Securities Laws (Amendment) Act, 2004

Section 6 - Insertion of New Section 12a

After Section 12 of the principal Act, the following Section shall be inserted, namely:-

"12A. Power to issue directions.-- If, after making or causing to be made an inquiry, the Securities and Exchange Board of India is satisfied that it is necessary -

(a) in the interest of investors, or orderly development of securities market; or

(b) to prevent the affairs of any recognised stock exchange, or, clearing corporation, or such other agency or person, providing trading or clearing or settlement facility in respect of securities, being conducted in a manner detrimental to the interests of investors or securities market; or

(c) to secure the proper management of any such stock exchange or clearing corporation or agency or person, referred to in clause (b), it may issue such directions, -

(i) to any stock exchange or clearing corporation or agency or person referred to in clause (b) or any person or class of persons associated with the securities market; or

(ii) to any company whose securities are listed or proposed to be listed in a recognised stock exchange,

as may be appropriate in the interests of investors in securities and the securities market.".
