

# **Problems of SEBI in Regulating Capital Management**

**Md. Zafar Alam**

The functioning of the SEBI reformed Indian regulatory structure is examined in the context of the basic principles of regulation, the special regulatory requirements of capital markets management and the features of Indian markets. The regulator's aim was to achieve international best practices, and encourage market integrity through clear and self-enforcing rules of the game while encouraging the game itself. It contributed to implementing world class technology and processes in the markets. Following general principles allowed flexible response to arbitrage and change. Insider groups lost power as the liquidity advantage tipped in favour of automated systems, but there were imperfections in monitoring due to structural defects which are being addressed. Thinness of participation and in depth of securities may be overcome as markets revive with growth.