

Regulatory Authorities - SEBI and RBI

The SEBI holds the platform to protect the stock market, and RBI manages the monetary funds.

Reserve Bank of India (RBI)

- **Role:** The RBI is India's central bank and is responsible for managing the country's monetary policy. This means it controls how much money is in the economy and influences interest rates to ensure economic stability.
- **Key Functions:**
 - **Monetary Policy:** Sets interest rates and controls the supply of money.
 - **Bank Regulation:** Oversees banks and ensures they operate safely and soundly.
 - **Currency Management:** Issues and manages the currency used in the country.
 - **Financial Stability:** Monitors and works to maintain the stability of the financial system.
- **Headquarters:** Mumbai, Maharashtra

Securities and Exchange Board of India (SEBI)

- **Role:** SEBI regulates the securities market (like stock exchanges) and protects investors. It ensures that the stock markets operate fairly and transparently.
- **Key Functions:**
 - **Regulation of Markets:** Sets rules and regulations for stock exchanges and other securities markets.
 - **Investor Protection:** Ensures that investors are protected from fraud and malpractice.
 - **Promotion of Fair Trading:** Works to ensure that trading in the stock market is fair and transparent.
 - **Development of Markets:** Helps in the growth and development of the securities market.
- **Headquarters:** Mumbai, Maharashtra

Summary

- **RBI:** Focuses on the overall economy, including money supply, banking regulation, and financial stability.
- **SEBI:** Focuses on the securities market, including regulating stock exchanges and protecting investors.

Both these authorities play crucial roles in maintaining the economic and financial health of the country.

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Reserve Bank of India (RBI)

- **Current Governor:** Shaktikanta Das
- **Tenure:** Appointed on December 12, 2018. His term is set for three years but can be extended.

Securities and Exchange Board of India (SEBI)

- **Current Chairman:** Madhabi Puri Buch
- **Tenure:** Appointed on April 5, 2022, for a three-year term.

Without the RBI and SEBI, the economy would face:

1. **Uncontrolled Inflation/Deflation:** No central regulation of money supply and interest rates.
2. **Banking Instability:** Lack of oversight could lead to bank failures and loss of public confidence.
3. **Unregulated Markets:** Increased risk of fraud, manipulation, and unfair trading practices in financial markets.
4. **Currency Instability:** Potential for unstable currency and exchange rate volatility.
5. **Investor Risks:** Greater exposure to unethical practices and lack of protection for investors.

Overall, the absence of these regulators would lead to financial instability, reduced investor confidence, and economic uncertainty.

CBSE

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