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Securities Market & Regulations

Prof. V. Balachandran



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Securities Market & Regulations

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FOREWORD

Securities market plays a vital role in the development of economy of countries across the world. Especially, after the globalization, liberalization and privatization, investors and other stakeholders have witnessed perceptible changes not only in Indian securities markets but also securities markets across the globe. In fact, securities markets reduce cost of capital and promote savings and investment. IOSCO has set an international standard for Securities regulations. In line with the IOSCO's Principles, SEBI has been focusing its attention on three basic objectives, namely, protection of investors, ensuring that markets are fair, efficient and transparent and reduction of systemic risk. Regulations are rules carrying the force of law that are set and enforced by government bodies and other entities authorized by government bodies. It is important that all securities market participants comply with relevant regulation.

Regulations are indispensable because they are intended to monitor, check, identify, and punish market participants' unscrupulous and undesirable practices. Strong and efficient securities regulation is vital for market confidence and development of securities markets. The main objective of regulation is to address information gaps between issuers and investors, clients and financial intermediaries, and transaction counterparties, as well as to ensure the smooth operation of trading, clearing, and settlement mechanisms, which will prevent market disruption and boost investor confidence. Securities regulation must be kept under constant review in order to keep up with the developing needs of the markets. The ultimate objective of the securities regulation is to provide a sufficient level of protection for investors by creating a secure environment for investment and eliminating the market imperfections and failures. Regulation of public issuers of securities, secondary markets, asset management products, and market intermediaries are all included in securities regulation.

Since the liberalization of capital markets in 1992, SEBI has played a pivotal role in the financial markets in two ways. *Firstly*, it has been focusing on protecting the integrity of the market mechanism from any kind of influence. *Secondly*, it has been emphasizing substantially on protecting the interests of the retail and small investors, who were the most vulnerable to stock market fluctuations in the past. SEBI had undertaken a number of initiatives to protect the interests of the investors.

After having gone through the book, I observed that the Author has taken adequate care with respect to coverage of syllabus and considered almost the various aspects of the securities market as well as the regulations and rules governing the securities market, namely issue of capital, buy-back of shares, regulation of contracts in securities, listing and delisting of securities, share-based employee

benefits, insider trading, market intermediaries, investor grievance redressal agencies, KYC norms, Ombudsman, SCORES, sweat equity and depositories. The special feature of the book is that it tries to cover the syllabi at All India level and is written in a simple and lucid style. There are many illustrations, charts, examples and explanation which make the book interesting reading.

The book comprises of Five Parts, namely: Part I: New Issues and Stock Exchange, Part II: Securities Market – Regulatory Framework, Part III: Securities Market Intermediaries – Regulatory Framework, Part IV: Knowledge Refresher, and Part V: Annexures. Further, the book has covered notable case laws pertaining to securities market, model question papers and past years of question papers of various universities and ICSI, besides problems and key for clarity and objectivity. The recent trends in securities market, various initiatives taken by SEBI for promoting and development of securities market, reforms made by SEBI in primary and secondary market, details on Investor Education and Protection Fund, role of SEBI in propagating investor awareness programs, capital market week etc., have been well covered in this book.

To conclude, I strongly perceive that the book has covered adequately the varied aspects of securities market and the key regulations governing the securities market intermediaries, regulation of contracts in securities, insider trading, stock market operations etc. I congratulate both the Author and Publisher for having brought this excellent book with rich knowledge content which would be highly useful for teaching fraternity and students pursuing business related courses.



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PREFACE

PREFACE TO THE FIRST EDITION

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 transfer of resources from those with idle resources to others who have a productive need for them. Securities markets provide channels for allocation of savings to investments. Investors are the backbone of the nation. They have the capacity to decide the level and volume of the business activities. Investors play a crucial role in building the nation as the savings and investments of lakhs of investors are required to be channelized properly.

The concept of investor protection has to be looked at from different angles taking into account the requirements of various kinds of investors. Regulations are rules carrying the force of law that are set and enforced by Government bodies and other entities authorized by the Government bodies. The ultimate aim of the securities regulation is to provide a sufficient level of protection for investors by creating a secure environment for investment and eliminating the market imperfections and failures.

The special feature of the book is that it tries to cover the syllabi at All India level and is written in a simple and lucid style. There are many illustrations, examples and explanation which make the book interesting reading. The book comprises of Five Parts, namely: Part I – New Issues and Stock Exchange, Part II – Securities Market – Regulatory Framework, Part III – Securities Market Intermediaries – Regulatory Framework, Part IV – Knowledge Refresher, and Part V – Annexures. The distinctive feature of the book is Knowledge Refresher wherein 150 Quizzes pertaining to Securities market are given as well as Model Question Paper series. Further, problems and solutions relating to securities market, case laws pertaining to securities market as well as past years question papers on securities market by reputed universities and the Institute of Company Secretaries of India, New Delhi were incorporated at the appropriate places in Part IV of the book.

Students pursuing B.Com, BBA, M.Com, MBA, Allied Business courses and students pursuing professional courses like CA,CS will find the book as a class room text book. Suggestions are welcome for further improvement of the book and they would be gratefully acknowledged. We owe our immense gratitude to all of them particularly to Government websites relating to SEBI regulations and Professional Institutes, namely ICSI and ICAI for better clarity and understanding on certain provisions relating to Securities laws.

I take this opportunity to thank our reputed publisher, M/s Sultan Chand and Sons, New Delhi for their dedication, involvement, commitment and for excellent printing of the book.

Prof. V. Balachandran



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SYLLABUS

RATIONALISED SYLLABUS

Securities Market and Regulations

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Module II: Capital Market & Debt Market – Capital Market Structure and Classification – Primary Market – IPO – FPO – NFO – SEBI Guidelines Regarding Issue of Capital – Capital Market Instruments – Equity Shares – Shares with Differential Voting Rights – Listing of Securities – Advantages – SEBI Regulations – Private Placement – Right Issue – Bonus Issue – Buy-back of Shares – Conditions for Buy-back of Shares – Book Building – Anchor Investors – ASBA – Green Shoe Option.

Debentures – Types of Debentures – Bonds – Foreign Currency Convertible Bonds – Foreign Currency Exchangeable Bonds – Indian Depository Receipts.

Module III: Secondary Market – Stock Exchanges – Role and Functions of Stock Exchanges – BSE-NSE – Trading Mechanism – Margins – Book Closure and Record Date – Block Deal – Bulk Deal – Market Surveillance – SENSEX – Basis of Sensex – Nifty – Derivatives – Types – Concept of Options – Forward Contracts – Future Contracts.

Module IV: Securities Market Intermediaries – Functions of Market intermediaries such as Merchant Bankers – Registrars and Share Transfer Agents- Underwriters – Bankers to an Issue – Stock brokers and Sub-brokers – Debenture Trustees – Portfolio Managers – Custodians of Securities – Investment Advisors – Research Analysts – Credit Rating Agencies – Mutual Funds.

Module V: Securities Market Related Regulations – SEBI – Establishment – Composition of SEBI – Objectives of SEBI Act, 1992 – Powers of SEBI in Regulating Securities Markets – Securities Appellate Tribunal – Depository System – Benefits – Depository Process – Dematerialization of Shares – Demat Account – Trading Account – Depository System in India – NSDL and CSDL –

Role of Depository Participants – SEBI Regulations Governing Listing of Shares and Delisting of Equity Shares – Buy-back of Securities – Share Based Employee Benefit Scheme and Sweat Equity Shares – Initiatives of SEBI in Prohibition of Insider Trading – Investors Protection – Role of SEBI – Initiatives of SEBI for Protection of Investors – Ombudsman – SEBI Complaints Redress System [SCORES].

ALAGAPPA UNIVERSITY, TAMIL NADU

Unit-I: An Overview of Financial System – Constituents of Financial System, Significance, Development and Growth of Financial and Capital Markets – Financial Reforms and Present Scenario – Regulatory Authorities Governing Financial Market – Meaning and Significance of Capital Market – Capital Market *vis-a-vis* Money Market – Governing Indian Capital Market – SEBI – SEBI Act 1992 and Securities and Exchange Commission Act 1956 – Objectives and Scope – Constitution Objectives – Powers of SEBI – Securities Appellate Tribunal.

Unit-II: Financial Instruments – Capital Market Instruments – Equity, Preference Shares, Debentures, Sweat Equity Shares, Non-voting Shares – New Instruments of Capital Market – Credit Rating and Evaluation of Risk – Concepts, Scope and Significance – Benefits to Investors – Regulatory Framework – Credit Rating Agencies in India: Their Processes – Rating Methodologies for Various Instruments – Evaluation of Risk.

Unit-III: Primary Market – Meaning Significance and Scope – Developments in Primary Market – Various Agencies and Institutions Involved in Primary Market – Role of Intermediaries – Merchant Bankers, Registrars, Underwriters, Bankers Toissue, Portfolio Managers – Debenture Trustees – Their Roles, Regulations and Code of Conduct Framed by SEBI.

Unit-IV: Secondary Market – Meaning, Significance, Functions and Scope of Secondary Market – Functions and Scope of Stock – Exchanges; Their Regulatory Framework and Control – Secondary Market Intermediaries – Stock Brokers, Sub-brokers, Advisors, Their Roles, Regulations and Code of Conduct Framed by SEBI – Electronic Trading in Securities – An Overview of Law Relating to Insider Trading.

Unit-V: Mutual Funds – Introduction – Definition – Types – Risks Involved – Performance – Evaluation – SEBI and RBI Regulations for Mutual Funds – Investors Rights and Obligations – Association of Mutual Funds.

Unit-VI: Dynamic Component for Continuous Internal Assessment only – Contemporary Developments Related to the Course during the Semester Concerned.

PONDICHERRY UNIVERSITY

Bharathidasan Government College of Women [Autonomous]

M.Com Subject: Corporate Secretaryship Semester No: II

Paper No: SOFT CORE – ELECTIVE-3 Paper Code B-3128

I-Securities Market – Segments, Products and Participants – Financial Markets, Securities Markets, Derivative Markets, Foreign Exchange Markets.

II-Investing Banking and Allied Activities – Concept – Evolution, Global Structure, Indian Investment Banking, Service Portfolio of Indian Investment Banks, Allied Services, Asset Management, Hedge Funds, Private Equity Funds, Securities Business in India.

III-Issue Management – Public Offers, IPOS/FPOS Regulations, Pricing, Merchant Banker as Issue Managers, Issue Management, Overview of Public Issue Process in India – Right Offers and Debt Issues – Case Studies.

IV-Underwriting – Concept, Regulations, Fixed Price and Book-Built Offers, US Model, Types. Bought Out Deals. Global Capital Market- GDRS – Depository Issues – RBI Guidelines. Investment Bankers in Cross Border Issues – Case Studies.

V-Private Equity and Placements – Concept, Instruments, PIPE, Strategic Investments, Regulations, Private Placement and Investment Banking, Perspectives in Private Placement, Exit Mechanisms.

BHARATHIDASAN UNIVERSITY

National College, Tiruchirapalli, Tamilnadu
Capital Market Operations (Course Code: U22NME1.2)

Unit-I: Capital Market – Capital Market – Need and Importance – Structure – Primary and Secondary Market.

Unit-II: New Issue Market – New Issue Market – Functions – Methods of Issue.

Unit III: Stock Market – Stock Market – Functions of Stock Exchanges.

Unit IV: Listing of Securities – NSE – Procedures – Advantages of Listing – Screen Based Trading Settlement – Depository – Advantages – Depository Participants (DP) – Demat Accounts.

Unit-V: SEBI – Functions of SEBI – Investors’ Protection in Primary Market.

MADURAI KAMARAJA UNIVERSITY, TAMILNADU

Madura College (Autonomous)
Introduction to Financial Markets and Capital Market Operations

Unit-I: Financial Markets – Markets and Financial Instruments – Types of Markets – Equity Debt – Derivatives Commodities – Features of Private & Public Companies – Types of Investment Avenues
Primary Market – Initial Public Offer (IPO) – Book Building through Online IPO – Eligibility to Issue Securities – Pricing of Issues – Fixed vs. Book Building Issues – Allotment of Shares – Basis of Allotment – Private Placement.

Secondary Market – Role and Functions of Securities and Exchange Board of India (SEBI) – Depositories – Stock Exchanges – Intermediaries in the Indian Stock Market Listing – Membership – Trading Clearing Settlement and Risk Management – Investor Protection Fund (IPF) – Do’s and Don’ts for Investors – Equity and Debt Investment.

Unit-II: Derivatives and Financial Statement Analysis – Derivatives – Types of Derivatives – Commodity and Commodity Exchanges – Commodity vs. Financial Derivatives.

Financial Statement Analysis – Balance Sheet – Profit & Loss Account – Stock Market Related Ratios – Simple Analysis before Investing in the Shares – Understanding Annual Report.

Unit-III: Capital Market – An Overview of the Indian Securities Market – Market Segments – Key Indicators of Securities Market – Products and Participants – Market Segments and their Products – Reforms in Indian Securities Markets.

Trading Membership – Stock Brokers – NSE Membership – Surrender of Trading Membership – Suspension & Expulsion of Membership – Declaration of Defaulter – Authorized Persons –

Sub-brokers, Broker-Clients Relations – Sub-broker-Clients Relations – Investors Service Cell and Arbitration – Code of Advertisement.

Unit-IV: Trading, Clearing and Settlement – Trading – Introduction – NEAT system – Market Types – Trading System users Hierarchy – Local Database – Market Phases – Logging on – Log off/Exit from the Application – Neat Screen – Invoking and Inquiry Screen – Order Management – Trade Management – Limited Physical Market – Block Trading Session – Retail Debt Market (RDM) – Trading Information Downloaded to Members – Internet Broking – Wireless Application Protocol (WAP) – Computer to Computer Link (CTCL) Facility.

Clearing and Settlement – Introduction – Key Terminology used in Clearing and Settlement Process – Transaction Cycle – Settlement Process – Securities and Funds Settlement – Shortages Handling – Risk in Settlement – Risk Management – International Securities Identification Number – Data and Report Downloads.

Unit-V: Legal Framework and Fundamental Valuation Concept – Legal Framework – SEBI (intermediaries) Regulations, 2008 – SEBI (Prohibited of Insider Trading) Regulations, 1992 – SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to, Securities Market) Regulations, 2003 – The Depositories Act, 1996 – Indian Contract Act, 1872.

BHARATHIDASAN UNIVERSITY

National College, Tiruchirapalli, Tamil Nadu
Capital Market Operations Market Operations
Part III: Core Course: (CC13), Semester-IV

Financial Services and Markets, Course Code: U22CO13

Unit-I: Introduction to Financial Services – Financial Services – Concept – Functions – Characteristics – Financial Markets – Concept – Constituents – Money Market – Money Market Instruments – Capital Market – Financial Securities – Primary Market – Methods of New Issue – Book Building.

Unit-II: Stock Exchange Services – Secondary Market – Stock Exchange – Functions – Listing of Securities – Methods of Trading (Screen Based Trading) – Rolling Settlement – Advantages – Depository System – Demat – Advantages – Segments of Capital Market – Cash Derivatives – Debit.

Unit-III: Mutual Funds – Mutual Funds – Genesis – Features – Classification of Mutual Fund Schemes – Portfolio Management Process in Mutual Funds – Regulatory Structure of Mutual Funds in India (AMFI). Securities Exchange Board (SEBI) – Constitution – Functions – Powers.

Unit-IV: Merchant Banking and Leasing – Merchant Banking – Origin – Scope – Functions. Lease Financing – Concept – Types – Process – Advantages – Limitations – Funding Aspects of Leasing.

Unit-V: Factoring, Forfaiting & Credit Rating – Factoring – Concept – Process – Types – Functions – Advantages – Forfaiting – Advantages – Differences between Factoring and Forfaiting. Credit Rating – Benefits – Rating Symbols – Rating Agencies.

UNIVERSITY OF DELHI

B.COM, CBCS Department of Commerce,
Semester IV: Paper BC 4.4 (b): Investing in Stock Markets

Unit-I: Basics of Investing – Basics of Investment & Investment Environment, Risk and Return, Instruments of Investment – Equity shares, Preference shares, Bonds and Debentures. Trading in securities: Types of orders, using brokerage and Analyst recommendations.

Unit- II: Indian Securities Market – An overview of Indian Securities Market: Primary Market (IPO, FPO, Private placement, Offer for Sale), Secondary Market (cash market and derivative market: Futures and Options) Market Participants: Stock Broker, Investor, Depositories, Clearing House, Stock Exchanges. Role of Stock Exchange, Stock Exchanges in India: BSE, NSE, MSEI. Security Market Indices: Nifty & Sensex, Sources of Financial Information.

Unit-III: Fundamental Analysis – Top Down and Bottom-up Approaches, Analysis of International & Domestic Economic Scenario, Industry Analysis, Company Analysis (Quality of management, financial analysis: Both Annual and Quarterly, Income statement analysis, position statement analysis including key financial ratios, Cash flow statement analysis, Industry market ratios: PE, PEG, Price over sales, Price over book value, EVA), Understanding Shareholding Pattern of the Company.

Unit-IV: Technical Analysis – Trading Rules (credit balance theory, confidence index, filter rules, market breath) Advances vs. Declines and Charting (use of historic prices, simple moving average and MACD) Basic and Advanced Interactive Charts. Do's & Don'ts of Investing in Markets.

Unit-V: Investing in Mutual Funds – Concept and Background on Mutual Funds: Advantages, Disadvantages of Investing in Mutual Funds, Types of Mutual Funds: Open Ended, Close Ended, Equity, Debt, Hybrid, Money Market, and Entry Load vs. Exit Load Funds. Factors Affecting Choice of Mutual Funds. Mutual Fund Ranking and Its Usage, Calculation and Use of Net Asset Value.

LUCKNOW UNIVERSITY

College of Innovative Management & Science
B.Com (H); BCH 505(FOS) Financial Market Operations

Unit-I: Concept of Financial System, Evolution of Financial System. Structure & Functions of Indian Financial Systems, Role of the Financial System in the Economy, Indian Money Market: Features, Functions, Instruments, Defects & Measures. Recent Trends in Indian Financial Sector: Reforms. Role of Acceptance and Discount House.

Unit II: Indian Capital Market: Features, Functions, Structure & Instruments. Primary Market: Functions & Issue Mechanism (IPO, Book Building, Stock Option etc.), & SEBI guidelines. Recent Marketing Strategies for Public Issue, Intermediaries in Primary Market.

Unit III: Secondary Market – Components, Functions & Role. Listing of Securities: Types, Procedure & Guidelines, Delisting. Investor's Protection: Need, common grievances of investors, Methods of redressal of grievances, Grievance redressal authorities, Role of Press, Judiciary, SEBI & Company Law Board.

Unit-IV: Stock Exchanges – Major Stock Exchanges, Type of Operations & Operators in Stock Exchanges, Demutualisation of Stock Exchanges. The Securities Contracts (Regulation) Act, 1956 : Objectives, SEBI purpose & Functions, Measures taken by SEBI. Mutual Funds.

OSMANIA UNIVERSITY

Faculty of Commerce, B.Com (H)
Paper DSC 303: Financial Institutions & Markets

Unit-I: Indian Financial System: Components – Functions – Flow of Funds Matrix – Financial System and Economic Development – Recent Developments in Indian Financial System – Weaknesses of Indian Financial System.

Unit-II: Financial Institutions – Commercial Banking: Types – Functions – Lending by Commercial Banks – Recent Developments – Merchant Banking-functions – Venture Capital – Objectives – Private Equity – Role in start-ups – Hire purchase and leasing – Non-banking Finance Companies: Types – Functions.

Unit-III: Money Market – Functions of Money Market – Organization of Money Market – Dealers – Money Market Instruments – RBI – Functions – Role of RBI in Money Market – LAF (Liquidity Adjustment Facility), MSF (Marginal Standing Facility), Repo, and Reverse Repo – MPC (Monetary Policy Committee) – Structure and Functions.

Unit-IV: Debt Market – Evolution of Debt Markets in India – Money Market & Debt Market in India – Instruments and Players in Debt Market: Government Securities – PSU Bonds – Corporate Bonds – Securities Trading Corporation of India – Primary Dealers in Government Securities – Bonds: Features of Bonds – Types of Bonds – Bond Ratings.

Unit-V: Equity Market – Meaning – Development of Equity Culture in India – Primary Market: IPO and FPO – Methods of IPO – Role of Merchant Bankers in Fixing the Price – Red Herring Prospectus – Sweat Equity – ESOP – Rights Issue – Secondary Market: Meaning and Functions of Stock Exchanges – Evolution and Growth of Stock Exchanges – Stock Exchanges in India – Recent Developments in Indian Stock Exchanges – Stock Market Indices – SEBI: Objectives and Functions.

CENTRAL UNIVERSITY OF KERALA, KASARAGOD
MBA, Semester-IV, Specialisation: Finance, Paper 2: 2022-23
Securities Market Regulatory Framework

Module-I: Indian Financial System – Structure of a Financial System – Financial Markets – Financial Instruments – Financial Institutions, Intermediaries, Financial Services – Securities Market in India – Classification of Financial Markets – Money Market – Features – Money Market Instruments – Call Money Markets – Treasury Bills – Repurchase Agreements – Commercial Paper – Certificate of Deposits – Commercial Bill Market.

Module-II: Capital Market – Structure and Classification – Primary Market-IPO-FPO-NFO – Listing of Securities – Private Placement – Right Issue – Bonus Issue – Buy-back of Shares – Conditions for Buyback of Shares – Capital Market Instruments – Equity Shares – Shares with Differential Voting Rights – Debentures – Bonds – Foreign Currency Convertible Bonds – Foreign Currency Exchangeable Bonds – Indian Depository Receipts –Book Building – Anchor Investors – ASBA – Green Shoe Option.

Module-III: Secondary Market – Stock Exchanges – Role and Functions of Stock Exchanges – BSE-NSE – Trading Mechanism – Margins – Book Closure and Record Date – Block Deal – Bulk Deal – Market Surveillance – SENSEX – Basis of Sensex – Nifty – Risk Management in Secondary Market.

Module-IV: Securities Market Intermediaries – Functions of Market Intermediaries such as Merchant Bankers – Registrars and Share Transfer Agents – Underwriters – Bankers to an Issue – Stock Brokers and Sub-brokers – Debenture Trustees – Portfolio Managers – Custodians of Securities – Investment Advisors – Research Analysts – Credit Rating Agencies – Depository Participants.

Module-V: Securities Market Related Regulations – SEBI – Establishment – Composition of SEBI – Objectives of SEBI Act, 1992 – Powers of SEBI in Regulating Securities Markets – Depository System – Benefits – Dematerialization of Shares – Listing of Shares – Delisting of Shares – Initiatives

of SEBI in Prohibition of Insider Trading – Role of SEBI in Investors Protection – SEBI Complaints Redress System [SCORES].

UNIVERSITY OF MADRAS

B.Com. Degree Course in Corporate Secretaryship
Syllabus With Effect from 2020-2021: Allied-IV
Securities Laws and Market Operations

Unit-I: Primary Market/New Issue Market – Meaning – Functions of New Issue Market – Methods of Floating New Issues – Players Involved in the New issue market (Merchant bankers – Underwriters – Brokers – Registrar – Lead managers & Banks) – Role of SEBI Relating to the New Issue Market – SEBI Guidelines for disclosure & Investor Protection.

Unit-II: Secondary Market/Stock Exchange – Origin & Management of Stock Exchanges in India – Characteristics – Functions – Members – Granting Recognition to Stock Exchanges – Listing of Securities & Registration of Brokers – Kinds of Brokers in Stock Exchange – NSE – BSE – OTCEI – SEBI Guidelines Relating to Listing of Securities.

Unit-III: Financial Instruments in New Issue & Secondary Market - Treasury Bills – Commercial Bills – Certificate of Deposits – Equity Shares – Preference Shares – Sweat Equity Shares – Debentures – American Depository Receipts – Global Depository Receipts – Exchange Traded Funds & Exchange Traded Notes – Mutual Funds.

Unit IV: Mechanism of Stock Market Trading – Screen Based Trading and Internet Based Trading – Demat Trading and Role of Depositories – Market Derivatives, Advantages and its Types – Futures, Hedge Fund, Forward, Options & Swaps Market Indexes – SENSEX, NIFTY & CNX NIFTY (Basics).

Unit-V: Credit Rating Agency – Meaning – Functions – Credit Rating in India – Credit Rating Agencies in India – CRISIL & CARE.

POST GRADUATE DIPLOMA IN SECURITIES LAWS

Paper-I: Introduction to the Concept of Capital Markets & Securities

- 1. Overview of Capital Market:** Indian Capital Market – Authorities Governing Capital Markets in India.
- 2. Concept of Securities:** Arena of Securities: Equity, Debentures, Preference Shares – Sweat Equity, Non-Voting Shares, Share Warrants – Issue and Listing of Securities – Listing of Securities – Issue of Capital and Disclosure Requirements (ICDR) – Procedure for Issue of Various Types of Shares and Debentures – Employee Stock Option Scheme and Employee Stock Purchase Scheme – Delisting of Securities.
- 3. Securities Market Intermediaries:** Primary Market and Secondary Market Intermediaries – Role and Functions, Merchant Bankers.
- 4. Market Infrastructure Institutions – Stock Exchanges:** Functions and Significance of Stock Exchanges – Operations and Trading Mechanism of Stock Exchanges – Settlement of Securities, Stock Market Indices, Risk Management, Surveillance Mechanism at Stock Exchanges, Straight through Processing – Demutualization of Stock Exchanges.

- 5. Debt Market** – Debt Market: Instruments, Listing, Primary and Secondary Segment
- 6. Money Market** – Growth of Money Market in India – Structure and Institutional Mechanism Securities Law & Market Operation.

CMS College, Kottayam

Securities Market/Capital Market in India

- Unit-I: Financial Systems** – The Indian Financial System – Components – Role & Functions: Interaction among the Components – Recent Developments in the Indian Financial System – Financial Markets – Classification – Capital Market and Money Market – Debt Market, Regulation of the Financial Markets, Role of RBI – SEBI – Establishment-Objectives-Powers and Functions.
- Unit-II: Money Market** – Meaning, Features, Objectives – Segments of Money Markets – Call Money Markets, Repos and Reverse Repo Concepts – Treasury Bill Markets, Market for Commercial Paper, Commercial Bills – MMMF and Certificate of Deposit.
- Unit-III: Primary Market** – Functions of New Issue Market – Methods of New Issue – IPO – FPO – ASBA – Green Shoe Option – Public Issue – Bonus Issue – Right Issue – Private Placement – Book Building – ESOP – Indian Depository Receipts – Intermediaries in the New Issue Market – Registrars to the Issue – Brokers to the Issue – Bankers to the Issue – Underwriters – Qualified Institutional Placement and Qualified Institutional Buyers – Innovative Financial Instruments.
- Unit-IV: Secondary Market** – Role and Functions of Stock Exchanges – Listing of Securities – Stock Exchanges in India – Stock Exchanges in India – Stock Exchanges in India – Members of the Stock Exchanges – Methods of Trading in a Stock Exchange – Online Trading – Depositories – Role – Mark to Market System – Stock Market Indices – Methodology for Calculating Index – Speculators, Type of Speculators – Speculative Transactions in Stock Exchanges – Insider trading – SEBI regulations – Foreign Institutional Investors in Securities Market Foreign Portfolio Investment – Private Equity.
- Unit-V: Derivatives** – Features of Derivatives – Types of Derivatives – Forwards – Futures – Options – Swaps – Commodity Futures – Major Commodity Exchanges in India.

ICSI (Paper 6)

Capital Markets and Securities Law

- Unit-I: Overview of Capital Market** – Indian Capital Market – Authorities Governing Capital Markets in India – Profile of Securities Market – Securities Market Reforms and Regulatory Measures to Promote Investor Confidence – Features of Developed Capital Market: IOSCO – Overview of Depository System in India.
- Unit-II: Capital Market Instruments and Rating** – Capital Market Instruments: Equity, Debentures, Preference Shares, Sweat Equity, Non-Voting Shares, Share Warrants – Pure, Hybrid and Derivatives – Rating and Grading of Instruments: Concept, Scope and Significance, Regulatory Framework – Rating Agencies in India, Rating Methodologies.
- Unit-III: Securities Market Intermediaries** – Primary Market and Secondary Market Intermediaries: Role and Functions, Merchant Bankers, Stock Brokers, Syndicate Members, Registrars, Underwriters, Bankers to an Issue, Portfolio Managers, Debenture Trustees, Foreign Institutional Investors, Depositories, Depositories Participants, Custodians, Credit Rating Agencies, Venture Capitalists.

Unit-IV: Market Infrastructure Institutions – Stock Exchanges – Functions and Significance of Stock Exchanges – Operations and Trading Mechanism of Stock Exchanges – Settlement of Securities, Stock Market Indices, Risk Management, Surveillance Mechanism at Stock Exchanges, Straight through Processing – Demutualization of Stock Exchanges – SME Exchange.

Unit-V: Debt Market – Debt Market: Instruments, Listing, Primary and Secondary Segment.

Unit-VI: Money Market – Growth of Money Market in India – Structure and Institutional Mechanism – Money Market Instruments: Treasury Bills, Commercial Bills, Commercial Paper, Factoring Agreements & Discounting of Bill.

Unit-VII: Mutual Funds – Mutual Fund: Introduction, Definitions, Schemes, Risks Involved, Setting Up of Mutual Funds, Role in Financial Market – Advantage of Investment in Mutual Fund – Concept of Trustee and Asset Management Company – Legal & Regulatory Framework – Offer Document, Accounting Valuation & Taxation – Investment Management: Equity & Debt Portfolio, Measuring & Evaluating Mutual Fund Performance – Investor’s Rights and Obligations.

Unit-VIII: Venture Capital – Concept of Venture Capital – Registration, Investment Conditions and Restrictions – Foreign Venture Capital Investors – Private Capital Funds.

Unit-IX: Collective Investment Schemes – Regulatory Framework – Restrictions on Business Activities – Submission of Information and Documents – Trustees and their Obligations.

Unit-X: Resource Mobilization in International Capital Market – Listing of Securities Issued Outside India – Foreign Currency Convertible Bonds – Global Depository Receipts – American Depository Receipts – External Commercial Borrowings – Procedure for Issue of Various Instruments.

Unit-XI: Indian Depository Receipts – Indian Depository Receipts: Procedure for Making Issue of IDRs, Conditions for Issue of IDRs, Listing of IDRs.

Unit-XII: Foreign Portfolio Investors – Concept of FPIs, Registration of FPIs, Offshore Derivative Instruments (ODIs), Obligation of FPIs and DDP & Inspection & Investigation.

Unit-XIII: Non-Convertible Redeemable Preference Shares – Issue and listing of Non-convertible Redeemable Preference Shares, Obligations of the Issuer and Lead Merchant Banker, Issuance & Listing of Non-Equity Regulatory Capital Instruments by Banks and Inspection and Power of SEBI.

Unit-XIV: Real Estate Investment Trusts – Registration of Real Estate Investment Trusts, Rights and Responsibilities of Parties to the REIT, Valuer Sponsor and Auditor, Issue and Listing of Units, Investment conditions, related party transactions, Borrowing and valuation of assets, Rights and Meetings of Unit Holders and Disclosures.

Unit-XVI: Infrastructure Investment Trusts – Registration of Infrastructure Investment Trusts, Rights and Responsibilities of Parties to the InvIT, Project Manager, Sponsor, Valuer and Auditor, Offer of Units of InvIT and Listing of Units, Investment conditions, Related Party Transactions, Borrowing and valuation of assets, Rights and Meetings of Unit Holders and Disclosures.

University of Madras
PG Diploma in Securities Laws
Introduction to the Concept of Capital Markets & Securities

Unit-I: Overview of Capital Market – Indian Capital Market – Authorities Governing Capital Markets in India.

Unit-II: Concept of Securities – Arena of Securities: Equity, Debentures, Preference Shares – Sweat Equity, Non-Voting Shares, Share Warrants – Issue and Listing of Securities – Listing of Securities – Issue of Capital and Disclosure Requirements (ICDR) – Procedure for Issue of Various Types of Shares and Debentures – Employee Stock Option Scheme and Employee Stock Purchase Scheme – Delisting of Securities.

Unit-III: Securities Market Intermediaries – Primary Market and Secondary Market Intermediaries: Role and Functions, Merchant Bankers.

Unit-IV: Market Infrastructure Institutions – Stock Exchanges – Functions and Significance of Stock Exchanges – Operations and Trading Mechanism of Stock Exchanges – Settlement of Securities, Stock Market Indices, Risk Management, Surveillance Mechanism at Stock, Exchanges, Straight through Processing – Demutualization of Stock Exchanges.

Unit-V: Debt Market – Debt Market: Instruments, Listing, Primary and Secondary Segment – Money Market – Growth of Money Market in India – Structure and Institutional Mechanism – Money Market Instruments: Treasury Bills, Commercial Bills, Commercial Paper, Factoring Agreements & Discounting of Bill.

Unit-VI: Indian Depository Receipts – Indian Depository Receipts: Procedure for Making Issue of IDRs – Conditions for Issue of IDRs, Listing of IDRs.

NISM

Unit-I: Understanding Securities Markets and Performance – Securities Markets Securities – Securities Markets: Structure and Participants – Role of Securities Markets Technological advancements in the securities market.

Unit-II: Securities: Types, Features and Concepts of Asset Allocation and Investing – Securities available in the securities market – Choice between Equity and Debt Financing for Issuers – Characteristics and Role of Equity Capital – Characteristics and Role of Debt Securities – Choosing between Debt and Equity Investment Avenues.

Hybrid Instruments – Characteristics and Role of Commodities as an Asset Class – Derivatives as Investments – Asset Allocation and Diversification – Understanding the Factors Underlying the Investment Process – Various Aspects of Investing in Equity.
Equity Investing Process – Various Aspects of Investing in Debt Securities – Debt Investing Process.

Unit-III: Primary Markets – Primary Market: Definition and Functions – Primary vs. Secondary Markets – Intermediaries in Primary Market – Types of Issues – Types of Issuers – Types of Investors – Regulatory Framework for Primary Markets – Types of Public Issue of Equity Shares – Pricing a Public Issue of Shares – Public Issue Process of equities – Prospectus – Applying to a Public Issue – Listing of Shares – Rights Issue of Shares – Regulatory Requirements for a Public Issue of Debt Securities – Public Issue process for Debt Securities – Private Placements in Equity and Debt.

Unit-IV: Secondary Markets – Role and Function of the Secondary Market – Types of Secondary Markets for Different Securities – Market Structure and Participants – Brokers and Client Acquisition – Trade Execution – Clearing and Settlement of Trades – Trading and Settlement Process from Investor’s Point of View – Market Information and Regulation – Risk Management Systems – Rights, Obligations and Grievance Redressal.

Secondary market trading and reporting for debt securities.

Unit-V: Mutual Funds – Meaning and Description of a Mutual Fund – Terms and Concepts Related to Mutual Funds – Types of Open-ended Mutual Fund Products – Types of Closed Ended Mutual Fund Schemes – Investment Approaches – Active and Passive – Processes for Investing in Mutual Funds – Systematic Transactions Switches.

Reading Mutual Fund Information – Benefits and Costs of Investing in Mutual Funds.

Regulation of Mutual Funds – Investor Service Standards.

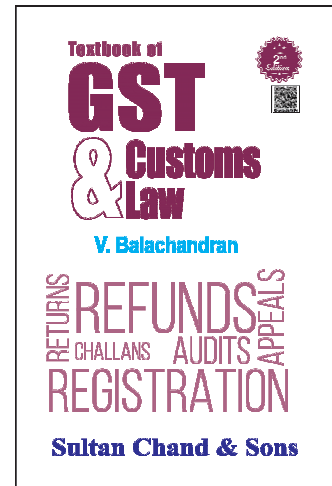
Unit-VI: Derivative Markets – Derivatives – Underlying Concepts in Derivatives – Types of Derivative Products – Structure of Derivative Markets – Trading and Settlement Process: Equity Futures – Risk Management in Derivative Markets – Application of Derivatives Products in Risk Management – Market Indicators.

Textbook of GST & Customs Law

Prof. V. Balachandran

Salient Features

- A new Chapter 22 is added on GST(Compensation to States) Act, 2017 in Part I of this book..
- Current Trends in GST from January 2022
- Additional problems and key included in the book.
- Highlights of 44, 45, 46 and 47th GST Council Meetings are included.
- Incorporated the highlights of Union Budget 2021-22 and 2022-23.
- Customs Department – Organisation Structure and Customs Duty Revenue in India are added in chapter 1 of Part II of the book.
- Revenue generation through GST has been updated.
- Revenue generation from various types of Indirect taxes during 2021-22 and 2022-23 are included.
- Efforts to cover the syllabi at all India level and is written in a simple and lucid style to be understood by a common man.
- Many illustrations, examples and explanation which make reading the book interesting.
- The book comprises of two parts, namely, Part I GST and Part II Customs law. The latest developments/ recent trends in GST and Customs Law have been incorporated at the appropriate places in the book.
- Dealt with problems and their keys on GST.
- Quiz in GST and Customs Law covering 140 questions which would be highly useful to the students appearing for examinations and interviews.
- Incorporated and highlighted the changes in the Finance Act, 2020, pertaining to GST and Customs Act, 1962.
- At the end of every chapter adequate questions for Part A and Part B are given.
- Past years question papers of some of the Universities are also included in the book.
- Incorporated important figures/charts for easy recapitulation at the end of each chapter.
- Included MODEL Question paper series for the Faculty and Students community.
- Incorporated latest Decided case laws on GST and Customs Act, 1962.
- Incorporated statutory Forms under GST and List of GST rates on Goods and Services separately.
- Included details about syllabus, question pattern, conduct of examination to become a GST Practitioner.



Contents

Part I – Goods & Services Tax (GST)

Basics of Indirect Taxes • GST – Genesis and Developments • GST Council • Definitions Under CGST Act, 2017 • Legislative Frame Work and Levy of GST • GST – Administration • GST – Supply and Its Scope • Time, Value and Place of Supply • Registration Under GST • Input Tax Credit • Composition Scheme, Reverse Charge, E-commerce, E-invoicing and E-way Bill • Tax Invoice, Credit and Debit Notes • Returns, Payment of Tax and Refunds • Accounts and Records • Assessment and Audit • Demand, Recovery and Advance Ruling • Appeals and Revisions • Offences and Penalties • Integrated GST Act, 2017 • Union Territory GST Act, 2017 • GST Practitioner • GST (Compensation to States) Act, 2017.

Part II – Customs Act, 1962

Customs Duty and Customs Officers • Classification of Goods • Prevention of Illegal Import and Export • Levy, Collection and Assessment of Customs Duty • Valuation of Goods and Exempted Goods • Clearance of Goods Under Customs Law • Baggage and Warehousing • Customs Duty Drawback • Search, Seizure, Arrest and Confiscation of Goods • Offences and Penalties.

Part III – Knowledge Refresher

Quiz on GST & Customs Law • Practical Problems with Key • Recapitulation • Model Question Paper and Past Years Question Papers.

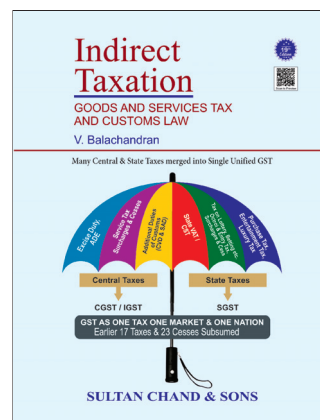
Part IV – Annexures

Annexure I: GST – Revenue Generation • Annexure II: Prescribed forms under the Customs Law • Annexure III: Union Budget Highlights • Annexure IV: References.

Indirect Taxation

Goods and Services Tax and Customs Law

V. Balachandran



Salient Features

- Nineteenth revised Edition covers the syllabus of M.Com./MBA/CA/CS/CMA all other undergraduate Business related courses completely.
- Tables and Diagrams are provided to illustrate the text.
- This edition is updated with recent developments from 2020.
- It has incorporated the current developments in Indirect Taxation since 2021 and also the Proposals of the Union Budget in Customs Law for 2022-23.
- Updated revenue generation to the Government of India through various indirect taxes.
- Practical problems and key on Customs Law are given at the end of the book.
- Quiz on GST and Customs Law useful to the students appearing for interviews.
- Many Illustrations and examples have been included.

Contents

Section A – Introduction

- Indirect Taxes – An Introduction.

Section B – Goods and Services Tax

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- Tax Invoice, Credit and Debit Notes.
- Accounts and Records.
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- Payment of Tax.
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- Assessment and Audit.
- Inspection, Search, Seizure and Arrest.
- Demands and Recovery.
- Advance Ruling.
- Appeals and Revision.
- Offences and Penalties.
- Integrated Goods and Services Tax Act, 2017.
- Union Territory Goods and Services Tax Act, 2017.
- The Goods and Services Tax (Compensation to States) Act, 2017.
- Practical Aspects under GST Law.
- Tax Planning under GST.

Section C – The Customs Act, 1962

- Finance Act, 2018 – Budgetary Changes in Customs Act, 1962.

- Customs Duty Historical Background.
- Levy and Collection of Customs Duty.
- Prohibition on Importation and Exportation of Goods.
- Special Provisions for Detection and Prevention of Illegal Import and Export.
- Valuation of Goods Under Customs Act.
- Exemption from Duty.
- Refund of Customs Duty & Advance Ruling.
- Clearance of Import Goods.
- Clearance of Export Goods.
- Warehousing.
- Customs Duty Drawback.
- Baggage, Postal Articles and Stores.
- Search, Seizure, Arrest and Confiscation of Goods.
- Adjudication and Appeals.
- Offences and Prosecutions.

Section D – Tax Planning in Indirect Taxes

- Tax Planning in Indirect Taxes.

Section E – Quiz and Practical Questions With Key

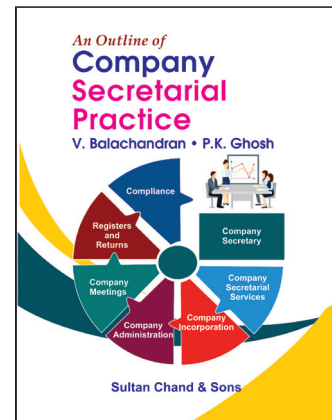
- QUIZ on GST and Customs Law.
- Practical Problems & Key Under Customs Law.
- Problems and Key Under GST Law.

An Outline of Company Secretarial Practice

V. Balachandran • P.K. Ghosh

Salient Features

- Efforts to cover the syllabi at all India level and is written in a simple and lucid style to be understood by a common man.
- Incorporated at the appropriate places in the book, the amendments made in the Companies Act, 2013.
- At the end of every chapter adequate questions for Part A and Part B are given.
- Past years question papers of some of the Universities are also included in the book.
- Included 10 Model Question papers for the Faculty and Students community.
- Incorporated important statutory Forms under Companies Act, 2013.
- Quiz in Company Secretarial Practice which would be highly useful to the students appearing for examinations and interviews.
- To get practical knowledge: (a) Specimen notices, agenda, minutes and resolutions have been incorporated at the appropriate places in the book; (b) Documents / Forms to be filed with the Registrar of Companies under Companies Act, 2013; (c) Fees For Filing Various Documents or For Registering any Fact Under Companies Act, 2013; (d) List of New Forms Prescribed Under Companies Rules, 2014.



Contents

Part I – Classification and Conversion of Companies

- Company Promotion and Incorporation
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- Share Capital – Issue of Shares
- Alteration of Capital
- Debentures
- Company Director – Appointment, Duties & Powers
- Distribution of Profits – Dividend
- Company Secretary and Company Secretary in Practice
- Company Meetings – Law and Practice

- Company Meetings – General Meetings
- Company Meetings – Board Meetings
- Resolutions and Minutes
- Statutory Books and Returns.

Part II – Knowledge Refresher Series

- Quiz on Company Secretarial Practice
- Model Question Paper and Past Years Question Papers
- Past Years Question Papers of Other Universities.

Part III – Annexures

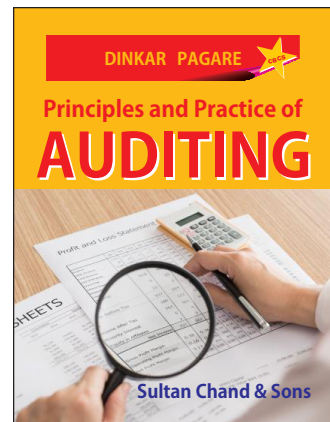
- Annexure
- Bibliography.

Principles and Practice of Auditing

Dinkar Pagare

About the Book

The current edition gratefully acknowledges and acts on the comments and suggestions of esteemed readers. It incorporates all amendments made to the Act in the past years. It gives importance to amendments that cast special obligation on the auditor to report on company's viability, financial health, observance of prescribed rules and procedures and management's capacity and capability to provide good governance. The language of the book is simple and crisp; to quote a reader, "it is as the author is speaking from behind a curtain". The book is well equipped with nearly 250 Objective Type Questions, 180 Short Answer Questions & 250 Essay Type Questions properly graded for practice by students.



Contents

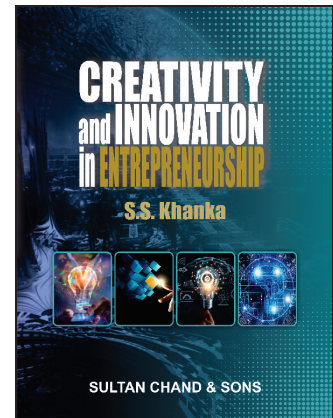
- Introductory.
- Objects of Audit.
- Classification or Types of Audit.
- Internal Control/Internal Check/Internal Audit.
- Audit Planning, Audit Program and Working Papers.
- Audit Evidence and Sampling.
- Vouching – Audit of Cash Transactions.
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- Company Audit – Appointment, Qualifications and Removal of Auditors.
- Company Audit – Rights and Duties of Auditors.
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- Management of Company – Their Remuneration.
- Audit of Divisible Profits and Dividend.
- Specialized Audit.
- Special Features of Government Audit.
- Audit Report.
- Management Audit.
- Liabilities of Auditors or Professional Accountants.
- Cost Audit.
- Tax Audit.
- Investigations.
- Professional Ethics and Regulation.
- Auditing Statements and Standards on Auditing.

Creativity and Innovation in Entrepreneurship

Dr. S.S. Khanka

About the Book

Creativity and innovation as hallmarks of entrepreneurship have been recognized as the modern day mantra for success in business and industry. It is with this realization, the Government of India, by announcing a number of policies and schemes, has been giving ever increasing emphasis on developing creativity and innovation in entrepreneurship in the country. So much so, increasing number of educational institutions in the country have started offering the paper on creativity and innovation in entrepreneurship in their course curricula. Because creativity and innovation in entrepreneurship, as a subject, is relatively of recent origin in India, there has so far not been any comprehensive textbook available on the subject in the Indian context. The present book is a modest attempt to fill in this gap.



Salient Features

- Serves as a pioneering textbook on creativity and innovation in entrepreneurship written in the Indian context.
- Covers the subject matter on creativity and innovation in entrepreneurship in an all-encompassing manner.
- Each chapter begins with the specific learning objectives as takeaways.
- Each chapter and its subsequent topics begins with theme-based quotations to serve as inroad to proceed further.
- Elaborates the complex and difficult topics in an easily understandable manner with relevant cases in an anecdotal style.

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Section I: Entrepreneurship

- Entrepreneur.
- Entrepreneurship.
- Entrepreneurship Development Programmes (EDPs).

Section II: Creativity

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- Creative Tools and Techniques.
- Entrepreneurial Creativity.

Section III: Innovation

- Introduction to Innovation.
- Moving Innovation to Market.

- Management of Technology.

- Asset Protection.

- Technology Maturity, Obsolescence and Discontinuities.

Section IV: Incubators and Accelerators

- The Business Incubators and Accelerators.
- The Business Incubator Players.
- Start-ups and Innovations.
- Design Thinking and Innovation.
- Artificial Intelligence (AI) and Innovation.

SALIENT FEATURES

- Written in a lucid and simple style, the book comprises of five parts covering various aspects of Securities Market and Security Laws or SEBI regulations governing the Securities Market.
- The initiatives of SEBI for promoting and regulating securities market are well discussed at the appropriate places of the book.
- Endeavors have been taken to consider the syllabi at All India Level and the book will be useful very much for B.Com, BBA, MBA, M.Com. and Business related courses.
- The book covers Basics of Investing, Do's and Don'ts of Investing, measures taken by SEBI to safeguard the investing community, Redressal of grievances of Investors, Investor education and awareness programs.
- Part IV titled Knowledge Refresher covers Quizzes on Securities Market, Model question papers, Past years question papers of reputed universities and The Institute of Company Secretaries of India, New Delhi.
- Incorporated important Figures/Charts for easy recapitulation and adequate Part A and Part B questions at the end of each chapter.
- The practical aspects of stock exchange operations and important stock exchanges functioning in India and at International level are covered in chapter 6 of the book.
- The chapter on Investor Protection – Role and Responsibilities of SEBI covers adequately the various initiatives taken by SEBI towards investor protection, SEBI (Ombudsman) Regulations, SEBI (KYC) Regulations, SCORES etc.
- Important case laws pertaining to Securities Market are included in the book
- For the clarity of students, problems and answers are also included in the book.
- Part V Annexure covers list of Depositories and list of Recognized Investor Associations by SEBI in India.

ABOUT THE AUTHOR

Prof. V. Balachandran, was awarded Ph.D. by the Alagappa University, a State University in Tamil Nadu and a Fellow Member of ICSI. He is now Dean, School of Business Studies and Professor and Head, Department of Management Studies, Central University of Kerala and formerly Dean and Professor, Faculty of Management, and Director of Distance Education, Alagappa University, Karaikudi, Tamil Nadu. Having 37 years of PG teaching experience and 30 years of research experience in the field of Commerce, Corporate Secretaryship and Management, also served as Coordinator for UGC's Innovative Programme for One Year PG Diploma in VAT & Service Tax for the students of School of Management from July 2012-15. His Current areas of specialization are Capital market and Security laws, Indirect Taxation (GST), Financial Management, Corporate Governance, Ethics, CSR & Corporate Management and Economic Laws. He has guided successfully 29 scholars for the award of Doctoral Degree and 55 M.Phil scholars in the field of Commerce, Corporate Secretaryship and Management. He has published over 360 articles/research papers in reputed National and International journals and presented papers in about 125 National Level Seminars, Conference and Workshops. Authored and Co-authored 14 books by reputed Publishers like Sultan Chand and Sons, Bharat Law Book House, Tata McGraw Hill, Prentice Hall of India, Vijay Nicole Imprints. A fellow member of organizations, such as the Institute of Company Secretaries of India (ICSI), New Delhi and United Writers Association, Chennai. Professor Balachandran has been presented with many distinctive awards.



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