

# UPSC Preparation

## SaaRthi App

SaaRthi App aims to create awareness among the investors about the basic concepts of Securities Market, KYC Process, trading and settlement, mutual funds, recent market developments, investor grievances redressal mechanism, etc.

**Latest Context:** SEBI has launched the “Saarthi” mobile app to empower investors with knowledge about the securities market.

### About SaaRthi App

- SaaRthi App is an initiative of SEBI with a view to empower investors with knowledge about **securities market**.
- The App is available in Hindi and English.
- The Android and iOS versions of the App can be downloaded from Play Store and App Store, respectively.
- The app contains information on the types of schemes, ways to invest, use of riskometer and so on.

### Need for SaaRthi App

- With the recent surge in individual investors entering the market, and more importantly a large proportion of trading being mobile phone based, this App will be helpful in easily accessing relevant information
- According to an SBI report, In the past few years, the retail investor's participation in Indian stock markets have been rising. The number of individual investors in the market has increased by a whopping 142 lakh in FY21, with 122.5 lakh new accounts at CDSL and 19.7 lakh in NSDL.
- NSE data shows that the share of individual investors in total turnover on the stock exchange has risen from 39% to 45% in March 2020.

### Securities Market

- The market in which securities are issued, purchased by investors, and subsequently transferred among investors is called the securities market.
- Securities are financial instruments issued to raise funds.
- The primary function of the securities markets is to enable to flow of capital from those that have it to those that need it.

- Securities market help in the transfer of resources from those with idle resources to others who have a productive need for them.
- Securities markets provide channels for the allocation of savings to investments and thereby decouple these two activities.
- The securities market has two interdependent and inseparable segments, viz., the primary market and secondary market.

### Primary Market:

The Primary Market consists of arrangements, which facilitate the procurement of longterm funds by companies by making fresh issue of shares and debentures.

### Secondary Market:

The secondary market also called the stock exchange facilitates trade in already-issued securities, thereby enabling investors to exit from an investment.

## About SEBI

- The Securities and Exchange Board of India was constituted as a non-statutory body on April 12, 1988, through a resolution of the Government of India.
- The overall objective of SEBI is to protect the interests of investors and to promote the development of, and regulate the securities market.
- It regulates stock exchanges and the securities industry to promote their orderly functioning.
- It protects the rights and interests of investors, particularly individual investors and guides and educate them.
- It prevents trading malpractices and achieves a balance between self regulation by the securities industry and its statutory regulation
- It regulates and develops a code of conduct and fair practices by intermediaries like brokers, merchant bankers etc., with a view to making them competitive and professional.