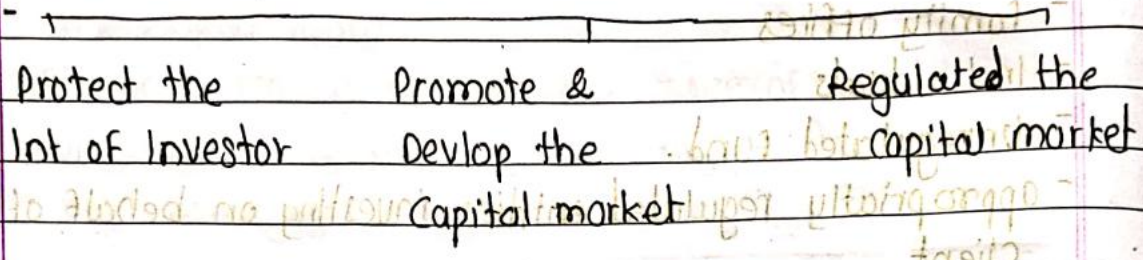


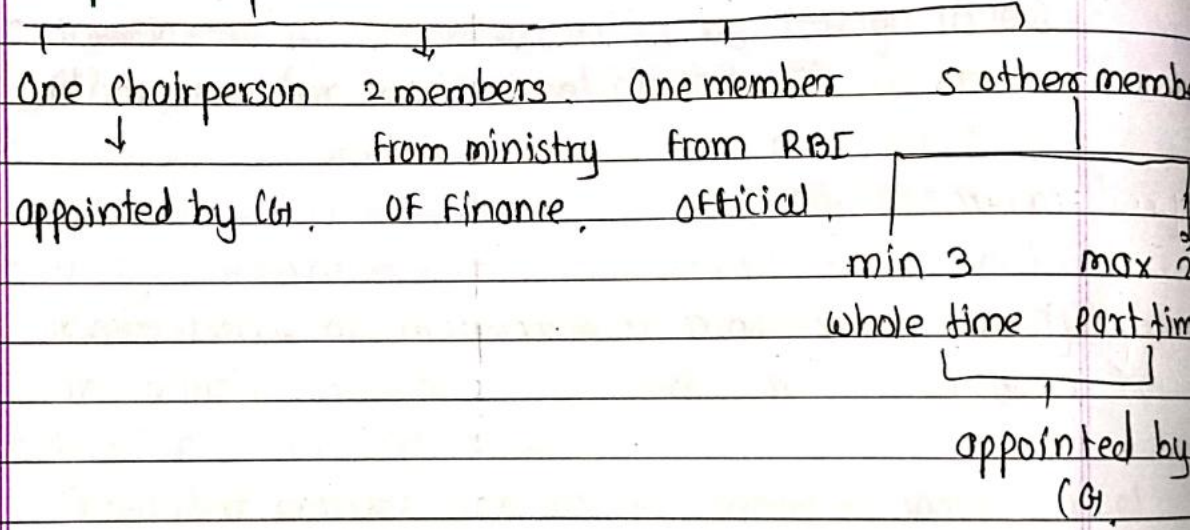
**\* Introduction**

- Body Corporate, having Perpetual succession
- Can enter into Contract
- Can sue & Can be sued
- Can hold, own, transfer the Property.

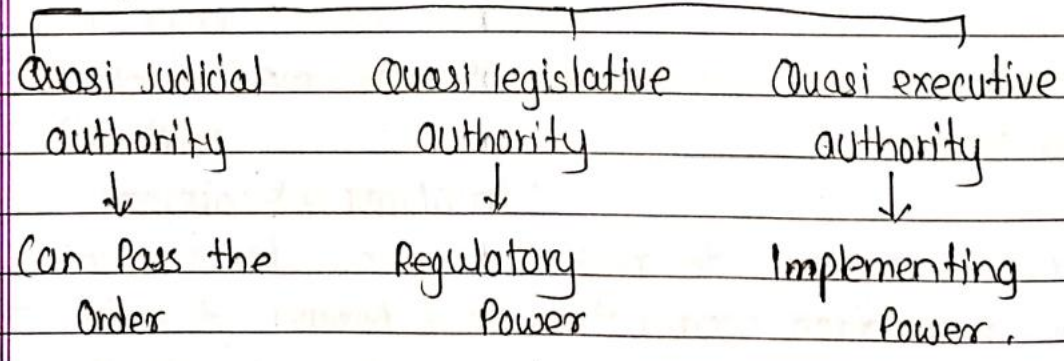
**\* Function of SEBI**



**\* Composition of SEBI**



**\* SEBI**



## Section - 11 Functions of SEBI

- ① Protect the Interest of Investor.
- ② Prevent the detriment affairs.
- ③ Prohibit the Unfair & Fraudulent Practices.
- ④ Regulate the stock exchange.
- ⑤ Prohibit Inside trading.
- ⑥ Regulate takeover.
- ⑦ Can Conduct Inquiry Investigation of Intermediary of stock exchange.

### \* Powers of SEBI

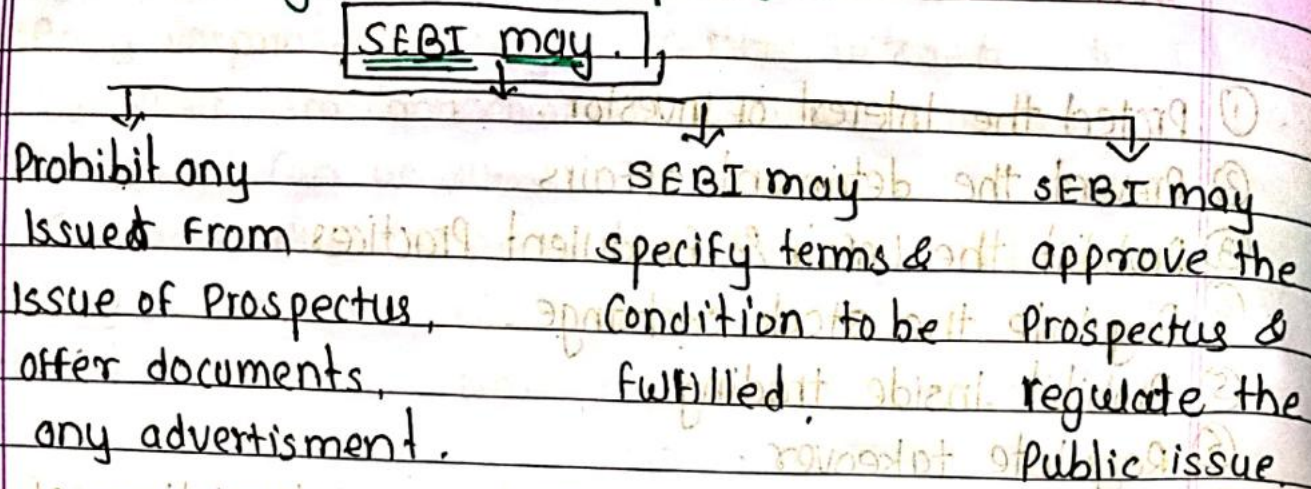
#### CIVIL Court Power

- a) Summoning and enforcing the attendance and examination of them on oath.
- b) Discovery and Production of books of accounts & register.
- c) Inspection of Books of accounts, registered & record.
- d) Production of further documents record.
- e) Examination of witness or documents.

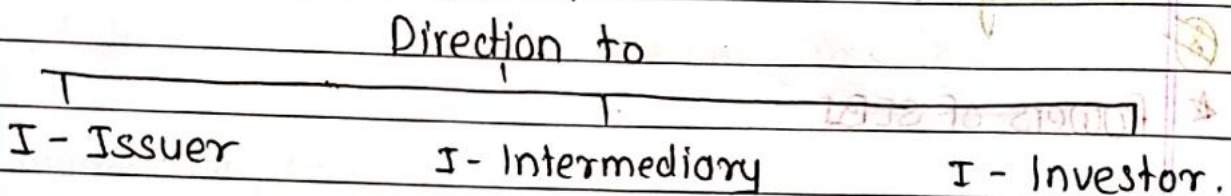
#### Other Power.

- a) suspend the trading of any security.
- b) restrain any person from accessing the security market.
- c) suspend the office bears of stock exchange.
- d) Restrain the proceeds of securities which is under the investigation.
- e) Attachment for bank account for a period of 90 days & obtain Confirmation from special court.

**\* Power to regulate the Prospectus**



**\* Power to Issue direction**



**Grounds :-**

- (a) To protect the interest of Investor.
- (b) To Prevent detrimental affairs. of the Intermediary or Investor. (negative advers)
- (c) To Secure the Proper management of Intermediary.
- (d) To Prevent the any detrimental activity of Intermediary.

**\* Power to Investigate**

**- Grounds of Investigation.**

- (a) Affairs are detrimental
- (b) Violation of rules & regulation  
Violation

**- Appointment Investigation officer.**

- (a) SEBI shall appoint Investigation officer to carry out the Investigation.

- Duty to Produce Books of Accounts -  
 @ Authorised Person of Issuer shall produce books of accounts, records, documents to the authority.

- Custody .

@ authority may keep such records in the custody for a period of 6 months.

- Seizure of record (बुकिंग ऑर्डर)

@ Investigating authority after obtaining Court order may seize the books of account

### \* Cease & Desist Order.

- IF any person has violated or likely to violate any provision of SEBI Act, or rules there under then SEBI may pass Cease & Desist order.

- SEBI cannot pass Cease & desist Order except in case of Insider trading or market manipulation against the listed co.

### \* Penalties Under SEBI Act.

ISA - Accounts failed to -

(a) furnish any information

(b) file any return

(c) maintain books of accounts

- At least ₹ 1,00,000

- extend to ₹ 1,00,000 per day

- maximum of ₹ 1 crore.

15 B. Broker - Intermediary

- IF any intermediary failed to enter into an agreement with client.  
Penalty (same as ISA)

15 C. Complaint

- IF any person fails to redress (to solve) the Investor grievances  
Penalty (same as ISA)

15 D - Dewana Mutual Fund

- Failed to -
- (a) registered with SEBI
  - (b) Issue Units or refund of application money
  - (c) list the Units of mutual fund
  - (d) Investment as per the term of issue
- Penalty (same as ISA)

15 E - estate - Asset management Company.

- Failed to
- (a) Registered with SEBI
  - (b) Follow Rules & Regulations of SEBI

→ same as - ISA Penalties

15 EA - AIF - Allternet Investment Fund.

InvIT - Infrastructure Investment Fund.

REIT - Real estate Investment Fund.

↳

- Failed to -
- (a) Registered with SEBI
  - (b) follows Rules & Regulation of SEBI

Penalty - Minimum 1,00,000 extend to ₹ 1,00,000 per day maximum 1 crore or 3 times of amount gain (whichever is higher)

ISEB - Investor advisor or Research analysts.  
 ↳ failed to Comply the rules & Regulations

Penalty - same as ISA.

ISF - Failure of Broker.

failed to - ① issue Contract note as specified stock exchange.

Penalty - ① 1 lakhs of least / maximum 1 crore.  
 ② Delivery security of fails to transfer the fund.

Penalty - same as ISA.

③ charges excess brokerage as specified in regulation.

Penalty - ₹ 1,00,000 which may extend to 5 times of excess brokerage.

ISG - Grant Trade.

If any Person who either on his own behalf or behalf of any person deals in securities on the basis of Unpublished Price Sensitive Information.

- Communication of UPSI with or without his request  
 - Process or Co-sellling any UPSI from inside support  
 penalty -

min - 10 lacs } whichever is  
 extend to - 25 crore / } higher.  
 3 times of Profit Gain earned

ISH - No disclosure of acquisition of share  
 Penalties same as ISG.

ISHA - No Fraud Ha

- Fraudulent & Unfair trade practices

Penalty - Min ₹ 5,00,000

extended to 25 crore } whichever is  
 & time of profit } higher.

### \* Adjudicating Authority

- Appointed by Ctr, SEBI
- Not below the rank of division chief
- To hold inquiry of investigation
- Power same as SEBI
- Penalty - Give opportunity of being heard.

### \* Factors to be Consider

- Amount of Gain or Unfair advantages as a result of default
- Amount of loss Caused to an Investor.
- Repetitive Nature of default

\* All Penalties transfer to Consolidated fund of India.

Adjudicating officer } → Appeal - SAT  
 SEBI

Recognized stock exchange

IRA, IRDA

Securities Appellate Tribunal

- Consolidated by Central Government by Notification in official gazette.
- To accept the appeal against the order of SEBI, AO, RSE
- Constitution -
  - Presiding officer
  - Judicial manager / member
  - Three Technical managers / member

SAT

Presiding officer	Judicial member	Technical members
↓	↓	↓
Qualification	sitting overrated	sitting overrated
↓	Judge of HC + 5 year of experience	Judge of HC + 5 year of experience
sitting / retired judge of S.C.		
sitting / retired chief Justice of H.C.		
sitting / retired Judge of H.C. + 7 year of experience		

## \* Appeal Procedure

- Appeal to SAT
- Against the order of SEBI
- within - 45 days
- Sufficient ground - Can ground the extention
- Dispose off within 6 months
- SAT [ Confirm  
modify  
set-aside.
- Appeal to SC. against the order of SAT within 60 days
- 1 extention - 60 days on sufficient grounds.

## \* Special Court

- establish by CG.
- For speedy trial
- single Judge
- appointed by CG with Consultation of Chief Justice of HC.
- Qualification - session Judge / Additional session Judge.
- All offences under sebi Act are triable

## \* SCORE

- Online Platform to lodge the Investor Complaint Pertaining to securities market.
- Complaint against listed Company & Registered Intermediary.

## \* Salient Features of SCORES.

- SEBI Complaint Redressal system is web based centralised grievance redressal system.
- Can lodge Complaints 24x7 from any place.

- Online lodging of Complaints, Follow up & tracking the status of Complaints.
- Online uploading of Action taken Report.
- allotment of Complaint registration number for future references.

### Direct Complaints.

- Complaints may use SCORES Platform to lodge Complaint directly to Concerned entity.
- such Complaint shall be redress by such entity within 30 days without intervention of SEBI.

### Procedure.

- Register on www.scores.com.
- Fill the registration form of & other details like PAN, Aadhar.
- allotment of unique ID & passport Password

### Timeline for lodging Complaints on SCORES.

- lodging of Complaint within 1 year from

Rejection of Complaints by Concerned entity

Not satisfied with the reply receives.

Expiry of 30 days or from filling of Complaints if in case of non-receipt of any communication.

One-time Review

- within 15 days from closure of Complaints, investor is having one time review option if investor is not satisfied with the redresser.

- Complaints shall not be done through SCORES

(a) Complaints against Unlisted or delisted Companies

(b) Complaints is pending in Court or quasi judicial authority

(c) Complaints against Perveer of any other authority like RBI, IRDAI

(d) Complaints pending under Insolvency or bank curruptcy code.

(e) Complaints against such Company where the name of Company is struck off from ROC or against the Vanishing Company.

(f) Liquidated Companies.

### ★ SEBI Mobile Application

- Mobile App, "SEBI SCORES" is available on ios & android Platform.

- SEBI launch mobile application for the Convenience of investor to lodge their grievances through mobile App.

- after registration on app investor will get acknowledgement through SMS & Email.

- Same features as web based Platform.

## Informal Guidance, (SEBI SCHEME, 2003)

- No Action letter.
- Interpretive letter.

### No Action Letter.

SEBI indicates that the department would not recommend any action if proposed transaction is as per SEBI regulation

### Interpretive Letter.

- SEBI provides interpretation of a specific provision of any Act.
- Request sealing informal guidance should be accompanied with Prescribe fees.

### Interpretive letters.

- SEBI Provide Interpretation of a specific provision of any Act.
- Request sealing informal