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A study on Role of SEBI as a Regulatory Authority in Indian Capital Market: an Empirical Analysis

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I. Introduction

Indian Capital market have shown tremendous growth in the post Liberalization era. It remains one of the most resilient globally and poised to be one of the top destinations for domestic and global business to expand and invest into. It promotes economic growth through the mobilization of long term saving and the savings get invested in the economy for productive purpose. The capital market deals with capital. Capital Market is generally understood as a market for long term funds and investments in long term instruments available in this market. Capital markets mean the market for all the financial instruments, short term and long term as so commercial industrial and government paper.

Generally for the economic growth of a country an investment plays very important role. People expect best returns by investing some portion of their hard earned income into stock market such as shares, debentures, bonds etc,. More risk is associated with investment in stock market. For the protection of such investors interest and to safe guard their hard earned money a regulatory authority officially formed by Government of India, named as Securities and Exchange Board of India (SEBI). This research paper aims to gain insight into the role of SEBI as a regulatory authority and its impact on Indian Capital market. The study is descriptive in nature. Thus the findings have been made by analysis in order to know the role and impacts of SEBI in Indian Capital market. It is very difficult task for the regulators to prevent the scams, regulating and monitoring each and every segment of the financial market. It has been discovered that SEBI has played a great role in order to put good surveillance system in a systematic manner.

The capital market is a market where borrowing and lending of long term funds takes place. Capital market deals in both, debt and equity. The primary market refers to the long–term flow of funds from the surplus sector to the government and corporate sector (through primary issues) and to banks and non-banks financial intermediaries (through secondary issues).

The secondary market is a market for outstanding securities. Unlike primary issues in the primary market which result in capital information, the secondary market facilitates only liquidity and marketability of outstanding debt and equity instruments

II. Conclusion

The SEBI is a regulatory body which is twenty three years old and the capital market system is more than 103 years old. This matured capital market system requires monitoring rather than

Over-regulation. There should be cross-border cooperation among all sorts' regulators and between regulators and profession. The SEBI should supervise this capital market system in such a manner that all sub-systems become self-regulatory organisations (SROs) gradually. The SEBI should lay down the boundaries within which these sub-systems should operate. Moreover, the fundamental infrastructure for regulation, disclosure, surveillance and trading are all in place. Hence, the SEBI should stop being pre-occupied with day-to-day regulations and become more of a visionary. Securities Exchange Board of India has enjoyed success as a regulator by pushing systematic reforms aggressively and respectively.

Security Exchange Board of India did out with corporeal example that were prone to postal delays, thievery and product, separate from making the solution action slow and carking

by passing Depositories Act, 1996. Security Exchange Board of India has also been instrumental in taking fast and useful steps in light of the universal meltdown and the Satyam fiasco. The SEBI can ensure a free and fair market and take India into league of major global

Capital markets in the next round of reforms. To enable this, it has to thoroughly review its Structure and functioning. Security Exchange Board of India has increased the application limit for retail investors to Rs 2 lakh, from Rs 1 lakh at present. Thus, The SEBI has to balance between the costs of regulation and market Development. There should be cross-border cooperation between various regulators and between regulators and industry.

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