PREFACE

In the recent years, India has witnessed large price fluctuations in the shares of public companies during the periods of mergers or acquisitions and illegal trading on the basis of unpublished price sensitive information, which has caused great concern to the Indian securities market. If the fiduciaries who run the companies for the benefit of the shareholders gain unjust enrichment at the cost of the company and its shareholders, it becomes a heinous crime.

Although illegal insider trading is a global phenomenon, a study by the IMF reports that it is relatively high in countries such as India, China, Russia, etc., resulting in high volatility in share prices. Indian studies also have reported that insider trading activity is observed amongst companies belonging to the same business group prior to merger announcements.

As the Indian market does not have a level playing field or perfect competition, asymmetry of information causes an adverse impact on the market. Therefore, the adequacy of regulations and an efficient enforcement mechanism to curb insider trading becomes very important to avoid manipulators and fraudsters taking advantage of the information asymmetry. The purpose of the study has been to analyze the regulatory infrastructure of the insider trading laws in India and decide on the strategy to improve upon the existing framework. With that objective, the author has trailed through the laws relating to insider trading both in the U.S. and U.K., which are reputed for their efficacy.
Considering that this study has analysed in great detail, the legislative and regulatory framework in U.S. and U.K., and in India and has identified the issues in the Indian regulatory mechanism and has also suggested certain remedies, I hope that the study would assist the legislators to at least think about the need for an effective enforcement regime.

My experience in working with the Securities and Exchange Board of India's legal department for more than 12 years and handling a variety of responsibilities has instigated me to probe more into the evolution and comparative enforcement of securities law, more specifically, the law of insider trading.

I am extremely thankful to the Securities and Exchange Board of India for granting me the time to carry out the study.

Further, this Ph.D. thesis would not have happened but for the kind attitude of Dr. George Joseph in agreeing to guide me as a part time research scholar and took the pain of remotely coordinating various stages of the research with a practical approach to the issues involved and the finalisation of the study. His approach in doing so must be highlighted as a model for many other academicians who are generally reluctant to guide part time research scholars, especially if they have a full-time job. While thanking Dr. George Joseph for supporting me in this project, I wish that many other research scholars like me may get the opportunity to work under him and create valuable research projects.
It has been a great task for me to compile the multi-country research, case law analysis, fine tuning of the language and editing the work product for finalising the thesis. Priyanka, who has untiringly assisted me even after her busy work days, to finalize the drafts deserves a lot more than a few words of gratitude. Also, I thank my friends who have happily assisted in the last minute edits and proof reading work.

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