).

2. Subs. by s. 24, *ibid.*, for “the said Presiding Officer” (w.e.f. 29-10-2002).

3. Subs. by Act 7 of 2017, s. 148, for sub-section (2) (w.e.f. 26-5-2017)

4. Subs. by Act 59 of 2002, s. 24, for “aforesaid Presiding Officer” (w.e.f. 29-10-2002).

5. Ins. by Act 7 of 2017, s. 178 (w.e.f. 26-5-2017)

6. Subs. by Act 33 of 2021, s. 17, for “Part XIV of Chapter VI of the Finance Act, 2017, shall be governed by the provisions of section 184 of that Act” (w.e.f. 4-4-2021).

7. Subs. by Act 59 of 2002, s. 25, for “Presiding Officer” (w.e.f. 29-10-2002).

(3) The salaries and allowances and other conditions of service of the officers and employees of the Securities Appellate Tribunal shall be such as may be prescribed.

15T. Appeal to the Securities Appellate Tribunal.—¹[(1) Save as provided in sub-section (2), any person aggrieved,—

(a) by an order of the Board made, on and after the commencement of the Securities Laws (Second Amendment) Act, 1999 (32 of 1999), under this Act, or the rules or regulations made thereunder; or

(b) by an order made by an adjudicating officer ²[under this Act; or]

³[(c) by an order of the Insurance Regulatory and Development Authority or the Pension Fund Regulatory and Development Authority,]

may prefer an appeal to a Securities Appellate Tribunal having jurisdiction in the matter.]

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(3) Every appeal under sub-section (1) shall be filed within a period of forty-five days from the date on which ⁵[a copy of the order made by the Board or the adjudicating officer ⁶[or the Insurance Regulatory and Development Authority or the Pension Fund Regulatory and Development Authority] as the case may be,] is received by him and it shall be in such form and be accompanied by such fee as may be prescribed:

Provided that the Securities Appellate Tribunal may entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

(4) On receipt of an appeal under sub-section (1), the Securities Appellate Tribunal may, after giving the parties to the appeal, an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.

(5) The Securities Appellate Tribunal shall send a copy of every order made by it to the ⁷[Board, ⁸[or the Insurance Regulatory and Development Authority or the Pension Fund Regulatory and Development Authority, as the case may be], the parties] to the appeal and to the concerned adjudicating officer.

(6) The appeal filed before the Securities Appellate Tribunal under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of the appeal.

15U. Procedure and powers of the Securities Appellate Tribunal.—(1) The Securities Appellate Tribunal shall not be bound by the procedure laid down by the code of Civil Procedure, 1908 (5 of 1908), but shall be guided by the principles of natural justice and, subject to the other provisions of this Act and of any rules, the Securities Appellate Tribunal shall have powers to regulate their own procedure including the places at which they shall have their sittings.

(2) The Securities Appellate Tribunal shall have, for the purposes of discharging their functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying a suit, in respect of the following matters, namely:—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavits;

(d) issuing commissions for the examination of witnesses or documents;

1. Subs. by Act 32 of 1999, s. 9, for sub-section (1) (w.e.f. 16-12-1999).

2. Subs. by Act 7 of 2017, s. 148, “under this Act,” (w.e.f. 26-5-2017)

3. Ins. by s. 148, *ibid.* (w.e.f. 26-5-2017)

4. Sub-section (2) omitted by Act 27 of 2014, s. 18 (w.e.f. 18-7-2013).

5. Subs. by Act 32 of 1999, s. 9, for “a copy of the order made, by the adjudicating officer” (w.e.f. 16-12-1999).

6. Ins. by Act 7 of 2017, s.148 (w.e.f. 26-5-2017).

7. Subs. by Act 32 of 1999, s. 9, for “parties” (w.e.f. 16-12-1999).

8. Ins. by Act 7 of 2017, s.148 (w.e.f. 26-5-2017).

- (e) reviewing its decisions;
- (f) dismissing an application for default or deciding it *ex-parte*;
- (g) setting aside any order of dismissal of any application for default or any order passed by it *ex-parte*;
- (h) any other matter which may be prescribed.

(3) Every proceeding before the Securities Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purposes of section 196, of the Indian Penal Code (45 of 1860) and the Securities Appellate Tribunal shall be deemed to be a civil court for all the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).

¹[(4) Where Benches are constituted, the Presiding Officer of the Securities Appellate Tribunal may, from time to time make provisions as to the distribution of the business of the Securities Appellate Tribunal amongst the Benches and also provide for the matters which may be dealt with, by each Bench.

(5) On the application of any of the parties and after notice to the parties, and after hearing such of them as he may desire to be heard, or on his own motion without such notice, the Presiding Officer of the Securities Appellate Tribunal may transfer any case pending before one Bench, for disposal, to any other Bench.

(6) If a Bench of the Securities Appellate Tribunal consisting of two members differ in opinion on any point, they shall state the point or points on which they differ, and make a reference to the Presiding Officer of the Securities Appellate Tribunal who shall either hear the point or points himself or refer the case for hearing only on such point or points by one or more of the other members of the Securities Appellate Tribunal and such point or points shall be decided according to the opinion of the majority of the members of the Securities Appellate Tribunal who have heard the case, including those who first heard it.]

²[**15V. Right to legal representation.**—The appellant may either appear in person or authorise one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Securities Appellate Tribunal.

Explanation.—For the purposes of this section,—

(a) “chartered accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;

(b) “company secretary” means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;

(c) “cost accountant” means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;

(d) “legal practitioner” means an advocate, *vakil* or an attorney of any High Court, and includes a pleader in practice.]

15W. Limitation.—The provisions of the Limitation Act, 1963 (36 of 1963), shall, as far as may be, apply to an appeal made to a Securities Appellate Tribunal.

³[**15X. Presiding Officer, Members and staff of Securities Appellate tribunal to be public servants.**—The Presiding Officer, Members and other officers and employees of a Securities Appellate Tribunal shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).]

1. Ins. by Act 7 of 2017, s.148 (w.e.f. 26-5-2017).

2. Subs. by Act 32 of 1999, s. 10, for section 15V (w.e.f. 16-12-1999).

3. Subs. by Act 59 of 2002, s. 26, for section 15X (w.e.f. 29-10-2002).

15Y. Civil Court not to have jurisdiction.—No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which an adjudication officer appointed under this Act or a Securities Appellate Tribunal constituted under this Act is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

¹[**15Z. Appeal to Supreme Court.**—Any person aggrieved by any decision or order of the Securities Appellate Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Securities Appellate Tribunal to him on any question of law arising out of such order:

Provided that the Supreme Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.]]

CHAPTER VII

MISCELLANEOUS

16. Power to Central Government to issue directions.—(1) Without prejudice to the foregoing provisions of ²[this Act or the Depositories Act, 1996 (22 of 1996)], the Board shall, in exercise of its powers or the performance of its functions under ²[this Act or the Depositories Act, 1996 (22 of 1996)], be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time:

Provided that the Board shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

(2) The decision of the Central Government whether a question is one of policy or not shall be final.

17. Power of Central Government to supersede the Board.—(1) If at any time the Central Government is of opinion—

(a) that on account of grave emergency, the Board is unable to discharge the functions and duties imposed on it by or under the provisions of this Act; or

(b) that the Board has persistently made default in complying with any direction issued by the Central Government under this Act or in the discharge of the functions and duties imposed on it by or under the provisions of this Act and as a result of such default the financial position of the Board or the administration of the Board has deteriorated; or

(c) that circumstances exist which render it necessary in the public interest so to do,

the Central Government may, by notification, supersede the Board for such period, not exceeding six months, as may be specified in the notification.

(2) Upon the publication of a notification under sub-section (1) superseding the Board,—

(a) all the members shall, as from the date of supersession, vacate their offices as such;

(b) all the powers, functions and duties which may, by or under the provisions of this Act, be exercised or discharged by or on behalf of the Board, shall until the Board is reconstituted under sub-section (3), be exercised and discharged by such person or persons as the Central Government may direct; and

(c) all property owned or controlled by the Board shall, until the Board is reconstituted under sub-section (3), vest in the Central Government.

(3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Central Government may reconstitute the Board by a fresh appointment and in such case any person or persons who vacated their offices under clause (a) of sub-section (2), shall not be deemed disqualified for appointment:

1. Subs. by Act 59 of 2002, s. 27, for section 15Z (w.e.f. 29-10-2002).

2. Subs. by Act 22 of 1996, s. 30 and the Schedule, for “this Act” (w.e.f. 20-9-1995).

Provided that the Central Government may, at any time, before the expiration of the period of supersession, take action under this sub-section.

(4) The Central Government shall cause a notification issued under sub-section (1) and a full report of any action taken under this section and the circumstances leading to such action to be laid before each House of Parliament at the earliest.

18. Returns and reports.—(1) The Board shall furnish to the Central Government at such time and in such form and manner as may be prescribed or as the Central Government may direct, such returns and statements and such particulars in regard to any proposed or existing programme for the promotion and development of the securities market, as the Central Government may, from time to time, require.

(2) Without prejudice to the provisions of sub-section (1), the Board shall, within ¹[ninety days] after the end of each financial year, submit to the Central Government a report in such form, as may be prescribed, giving a true and full account of its activities, policy and programmes during the previous financial year.

(3) A copy of the report received under sub-section (2) shall be laid, as soon as may be after it is received, before each House of Parliament.

19. Delegation.—The Board may, by general or special order in writing delegate to any member, officer of the Board or any other person subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act (except the powers under section 29) as it may deem necessary.

20. Appeals.—(1) Any person aggrieved by ²[an order of the Board made, before the commencement of the Securities Laws (Second Amendment) Act, 1999 (32 of 1999),] under this Act, or the rules or regulations made thereunder may prefer an appeal to the Central Government within such time as may be prescribed.

(2) No appeal shall be admitted if it is preferred after the expiry of the period prescribed therefor:

Provided that an appeal may be admitted after the expiry of the period prescribed therefor if the appellant satisfies the Central Government that he had sufficient cause for not preferring the appeal within the prescribed period.

(3) Every appeal made under this section shall be made in such form and shall be accompanied by a copy of the order appealed against and by such fees as may be prescribed.

(4) The procedure for disposing of an appeal shall be such as may be prescribed:

Provided that before disposing of an appeal, the appellant shall be given a reasonable opportunity of being heard.

³[20A. Bar of jurisdiction.—No order passed by the ⁴[Board or the adjudicating officer] under this Act shall be appealable except as provided in ⁵[section 15T or section 20] and no civil court shall have jurisdiction in respect of any matter which the ⁴[Board or the adjudicating officer] is empowered by, or under, this Act to pass any order and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any order passed by the ⁴[Board or the adjudicating officer] by, or under this Act.]

21. Savings.—Nothing in this Act shall exempt any person from any suit or other proceedings which might, apart from this Act, be brought against him.

22. Members, officers and employees of the Board to be public servants.—All members, officers and other employees of the Board shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).

1. Subs. by Act 9 of 1995, s. 10, for “sixty days” (w.e.f. 25-1-1995).

2. Subs. by Act 32 of 1999, s. 11, for “an order of the Board made” (w.e.f. 16-12-1999).

3. Ins. by Act 9 of 1995, s. 11 (w.e.f. 25-1-1995).

4. Subs. by Act 32 of 1999, s. 12, for “Board” (w.e.f. 16-12-1999).

5. Subs. by s. 12, *ibid.*, for “section 20” (w.e.f. 16-12-1999).

23. Protection of action taken in good faith.—No suit, prosecution or other legal proceedings shall lie against the Central Government ¹[or Board] or any officer of the Central Government or any member, officer or other employee of the Board for anything which is in good faith done or intended to be done under this Act or the rules or regulations made thereunder.

²**24. Offences.**—(1) Without prejudice to any award of penalty by the adjudicating officer ³[or the Board] under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to ⁴[ten years, or with fine, which may extend to twenty-five crore rupees or with both].

(2) If any person fails to pay the penalty imposed by the adjudicating officer ⁵[or the Board] or fails to comply with any ^{6***} directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ⁷[ten years, or with fine, which may extend to twenty-five crore rupees or with both].]

⁸**24A. Composition of certain offences.**—Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), any offence punishable under this Act, not being an offence punishable with imprisonment only, or with imprisonment and also with fine, may either before or after the institution of any proceeding, be compounded by a Securities Appellate Tribunal or a court before which such proceedings are pending.

24B. Power to grant immunity.—(1) The Central Government may, on recommendation by the Board, if the Central Government is satisfied, that any person, who is alleged to have violated any of the provisions of this Act or the rules or the regulations made thereunder, has made a full and true disclosure in respect of the alleged violation, grant to such person, subject to such conditions as it may think fit to impose, immunity from prosecution for any offence under this Act, or the rules or the regulations made thereunder or also from the imposition of any penalty under this Act with respect to the alleged violation:

Provided that no such immunity shall be granted by the Central Government in cases where the proceedings for the prosecution for any such offence have been instituted before the date of receipt of application for grant of such immunity:

Provided further that recommendation of the Board under this sub-section shall not be binding upon the Central Government.

(2) An immunity granted to a person under sub-section (1) may, at any time, be withdrawn by the Central Government, if it is satisfied that such person had, in the course of the proceedings, not complied with the condition on which the immunity was granted or had given false evidence, and thereupon such person may be tried for the offence with respect to which the immunity was granted or for any other offence of which he appears to have been guilty in connection with the contravention and shall also become liable to the imposition of any penalty under this Act to which such person would have been liable, had not such immunity been granted.]

25. Exemption from tax on wealth and income.—Notwithstanding anything contained in the Wealth-tax Act, 1957 (27 of 1957), the Income-tax Act, 1961 (43 of 1961) or any other enactment for the time being in force relating to tax on wealth, income, profits or gains—

(a) the Board;

(b) the existing Securities and Exchange Board from the date of its constitution to the date of establishment of the Board,

1. Ins. by Act 9 of 1995, s. 12 (w.e.f. 25-1-1995).

2. Subs. by s. 13, *ibid.*, for section 24 (w.e.f. 25-1-1995).

3. Ins. by Act 13 of 2018, s. 187 (w.e.f. 8-3-2019).

4. Subs. by Act 59 of 2002, s. 28, for “one year, or with fine, or with both” (w.e.f. 29-10-2002).

5. Ins. by Act 13 of 2018, s. 187 (w.e.f. 8-3-2019).

6. The words “of his” omitted by s. 187, *ibid.* (w.e.f. 8-3-2019).

7. Subs. by Act 59 of 2002, s. 28, for certain words (w.e.f. 29-10-2002).

8. Ins. by s. 29, *ibid.* (w.e.f. 29-10-2002).

shall not be liable to pay wealth-tax, income-tax or any other tax in respect of their wealth, income, profits or gains derived.

26. Cognizance of offences by courts.—(1) No court shall take cognizance of any offence punishable under this Act or any rules or regulations made thereunder, save on a complaint made by the Board ^{1***}.

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³**[26A. Establishment of Special Courts.**—(1) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary.

(2) A Special Court shall consist of a single judge who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

(3) A person shall not be qualified for appointment as a judge of a Special Court unless he is, immediately before such appointment, holding the office of a Sessions Judge or an Additional Sessions Judge, as the case may be.

26B. Offences triable by Special Courts.—Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), all offences under this Act committed prior to the date of commencement of the Securities Laws (Amendment) Act, 2014 (27 of 2014) or on or after the date of such commencement, shall be taken cognizance of and tried by the Special Court established for the area in which the offence is committed or where there are more Special Courts than one for such area, by such one of them as may be specified in this behalf by the High Court concerned.

26C. Appeal and revision.—The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 (2 of 1974) on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court.

26D. Application of Code to proceedings before Special Court.—(1) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting prosecution before a Special Court shall be deemed to be a Public Prosecutor within the meaning of clause (u) of section 2 of the Code of Criminal Procedure, 1973 (2 of 1974).

(2) The person conducting prosecution referred to in sub-section (1) should have been in practice as an advocate for not less than seven years or should have held a post, for a period of not less than seven years, under the Union or a State, requiring special knowledge of law.

26E. Transitional provisions.—Any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established, be taken cognizance of and tried by a Court of Session exercising jurisdiction over the area, notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974):

Provided that nothing contained in this section shall affect the powers of the High Court under section 407 of the Code of Criminal Procedure, 1973 (2 of 1974) to transfer any case or class of cases taken cognizance by a Court of Session under this section.]

27. ⁴[Contravention by companies].—(1) Where ⁵[a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder] has been committed by a company, every person who at the time the ⁶[contravention] was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the ⁶[contravention] and shall be liable to be proceeded against and punished accordingly:

1. The words “with the previous sanction of the Central Government” omitted by Act 9 of 1995, s. 14 (w.e.f. 25-1-1995).

2. Sub-section (2) omitted by Act 27 of 2014, s. 19 (w.e.f. 18-7-2013).

3. Ins. by s. 20, *ibid.* (w.e.f. 18-7-2013).

4. Subs. by Act 13 of 2018, s. 188, for marginal heading (w.e.f. 8-3-2019).

5. Subs. by s. 188, *ibid.*, for “an offence under this Act” (w.e.f. 8-3-2019).

6. Subs. by s. 188, *ibid.*, for “offence” (w.e.f. 8-3-2019).

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the ¹[contravention] was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an ¹[contravention] under this Act has been committed by a company and it is proved that the ¹[contravention] has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the ¹[contravention] and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

28. *[Power to exempt.] Omitted by the Securities Laws (Amendment) Act, 1995 (9 of 1995), s. 15 (w.e.f. 25-1-1995).*

²**28A. Recovery of amounts.**—(1) If a person fails to pay the penalty imposed ³[under this Act] or fails to comply with any direction of the Board for refund of monies or fails to comply with a direction of disgorgement order issued under section 11B or fails to pay any fees due to the Board, the Recovery Officer may draw up under his signature a statement in the specified form specifying the amount due from the person (such statement being hereafter in this Chapter referred to as certificate) and shall proceed to recover from such person the amount specified in the certificate by one or more of the following modes, namely:—

(a) attachment and sale of the person’s movable property;

(b) attachment of the person’s bank accounts;

(c) attachment and sale of the person’s immovable property;

(d) arrest of the person and his detention in prison;

(e) appointing a receiver for the management of the person's movable and immovable properties, and for this purpose, the provisions of sections 220 to 227, 228A, 229, 232, the Second and Third Schedules to the Income-tax Act, 1961 (43 of 1961) and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, in so far as may be, apply with necessary modifications as if the said provisions and the rules made thereunder were the provisions of this Act and referred to the amount due under this Act instead of to income-tax under the Income-tax Act, 1961.

Explanation 1.— For the purposes of this sub-section, the person's movable or immovable property or monies held in bank accounts shall include any property or monies held in bank accounts which has been transferred directly or indirectly on or after the date when the amount specified in certificate had become due, by the person to his spouse or minor child or son's wife or son's minor child, otherwise than for adequate consideration, and which is held by, or stands in the name of, any of the persons aforesaid; and so far as the movable or immovable property or monies held in bank accounts so transferred to his minor child or his son's minor child is concerned, it shall, even after the date of attainment of majority by such minor child or son's minor child, as the case may be, continue to be included in the person's movable or immovable property or monies held in bank accounts for recovering any amount due from the person under this Act.

Explanation 2.—Any reference under the provisions of the Second and Third Schedules to the Income-tax Act, 1961 (43 of 1961) and the Income-tax (Certificate Proceedings) Rules, 1962 to the assessee shall be construed as a reference to the person specified in the certificate.

Explanation 3.—Any reference to appeal in Chapter XVIIID and the Second Schedule to the Income-tax Act, 1961 (43 of 1961), shall be construed as a reference to appeal before the Securities Appellate Tribunal under section 15T of this Act.

1. Subs. by Act 13 of 2018, s. 188, for “offence” (w.e.f. 8-3-2019).

2. Ins. by Act 27 of 2014, s. 21 (w.e.f. 18-7-2013).

3. Subs. by Act 13 of 2018, s. 189, for “by the adjudicating officer” (w.e.f. 8-3-2019).

¹[*Explanation 4.* —The interest referred to in section 220 of the Income-tax Act, 1961 (43 of 1961) shall commence from the date the amount became payable by the person.]

(2) The Recovery Officer shall be empowered to seek the assistance of the local district administration while exercising the powers under sub-section (1).

(3) Notwithstanding anything contained in any other law for the time being in force, the recovery of amounts by a Recovery Officer under sub-section (1), pursuant to non-compliance with any direction issued by the Board under section 11B, shall have precedence over any other claim against such person.

(4) For the purposes of sub-sections (1), (2) and (3), the expression “Recovery Officer” means any officer of the Board who may be authorised, by general or special order in writing, to exercise the powers of a Recovery Officer.]

²[**28B. Continuance of proceedings.**—(1) Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay, if he had not died, in the like manner and to the same extent as the deceased:

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person.

(2) For the purposes of sub-section (1),—

(a) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, initiated against the deceased before his death, shall be deemed to have been initiated against the legal representative, and may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased and all the provisions of this Act shall apply accordingly;

(b) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, which could have been initiated against the deceased if he had survived, may be initiated against the legal representative and all the provisions of this Act shall apply accordingly.

(3) Every legal representative shall be personally liable for any sum payable by him in his capacity as legal representative if, while his liability for such sum remains undischarged, he creates a charge on or disposes of or parts with any assets of the estate of the deceased, which are in, or may come into, his possession, but such liability shall be limited to the value of the asset so charged, disposed of or parted with.

(4) The liability of a legal representative under this section shall be limited to the extent to which the estate of the deceased is capable of meeting the liability.

Explanation.—For the purposes of this section “legal representative” means a person who in law represents the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased and where a party sues or is sued in a representative character, the person on whom the estate devolves on the death of the party so suing or sued.]

³[**28C. Powers of Board not to apply to International Financial Services Centre.**—Notwithstanding anything contained in any other law for the time being in force, the powers exercisable by the Board under this Act,—

(a) shall not extend to an International Financial Services Centre set up under sub-section (1) of section 18 of the Special Economic Zones Act, 2005 (28 of 2005);

(b) shall be exercisable by the International Financial Services Centres Authority established under sub-section (1) of section 4 of the International Financial Services Centres Authority Act, 2019, in so far as regulation of financial products, financial services and financial institutions that are permitted in the International Financial Services Centres are concerned.]

29. Power to make rules.—(1) The Central Government may, by notification, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

1. The *Explanation* ins. by Act 21 of 2019, s. 42 and the Sch. II (w.e.f. 21-2-2019).

2. Ins. by Act 13 of 2018, s. 190 (w.e.f. 8-3-2019).

3. Ins. by Act 50 of 2019, s. 33 and the Sch. II (w.e.f. 1-10-2020).

(a) the term of office and other conditions of service of the Chairman and the members under sub-section (1) of section 5;

(b) the additional functions that may be performed by the Board under section 11;

¹* * * * *

(d) the manner in which the accounts of the Board shall be maintained under section 15;

²[(da) the manner of inquiry under sub-section (1) of section 15-I;

(db) the salaries and allowances and other terms and conditions of service of the ³[Presiding Officers, Members] and other officers and employees of the Securities Appellate Tribunal under section 15-O and sub-section (3) of section 15S;

(dc) the procedure for the investigation of misbehaviour or incapacity of the ⁴[Presiding Officers, or other Members] of the Securities Appellate Tribunal under sub-section (3) of section 15Q;

(dd) the form in which an appeal may be filed before the Securities Appellate Tribunal under section 15T and the fees payable in respect of such appeal;]

(e) the form and the manner in which returns and report to be made to the Central Government under section 18;

(f) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be, or may be, made by rules.

30. Power to make regulations.—(1) The Board may, ⁵*** by notification, make regulations consistent with this Act and the rules made thereunder to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the times and places of meetings of the Board and the procedure to be followed at such meetings under sub-section (1) of section 7 including quorum necessary for the transaction of business;

(b) the term and other conditions of service of officers and employees of the Board under sub-section (2) of section 9;

⁶[(c) the matters relating to issue of capital, transfer of securities and other matters incidental thereto and the manner in which such matters shall be disclosed by the companies under section 11A;

⁷[(ca) the utilisation of the amount credited under sub-section (5) of section 11;

(cb) the fulfilment of other conditions relating to collective investment scheme under sub-section (2A) of section 11AA;]

(d) the conditions subject to which certificate of registration is to be issued, the amount of fee to be paid for certificate of registration and the manner of suspension or cancellation of certificate of registration under section 12;]

⁸[(da) the terms determined by the Board for settlement of proceedings under sub-section (2) and the procedure for conducting of settlement proceedings under sub-section (3) of section 15JB;

(db) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations.]

31. Rules and regulations to be laid before Parliament.—Every rule and every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such

1. Clause (c) omitted by Act 9 of 1995, s. 16 (w.e.f. 25-1-1995).

2. Ins. by s. 16, *ibid.* (w.e.f. 25-1-1995).

3. Subs. by Act 59 of 2002, s. 31, for “Presiding Officers” (w.e.f. 29-10-2002).

4. Subs. by s. 31, *ibid.*, for “Presiding Officers” (w.e.f. 29-10-2002).

5. The words “with the previous approval of the Central Government” omitted by Act 9 of 1995, s. 17 (w.e.f. 25-1-1995).

6. Subs. by Act 9 of 1995, s. 17, for clause (c) (w.e.f. 25-1-1995).

7. Ins. by Act 27 of 2014, s. 22 (w.e.f. 18-7-2013).

8. Ins. by s. 22, *ibid.* (w.e.f. 18-7-2013).

modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

32. Application of other laws not barred.—The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

[33. Amendment of certain enactments.] *Rep. by the Repealing and Amending Act, 2001 (30 of 2001), s. 2 and the First Schedule (w.e.f. 3-9-2001).*

34. Power to remove difficulties.—(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty:

Provided that no order shall be made under this section after the expiry of five years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

¹**[34A. Validation of certain acts.**—Any act or thing done or purporting to have been done under the principal Act, in respect of calling for information from, or furnishing information to, other authorities, whether in India or outside India, having functions similar to those of the Board and in respect of settlement of administrative and civil proceedings, shall, for all purposes, be deemed to be valid and effective as if the amendments made to the principal Act had been in force at all material times.]

35. Repeal and saving.—(1) The Securities and Exchange Board of India Ordinance, 1992 (Ord. 5 of 1992), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of this Act.

1. Ins. by Act 27 of 2014, s. 23 (w.e.f. 18-7-2013).

[THE SCHEDULE.] Rep. by the Repealing and Amending Act, 2001 (30 of 2001), s. 2 and the First Schedule (w.e.f. 3-9-2001).

STATEMENT OF OBJECTS AND REASONS

Securities and exchange board of India (SEBI) was established in 1968 through a government resolution to promote orderly and healthy growth of the securities market and for investors protection SEBI has been monitoring the activities of stock exchange mutual funds and merchant bankers, etc., to achieve these goal.

The capital market has witnessed tremendous growth in recent times, characterised particularly by the increasing participation of the public. Investors' confidence in the capital market can be sustained largely by ensuring investors' protection, with this end in view, government decided to vest SEBI immediately with statutory powers required to deal effectively with all matters relating to capital market. As parliament was not in session, and there was an urgent need to instil a sense of confidence in the public in the growth and stability of the capital market, the president promulgated the securities and exchange board of India ordinance, 1992 (No. 5 of 1992) on the 30th January, 1992.

3. The Bill seeks to replace the aforesaid ordinance.

MANMOHAN SINGH.

NEW DELHI;

The 24th February, 1992,