

vii) Assessment and Prospects

The capital market in India has undergone a rapid transformation. The introduction of internet trading, rolling settlement, abolition of par value system and entry of information technology companies would further help the expansion of securities market. The reforms already introduced by the SEBI encompass a wide range of issues in the securities market. But there is a need for continuous efforts to bring about further transformation and improvement in its infrastructure and microstructure so that the market becomes safer, fair, efficient, competitive and attractive for investors, issuers and institutions.

The SEBI's efforts in the future will be directed to:

- i. achieve complete and full implementation of corporate governance framework
- ii. further strengthen the rolling settlement system
- iii. further strengthen the clearing and settlement system and speed up the process of dematerialisation and dematerialised trading
- iv. set up a risk management group to further refine the existing margining system with a view to reducing the transaction cost without affecting the safety and addressing the risk arising from market volatility
- v. encourage wider use of internet for trading and other activities in the securities market
- vi. continue efforts for bringing uniform by-laws for stock exchanges
- vii. increase the role of venture capital funds
- viii. strengthen the process of book-building
- ix. enhance the role of market making
- x. implement derivative trading on the exchanges
- xi. continue upgrading and widening the disclosure norms for the protection of the investors
- xii. strengthen the surveillance and monitoring system at the exchanges
- xiii. develop programme for investor education to enhance the awareness of securities market
- xiv. measures to strengthen links with stock exchanges and regulatory authorities in foreign countries