

PART FOUR: ORGANISATIONAL MATTERS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

Part Four of the Annual Report deals with the organization matters of the Board like the composition and meetings of the Board, its human resources development, visit of Parliamentary Committees, promotion of Official language, and the status of information technology.

1. SEBI BOARD :

As on March 31, 2003, the Board consisted of Chairman Shri G N Bajpai, and members Shri Vinod Kumar Dhall, Secretary, Department of Company Affairs, Ministry of Finance, Government of India, Shri G P Muniappan, Deputy Governor, Reserve Bank of India and Shri Dharendra Swarup, Additional Secretary, Department of Economic Affairs, Ministry of Finance, Government of India.

Shri Dharendra Swarup, Additional Secretary, Department of Economic Affairs, Ministry of Finance, Government of India was nominated as one of the Members on the Board in terms of Government of India Notification No. 5/24/CM/2002 dated May 28, 2002 in pursuance of sub section 3 of Section 4 of Securities and Exchange Board of India Act, 1992 (Act No. 15 of 1992) in place of Dr Rakesh Mohan.

Shri. R L Meena, Secretary Law, is a special invitee to the Board.

During the year vide amendment to the SEBI Act, 1992, (with effect from 29.10.2002) the constitution of the Board has been modified to provide for five additional members (from two additional members), of whom three members would be whole time members in addition to Chairman.

BOARD MEETINGS

During the year 2002-2003 nine Board Meetings were held.

The details regarding attendance of the Members is given in the Box 4.1

Box 4.1: Attendance of Members of the Board

Chairman/Member	Meetings held during the year	Meetings attended
(i) Chairman : Shri G N Bajpai	9	9
(ii) Members of the Board: Shri Vinod Kumar Dhall, Secretary, Department of Company Affairs, Ministry of Finance and Company Affairs, Government of India.	9	8
Shri G P Muniappan, Deputy Governor, Reserve Bank of India.	9	9
Dr Rakesh Mohan* Adviser to Finance Minister, Ministry of Finance, Government of India.	2*	2
(Member of the Board upto May 2002)		
Shri Dharendra Swarup** Additional Secretary, Department of Economic Affairs, Ministry of Finance, Government of India.	7**	6
(Member of the Board from June 2002 onwards)		
* During his tenure 2 meetings were held. ** During his tenure since July 2002, 7 meetings were held.		

2. HUMAN RESOURCES

Human resource development was for the first time brought into strategic focus at the Board. The Strategic Action Plan for 2002-03 provided for Building and upgrading competencies, transparency in policy making, strengthening physical infrastructure, revamping the performance appraisal system to provide for objectivity and appropriate communication mechanisms with the staff.

I. Staff Strength, Recruitment, Deputation And Retirement

As on March 31, 2003, SEBI had 217 Officers and 147 Staff Members (Total 364) in various grades. During 2002 – 2003, 16 Trainee Officers joined the services of the Board. Two officers joined the services of the Board on deputation and six officers serving the Board on deputation have retired / been repatriated to their parent cadre.

II. Training

With a view to enhancing the skills and efficiencies, officers and secretarial staff were nominated for various training programmes during the year April 2002 to March 2003. The training was imparted with a view to achieving overall individual development of the employees as also significant enhancement of the knowledge / skill relating to their job responsibilities. The training programs included training on technology, new areas such as interest rate derivatives and exposure to regulation in overseas markets. The officers also participated in seminars and conferences in India and abroad.

III. Promotions

During the year 2002-03, 26 Officers and four Secretaries were promoted against vacancies.

IV. Staff Suggestion Scheme

During the year the Board introduced Staff Suggestion Scheme with a view to receiving invaluable suggestions from its employees for the betterment of functioning of the Board. The Scheme received good response from the staff and the suggestions received were put up to a Committee of Executive Directors (COED)

V. Gratuity

With a view to encouraging a sense of belongingness and to reward employees with longer service, the Securities and Exchange Board of India (Payment of Gratuity to Employees) Rules, 2003 have been approved by the Board.

VI. Performance Appraisal

A revised system of Performance Appraisal Report (PAR) incorporating setting of Key Result Areas (KRA), self appraisal, assessment of competencies and two levels of review is implemented with effect from January 1, 2003. All Officers have been provided training on the procedures and modalities of the revised system.

VII. Communication Plan

Under the Communication plan which has been made operational this year, the Divisional heads held fortnightly meeting with the staff members; the Executive Directors held monthly assessment of performance and grievances relating to the departments. Chairman held two open house meetings which were attended by all the staff members. The open house meetings provided opportunity for staff members to directly interact with Chairman and know the policies and programs of the Board. In addition, a monthly meeting of all of the level of Division Chiefs(DCs) and above (designated 'Management Committee') was organized regularly.

3. Indo-US Financial Institutions Reform and Expansion Project – Capital Markets

The Financial Institutions Reform and Expansion (FIRE) Project of the United States Agency for International Development (USAID) aims to broaden and deepen India's securities market by inducing greater investor participation in the markets through improved transparency and efficiency, increased liquidity, effective supervision and self-regulation, and introduction of new and innovative securities instruments.

The agreement for the project was signed on September 27, 1993 between SEBI and USAID. The project was suspended due to the sanctions imposed by the US Government in 1998. Though the project was re-started under a special sanctions waiver in March 2000, the implementation of the resumed project began in July 2001 only. SEBI and IBM (the project consultants appointed by USAID) had chalked out a plan for year 2002 – 03 under which the project consultants provided assistance in various areas related to development and regulation of the securities markets.

4. Parliamentary Committee

Public Accounts Committee under the Chairmanship of Shri Buta Singh held a meeting with the Chairman and other Senior Officials of the Board at Mumbai on June 19, 2002.

The Joint Parliamentary Committee on Stock market scam held meeting at Delhi on June 27, 2002 and the final report of the Committee was submitted on December 12, 2002.

5. Promotion of Official Language

In furtherance of achievement of objectives envisaged in the SEBI Act, the Board is putting in its best efforts to protect the

interests of the investors. In this direction, one of the major challenges before the Board was of education and awareness of the investors. It could only be possible if the investors are provided with the educative material in their own language and in a simple way. To meet this challenge, SEBI has put in various laudable efforts including providing educative material to the investors not only in Hindi but also in regional languages. Besides, the Board is also putting efforts to educate the investors through conducting various programmes in various languages. Thus, the development of capital market and implementation of Official Language Policy - both are complementary and are equally important to the Board.

The year was fully dedicated by the Board to the Rajbhasha. The endeavour was to provide basic infrastructure, training etc. and to create working environment for implementation of Rajbhasha, so that the employees may adopt it as a part and parcel of their routine official work. To provide smooth working environment for development of Rajbhasha, various activities were undertaken by the Board like providing suitable package, study material, training of most of the employees, organizing various functions and activities in all the offices of the Board throughout the year. It created greater awareness among all the employees of the Board towards their duty to implement the Official Language Policy of Govt. of India.

The Board has always been making valuable contribution towards various programmes organized by other institutions for the growth and development of Rajbhasha Hindi. SEBI is also providing the expertise to various institutions for updation and development of bilingual glossary, enabling various educational institutions to impart education through Hindi medium in the subjects like Finance and Capital Market.

6. Status of Information Technology at SEBI

Information Technology (IT) initiatives at SEBI during the financial year 2002-2003 have taken care of emerging trends in the IT industry. Some of the implementations at SEBI during the year are listed below:

I. Databases at SEBI

The back-end database system used at SEBI has been successfully migrated to Oracle8i. Some of the applications have been web-enabled and direct uploading of data has been implemented for custodians of foreign institutional investors / mutual funds so that relevant data could be loaded to SEBI database directly from their place. Databases relating Staff Payments/Reimbursements were also integrated to intranet so that such information can be published on the intranet with secured employee access.

II. Intranet

As part of 'Less Paper Office' initiatives in the Board, information related to employees such as bills reimbursement, salary details, loan details, leave records, agenda / minutes / action taken report of various committee meetings, committee /working group reports, etc. have been published on intranet.

III. Networking

Wide Area Connectivity has been established at all the offices of SEBI, to access the SEBI Central database, Mail/Messaging, etc. The Wide Area Connectivity also provides Voice over IP facilities to all its offices, to reduce

the outstation telephone calls charges. Video conference facilities have also been setup at all the offices of SEBI. SEBI has established Virtual Private Network and Digital Signature for some of the intermediaries to provide secured network for direct upload of data.

IV. SEBI Web Site

SEBI web site has been re-structured and re-designed with the latest technology. The web site has been made database-driven. It has been designed in such a way that any desired information can be obtained in utmost three clicks. Powerful search engine has been incorporated to ensure quick accessibility of relevant information. Orders of Securities Appellate Tribunal (SAT) and Board's Orders have also been published on the web-site. A separate sub-section titled "Reports for Public Comments" has also been created wherein all draft reports seeking suggestions from public are published. A separate page for "Investors Education" has been created.

7. Physical Infrastructure :

During the year, The Board approved an ambitious project to construct its own building at the new Financial Centre in Mumbai, the Bandra-Kurla Complex. With the kind help from the Government of Maharashtra, the Board could procure land from MMRDA, the nodal agency at Mumbai, at a discount, resulting in huge savings in cost of land acquisition. It was also decided to appoint CPWD as the agency for project consultant and work is expected to start soon.

भारतीय प्रतिभूति और विनिमय बोर्ड,

प्रधान कार्यालय :

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वेबसाइट: <http://www.sebi.gov.in>

SECURITIES AND EXCHANGE BOARD OF INDIA

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