

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2404

ANSWERED ON:07.12.2012

INVESTIGATION BY SEBI

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**Will the Minister of FINANCE be pleased to state:**

- (a) the powers and functions of Securities and Exchange Board of India(SEBI) with regard to carrying out of investigations;
- (b) whether SEBI has been given powers to access the call records and tap the telephone conversations of persons or entities under investigation and if so, the details thereof; and
- (c) if not, the reasons therefor and reaction of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) SEBI has following powers under the SEBI Act, to seek information for the purposes of investigation-

(i) section 11 (2) (i)

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

(ii) section 11(2)(ia)

[(ia) calling for information and record from any bank or any other authority or board or corporation established or constituted by or under any Central, State or Provincial Act in respect of any transaction in securities which is under investigation or inquiry by the Board;]

(iii) section 11 (2A)

(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]

(iv) section 11(3) SEBI has powers of a civil court while exercising powers under aforementioned provisions for the purpose of discovery and production of books, summoning and enforcing the attendance of persons, inspection of any records, issuing commission for the examination of witnesses or documents

(v) General powers of investigation are defined under Section 11C of the SEBI Act, 1992

(b) & (c) The extant Rules of the Government of India do not allow SEBI to access the call records and tap telephone conversations.