

Specialisation Course IV: Law on Securities and Financial Markets

Objectives:

This course is designed to give an understanding of different securities available in the market. It is imperative for a student to know about issue of securities, listing and de listing, regulatory compliances and disclosure norms. It is necessary to have an overview of different markets available, role of regulators in regulating trade with an insight into insider trading and takeover code form part of the course.

Course Content:

UNIT I. An introduction to securities markets

Role of Capital in business, issue and allocation of capital, various types of securities through which capital can be raised. Financial Markets in India, Institutions in operation, Role of Regulators, idea of market intermediaries. Types of markets: Primary market, secondary market, equity, debt, commodities and derivatives market

UNIT II. Issue of Securities

Public and non – public offer of shares, terms of issue, prospectus, listing and de-listing, allotment of securities, Disclosure of Information, listing agreement. *SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.*

UNIT III. Financial Market Regulation

Role and functions of market regulators: RBI as a regulator. *Securities & Exchange Board of India Act; Securities Contract (Regulation) Act. Depositories Act.*

UNIT IV. Financial Market Mechanism

Market Intermediaries: Merchant Bankers, Brokers, Underwriters, Bankers to an issue, Portfolio Managers, Credit Rating Agencies, Foreign Institutional Investors, Venture Capital, Custodians

UNIT V. Takeover and Insider Trading

Law relating to insider trading. *SEBI (Prohibition of Insider Trading) Regulations, 1992.* SEBI Takeover Code. *The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003; SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.*

Selected Readings:

Shishir Vayttaden, *SEBI's Takeover Regulations*, 10th edn., Lexis Nexis, (Nagpur).