

In her 2nd year, SEBI chief's focus was on ease of doing biz using data, tech

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Madhabi Puri Buch's second year as chairperson of Securities and Exchange Board of India (SEBI) was characterised by a flurry of consultation papers, technology integration and a focus on ease of doing business. A whole-time member of SEBI from April 5, 2017 to October 4, 2021, Buch assumed charge as the SEBI chairperson on March 2, 2022.

The move towards same-day settlement, introduction of micro, small and medium REITs, mandatory listing of non-convertible debentures by listed issuers, dematerialisation of AIF units and rules for social stock exchanges were some of the key initiatives. "In her second year, the focus has been on troubleshooting, crisis management, and addressing legacy issues, with notable improvements in the speed of product and intermediary approvals," said Sumit Agrawal, Founder, Regstreet Law Advisors. "Swift changes in listing and capital issuance norms, and the disclosure of promoters' family arrangements has been a positive step towards investor protection."

PROCESSING TIME

Processing time for applications has reduced under her watch. As of March 2022, for instance, there were 71 AIF applications which were over six months old, awaiting clearance. Today, not a single application has a pendency of over three months. The regulator has started the pilot use of ChatGPT for first-level processing of draft public offer documents.

"Her term witnessed significant growth in the Indian stock market despite global challenges. She has remained committed to advancing sustainability and responsible investments through the introduction of new ESG (environmental, social, and governance) regulations and the promotion of green finance initiatives," said Paritosh



Madhabi Puri Buch, SEBI Chief

Dhawan, Principal & Founder, Dhawan and Co.

TECH INTEGRATION

Buch continues to inculcate a culture that is more closely aligned with the corporate world. The thrust has been on leveraging technology and formulating regulations backed by data.

"One of her noteworthy achievements is that of technology integration in improving processes and orders. QR codes integrated in SEBI orders now provide access to videos relevant to the matter. Technology has helped reduce cost and manage risk," said Kshitij Asthana, Leader - Capital Markets Practice, Singhania & Co.

The past year saw 53 consultation papers compared with 40 in her first year as chairperson. Several proposals, including rationalisation of mutual fund expenses, insider trading norms and delisting proposals, however, have encountered delays or substantial modifications.

"The fast-paced securities market demands a delicate balance between swift decision-making and careful consideration. As the regulatory landscape evolves, in her third year, there is a pressing need to strike a balance by minimising excessive policy changes and prioritising the stringent enforcement of existing regulations to ensure stability and prosperity in the securities market," said Agrawal.

According to Natasha Treasurywala, Partner at Desai & Diwanji, a large number of amendments to the AIF regulations have put the

funds on a back foot at a time when private capital pools are overflowing. Despite this, AIF commitments crossed the ₹10 lakh crore mark as of December last year, a 44 per cent increase year-on-year.

EASE OF DOING BIZ

SEBI has turned its attention to ease of doing business and released a flurry of proposals to make life easier for mutual funds, FPIs and alternative investment funds.

It is, for example, doing away with the liquidation scheme and will allow existing AIF funds to manage their illiquid investments by choosing a dissolution period. "This shows that SEBI is more accepting of the feedback it is receiving from the public on the floated proposals, which is a positive sign," said Asthana.

BREACHING SAT WALL

It was a rough year for the market regulator at the Securities Appellate Tribunal, with setbacks in key cases. SAT quashed the Brickwork Ratings India order cancelling its license and asked SEBI to pass a fresh order on the quantum of penalty.

The regulator was penalised twice by SAT, for initiating enforcement proceedings against the legal heirs of a deceased director of a Sahara entity and for delays in de-freezing demat accounts of a shareholder in the Kirlskar matter.

"The recent failure to de-freeze accounts by SEBI as per SAT's directive in the matter of Kirlskar Industries and the lack of clear communication between SEBI and the concerned depository underscores the need for enhanced coordination and clarity within SEBI's operational framework," said Asthana.

"All in all, her tenure has seen a lot of activity in areas which were not touched upon before. But there is a lot to be done like dealing with influencers, insider trading and a stronger fight at SAT," added Jayant Thakur, a chartered accountant.