

Securities Law & Market Operation

Dr. P. Sudha



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Preface

The Indian securities market is very dynamic and has transformed prodigiously, since the inception of the Bombay Stock Exchange in the mid 80's. The magnitude of trade done in the securities market made it mandatory to bring in legislations to monitor and regulate these markets.

This book has been conceptualised as a text book and is a compilation of Acts, Guidelines & Notifications issued by SEBI to regulate the market and protect the interest of the investors. The main objective of this book is to elucidate the components of the securities market and its operations briefly. It provides a quick reference to the important guidelines issued by SEBI in regulating the market infrastructure institutions. This book makes available to the readers an understanding of the capital market investments.

The securities market is a very broad area of study and this book gives a basic knowledge of stock market investments and the various instruments traded in the primary and secondary market. The language is kept very simple and review questions have been added at the end of each chapter.

P. Sudha

Acknowledgment

The author has compiled this book from the Rules & Regulations issued by SEBI and notifications given by the RBI. Inferences have been taken from the Companies Act and SCR Act. The two major stock exchanges in India NSE & BSE, the regulation, notices and circulars issued by them have also been used in this book.

I am thankful to the support rendered from the publication team in bringing out this book.

An earnest effort has been done to make this book to be without any mistakes or misprints. Any suggestions for improvement of the book are welcome.

P. Sudha

Contents

1. Securities Market 1.1 – 1.12

Functions of Securities Market	1.1
Regulators of Securities Market.....	1.2
SEBI Act	1.2
SCR Act.....	1.5
Securities Appellate Tribunal	1.9
Powers of the Securities Appellate Tribunal	1.10
Appeal to Supreme Court.....	1.11
Review Questions	1.11

2. Primary Market 2.1 – 2.30

Difference between Primary Market and Secondary Market	2.1
Participants of a New Issue Market	2.2
Issuer of Securities	2.2
Investors in Securities	2.2
Intermediaries	2.3
Merchant Banker.....	2.3
Registration	2.4
General Obligations & Responsibilities	2.4
Registrar to an Issue & Share Transfer Agents	2.5
Registration	2.6
Consideration of Application	2.6
Capital Adequacy Requirement	2.7
Grant of Certificate of Registration	2.7
General Obligations and Responsibilities	2.7
Bankers to an Issue	2.8

Registration	2.8
General Obligations and Responsibilities	2.9
Brokers	2.10
Registration	2.10
Underwriter	2.12
Registration	2.12
General Obligations and Responsibilities	2.12
Types of Issues	2.14
Public Issue	2.14
Offer for Sale.....	2.15
Rights Issue	2.15
Bonus Issue	2.16
Composite Issue	2.17
Private Placement.....	2.17
Pricing of an Issue.....	2.18
Fixed Price Issue	2.18
Book Built Issue.....	2.19
Differential Pricing	2.19
Offer Document	2.20
Draft Offer Document.....	2.20
Red Herring Prospectus	2.20
Prospectus	2.20
Letter of Offer	2.20
Abridged Prospectus	2.20
Abridged Letter of Offer	2.20
Shelf Prospectus.....	2.21
Placement Document	2.21
Fast Track Issue (FTI)	2.21
SEBI's Role in the New Issue Market	2.22
SEBI (Issue of Capital & Disclosure Requirements)	
Regulation	2.23
Eligibility requirements for an Initial Public Offer.....	2.23
General Conditions	2.24
Promoters' Contribution	2.24
Lock-in Requirements for Securities	
held by Promoters	2.25
Appointment of Lead Managers, other Intermediaries	
and Compliance Officer	2.25
Offer Document	2.25
Pricing of Securities	2.26

Price Stabilisation through Green Shoe Option	2.26
ASBA	2.27
IPO Grading	2.27
Underwriting	2.27
Monitoring Agency	2.27
Opening of the Issue	2.27
Minimum Subscription	2.28
Allotment Procedure and Basis of Allotment	2.28
Allotment, Refund and Payment of Interest	2.29
Post-issue Advertisements	2.29
Post- issue reports	2.29
Post-listing Exit Opportunity for Dissenting Shareholders.....	2.30
Review Questions	2.30

3. Secondary Market..... 3.1–3.18

Participants in the Secondary Market	3.1
Definition of Stock Exchange	3.2
Corporatisation & Demutualisation of Stock Exchanges	3.2
Procedure for Corporatisation and Demutualisation.....	3.2
Recognition of Stock Exchanges	3.4
Grant of Recognition to Stock Exchanges	3.5
Management of Stock Exchanges in India.....	3.6
Appointment of Managing Director	3.6
Code of Conduct for Directors and Key Management Personnel	3.7
Listing of Securities	3.7
Intermediaries of a Stock Exchange.....	3.8
Stock Broker	3.8
Sub-Broker	3.11
National Level Stock Exchanges in India	3.12
BSE	3.12
NSE	3.13
OTCEI.....	3.13
SEBI Guidelines for Listing of Securities.....	3.14
Listing of Securities	3.14
Delisting of Securities	3.14
Stock Market Index.....	3.15
Types of Indices	3.15
Review Questions	3.17

4. Financial Instruments..... 4.1–4.18

Treasury Bills	4.1
T-Bills Issue Process	4.2
Mode of Holding T-Bills	4.2
Certificate of Deposit (CD)	4.4
Commercial Paper (CP)	4.5
Equity Shares	4.6
Characteristics of Equity Shares	4.6
Sweat Equity Shares.....	4.7
Preference Shares	4.7
Characteristic of Preference Shares	4.7
Types of Preference Shares	4.8
Debentures	4.9
Features of Debentures.....	4.9
Types of Debentures.....	4.9
Depository Receipts	4.11
Eligibility to Issue Depository Receipts	4.12
Manner and Form of Depository Receipts	4.12
Voting Rights.....	4.12
Proceeds of Issue	4.12
Mutual Funds	4.13
Constitution and Management of Mutual Fund	4.13
Mutual Fund Schemes.....	4.14
Exchange Traded Funds	4.16
Features of ETFs	4.17
Review Questions	4.17

5. Debt Instruments 5.1–5.10

SEBI (Issue and Listing of Debt Securities)	
Regulations, 2008.....	5.1
General Conditions	5.1
Disclosures in the Offer Document	5.2
Filing of Draft Offer Document	5.3
Mode of Disclosure of Offer Document	5.3
Advertisements for Public Issue	5.3
Abridged Prospectus and Application Forms	5.4
Electronic Issuances	5.4
Price Discovery through Book Building	5.4
Minimum Subscription	5.4

Underwriting	5.4
Prohibitions of Mis-statements in the Offer Document	5.4
Trust Deed	5.5
Creation of Security	5.5
Redemption and Roll-over	5.6
Listing of Debt Securities	5.6
Trading of Debt Securities	5.8
Obligations of Debenture Trustee	5.8
Obligations of the Issuer, Lead Merchant Banker, etc.	5.9
Review Questions	5.10

6. Stock Market Trading &

Dematerialisation of Shares 6.1–6.26

Trading	6.1
Open Outcry	6.1
Online Trading	6.1
Online Trading and Order Execution	6.2
Placing a Buy/Sell Order	6.2
Routing of Order to Trading System.....	6.3
Display of Order	6.3
Matching of Order	6.3
Trade Confirmation	6.3
Issue of Contract Note.....	6.3
Clearing and Settlement	6.4
Determining the Obligations of the Clients	6.5
Pay in.....	6.5
Pay out.....	6.5
Dematerialisation of Securities	6.5
Depositories Act, 1996	6.5
Depository System	6.6
Registration of Depository.....	6.6
Depository Participants.....	6.8
Enquiry and Inspection	6.9
Power of Board to Call for Information and Enquiry	6.9
Power of Board to Give Directions in Certain Cases.....	6.10
Penalty.....	6.10
Power to Adjudicate	6.11
Dematerialisation	6.12
Security Eligible for Dematerialisation	6.12

Opening a Demat Account	6.13
Dematerialisation Process	6.13
Rematerialisation	6.14
Account Closure	6.15
Corporate Benefits	6.15
SEBI (Prohibition of Insider Trading) Regulations, 2015.....	6.15
Restrictions on Communication and	
Trading by Insiders	6.17
Disclosures by Certain Persons.....	6.21
Code of Fair Disclosure	6.21
Principles of Fair Disclosure for purposes of Code of	
Practices and Procedures for Fair Disclosure of	
Unpublished Price Sensitive Information	6.22
Code of Conduct	6.22
Minimum Standards for Code of Conduct to	
Regulate, Monitor and Report Trading by Insiders	6.23
Review Questions	6.26

7. Custodial Services 7.1–7.8

Meaning	7.1
Registration of Custodians of Securities.....	7.1
General Obligations and Responsibilities of Custodians.....	7.2
Segregation of Activities.....	7.2
Monitoring, Review, Evaluating and	
Inspecting Systems & Controls.....	7.3
Prohibition of Assignment	7.3
Separate Custody Account	7.3
Agreement with the Client	7.4
Internal Controls	7.4
Maintenance of Records & Documents	
and Furnishing of Information.	7.4
Appointment of Compliance Officer	7.5
Information to the Board.....	7.5
Code of Conduct	7.5
Inspection and Audit	7.5
Obligations of Custodian on Inspection	7.6
Submission of Report.....	7.7
Liability for Action in case of Default	7.7
Review Questions	7.7

8. Ombudsman 8.1–8.10

Qualification of Ombudsman.....	8.1
Disqualification of Ombudsman	8.2
Tenure	8.2
Stipendiary Ombudsman	8.2
Powers and Functions of Ombudsman	8.3
Procedure for Redressal of Grievance	8.3
Grounds of Complaint	8.3
Procedure for Filing Complaint	8.4
Power to Call for Information	8.5
Settlement by Mutual Agreement	8.6
Award on Adjudication	8.6
Correction of Award	8.7
Evidence Act not to Apply in the Proceedings Before Ombudsman	8.7
Finality of Award and Circumstances of Review	8.7
Consequences of Non-Implementation of The Award	8.8
Review Questions	8.9

9. Regulation of Intermediaries 9.1–9.8

Registration of Intermediaries.....	9.1
Disclosure of Information	9.2
Furnishing of Information and Clarification.....	9.2
Verification of Information	9.2
Consideration of Application	9.3
General Obligations.	9.4
Redressal of Investor Grievances.....	9.4
Appointment of Compliance Officer	9.5
Investment Advice.....	9.5
Code of Conduct	9.5
Inspection and Disciplinary Proceedings.....	9.6
Right of Inspection by the Board	9.6
Obligations of Intermediary on Inspection	9.6
Submission of Report to the Board	9.7
Review Questions	9.7

10. Credit Rating Agency 10.1–10.14

Registration of CRA's	10.1
Eligibility Criteria	10.2

Grant of Certificate	10.3
Functions / Obligations of CRAs	10.3
Agreement with the Client	10.3
Monitoring of Ratings	10.4
Review of Rating	10.4
Internal Procedures to be Framed	10.5
Disclosure of Rating Definitions and Rationale	10.5
Submission of Information to the Board	10.5
Appointment of Compliance Officer	10.5
Maintenance of Books of Accounts Records, etc.	10.6
Confidentiality	10.6
Calculation of Credit Ratings.....	10.6
Rating Process.....	10.7
Limitations of Credit Ratings.....	10.8
Credit Rating Agencies in India.....	10.8
Rating Symbols and their Meaning.....	10.8
Rating Symbols and Definitions for Long Term Debt Instruments	10.9
Rating Symbols and Definitions for Short Term Debt Instruments	10.10
Rating Symbols and Definitions for Long Term Structured Finance Instruments	10.10
Rating Symbols and Definitions for Short Term Structured Finance Instruments	10.11
Rating Symbols and Definitions for Long Term Debt Mutual Fund Schemes	10.12
Rating Symbols and Definitions for Short Term Debt Mutual Fund Schemes	10.13
Review Questions	10.13

11. Venture Capital 11.1 – 11.16

Registration of Venture Capital Funds	11.1
Eligibility Criteria	11.2
A Company	11.2
A Trust.....	11.2
A Body Corporate	11.3
Procedure for Grant of Certificate.....	11.3
Conditions of Certificate.....	11.3
Minimum Investment in a Venture Capital Fund.....	11.4
Investment Conditions and Restrictions	11.4

Prohibition on Listing	11.5
Prohibition on Inviting Subscription from the Public	11.5
Private Placement	11.5
Maintenance of Books and Records	11.6
Power to Call for Information	11.6
Winding-up	11.7
Effects of Winding-up	11.7
Board's Right to Inspect or Investigate	11.7
Obligation of Venture Capital Fund on Inspection or Investigation	11.8
Submission of Report to the Board	11.9
Liability for Action in Case of Default	11.9
Foreign Venture Capital Investors	11.9
Registration of Foreign Venture Capital Investors	11.9
Eligibility Criteria	11.10
Procedure for Grant of Certificate	11.10
Conditions of Certificate	11.10
Investment Criteria for a Foreign Venture Capital Investor	11.11
Maintenance of Books and Records	11.12
Power to Call for Information	11.12
General Obligations and Responsibilities	11.12
Appointment of Designated Bank	11.12
Board's Right to Inspect or Investigate	11.12
Obligation of Foreign Venture Capital Investor on Investigation or Inspection by Board	11.13
Submission of the Report	11.14
Board's Right to Issue Direction to Foreign Venture Capital Investor	11.14
Board's Right to Suspend or Cancel Certificate of Registration	11.14
Appeal to Securities Appellate Tribunal	11.15
Review Questions	11.15
Question Papers	Q.1–Q.4
Glossary	G.1–G.6

Syllabus

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

PAPER II : 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

- Money Market Instruments: Treasury Bills, Commercial Bills, Commercial Paper, Factoring Agreements & Discounting of Bill
- 7. Mutual Funds
 - Mutual Fund: Introduction, Definition Schemes, Risks Involved, Setting Up of Mutual Funds, Role in Financial Market
 - Advantage of Investment in Mutual Fund
 - Investment Management: Equity & Debt Portfolio, Measuring & Evaluating Mutual Fund Performance
 - Investor's Rights and Obligations
- 8. Venture Capital
 - Concept of Venture Capital
 - Registration, Investment Conditions and Restrictions
 - Foreign Venture Capital Investors
 - Private Capital Funds
- 9. Indian Depository Receipts
 - Indian Depository Receipts: Procedure for Making Issue of IDRs,
 - Conditions for Issue of IDRs, Listing of IDRs

PAPER II

Securities Laws

1. Securities Contracts (Regulation) Act, 1956
2. SEBI Act, 1992
 - Objective, Power and Functions of SEBI
 - Securities Appellate Tribunal, Appeals, Appearance before SAT
3. Depositories Act, 1996
 - Definition Setting up of Depository, its type, Role and Functions
 - Depository Participants
 - Admission of Securities
 - Difference between Dematerialization & Rematerialization
 - Depository Process
 - Inspection and Penalties
4. The Companies Act, 2013
 - Issue of securities and
 - Responsibility of directors & corporate governance.
5. SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011
Acquisition of Shares and Takeovers Code
6. SEBI (Prohibition of Insider Trading) Regulations, 2015
7. FEMA Regulations
8. Mutual Funds Regulations in India.
9. Regulatory Framework relating to Securities Market Intermediaries

About the Book

Securities Law & Market Operation is a text book which caters to the needs of the students at the UG & PG level. The chapters of the book have been designed in such a way as to provide a ready reference to cover the syllabus of different universities. Some of the key high lights of the book are:

- all the relevant rules & regulations framed by SEBI have been incorporated in this book.
- the various financial instruments that are traded in the financial markets have been dealt with.
- the stock market trading mechanism have been elucidated in a simple and lucid way.
- a reference book for teachers, teaching capital markets and its laws.
- a text book for students studying capital markets & capital market operation.

About the Author

Dr. P. Sudha teaches at the Department of Corporate Secretaryship, Chevalier T. Thomas Elizabeth College for Women, Chennai. Having completed her post-graduation with a University Rank, she joined full time Ph.D with Finance as her specialisation. She was awarded the doctoral degree in the year 2011. She has specialised in the areas of Capital Markets & Corporate Laws.



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