

**SYLLABUS – B.A. LL. B AND B.B.A. LL.B
SEMESTER- IX (2020)**

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**LAW RELATING TO INVESTMENT, SECURITIES, CORPORATE FINANCE AND
COMPETITIONS.**

The acquisition and allocation of a corporation's funds, or resources, with the objective of maximizing shareholder wealth (i.e., stock value). In the financial management of a corporation, funds are generated from various sources of fund (i.e., from equities and debts) and are allocated of funds (invested) for desirable assets.

The first function of corporate finance, resource acquisition, refers to the generation of funds from both internal and external sources at the lowest possible cost to the corporation. Two main categories of resources are equity (i.e., owner's equity) and liabilities. Examples of equity are proceeds from the sale of stock, returns from investments, and retained earnings. Liabilities include bank loans or other debt securities, accounts payable, product warranties, and other types of commitments from which an entity derives value.

Resource allocation, the second function of corporate finance, is the investment of funds with the intent of increasing shareholder wealth over time.

The subject of Capital Market, Corporate Finance, Competition and related Laws is inherently complicated and is subject to constant refinement through new primary legislations, rules, and regulations made thereunder.

Module – I : INTRODUCTION 8

Meaning; Importance; Scope of corporate finance

Capital needs – Capitalisation-Over and Under Capitalisation: Reasons and Remedies.

securities - borrowing –Deposits, Provisions of the Companies Act, 2013

Customer Advance/Deposits, Debentures – nature, issues and types, Creation of charges, Fixed and floating charges

Objectives of corporate finance – profit maximization and wealth maximization

Module – II DEBT FUNDING – INDIAN FUND BASED (CORPORATE DEBT) AND PROJECT FINANCE 8

Governing Framework for Debt Securities

Fund raising by issuance of Debt Securities by Large Entities

Bonds; Masala Bonds, Islamic Banking, Green Debt Securities

Project Finance – Long-term and Short-Term Finance

Project Finance including machinery or equipment loan against property, Loan against shares

Mortgages: Secured and Unsecured.

Working Capital and Working Capital Finance: Overdraft, Cash Credit, Bill Discount, Factoring etc.

Commercial Paper, Procedure for Issuance

Module –III: PRIMARY MARKET 6

Primary Market; meaning, functions

Indian Capital Market, Authority Governing Capital Market in India,

Capital Market Instruments-Equities, Preference Shares, Shares with Differential Voting Rights, Corporate Debt, Non-Convertible Debentures (NCD), Partly, Fully and Optionally Convertible Debentures, Bonds, Warrants.

Aspects of Primary Market- book building, Green Shoe Option.

Module –IV: SECONDARY MARKET

6

Secondary Market Development of Stock market in India; Stock market & its operations, Trading Mechanism,

Block and Bulk deals, Basis of Sensex, Suspension and Penalties.

Surveillance Mechanism; Risk management in Secondary market,

Module – V: REGULATORY FRAMEWORK RELATING TO SECURITIES

8

SEBI (1992)- Objective and Functions

An Overview of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Rechristened as SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

An Overview of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Insider Trading- An overview, SEBI (Prohibition of Insider trading) regulations, 2015.

Procedure for Issue of debt securities under SEBI (ILDS) Regulations, 2008.

Private Placement under SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

Legal framework for investor protection in India.

An Overview of SEBI (Share Based Employee Benefits) Regulations, 2014.

Module – VI: INTRODUCTION OF THE COMPETITION ACTIVITY

6

Anti-Competitive Arrangements

Abuse of dominant position and

Mergers and Acquisitions: Motives and Legal Reasons;

SEBI (Substantial Acquisition of Shares and Takeovers) regulations, 2011.

Valuation Under Companies ACT.

Module –VII: FOREIGN FUND RAISING AND DERIVATIVES AND COMMODITY EXCHANGES – AN OVERVIEW

8

Foreign Funding- External Commercial Borrowing (ECB), Foreign Currency Convertible Bond (FCCB), Foreign Currency Exchangeable Bond (FCEB)

Depositories – Indian Depository Receipts (IDR); American Depository Receipts (ADR); Global Depository Receipts (GDR)

Derivatives and commodity exchanges – AN OVERVIEW

Module – VIII: MUTUAL FUND, VENTURE CAPITAL

6

Mutual Fund: Meaning Schemes, Risk involved, Investors rights and obligations.

Legal and Regulatory framework.

Venture Capital: Concept, Registration, Investment Conditions and Restrictions,

FDI and foreign institutional investments (IMF and World Bank)

Module – IX: CASE STUDY8

READING BOOKS

Select Bibliography

1. E. Gordon & : Capital Market in India; Himalaya Publishing House, Ramdoot, K. Natarajan Dr. Bhalerao Marg, Girgaon, Mumbai - 400004.
2. Sanjeev Aggarwal : Guide to Indian Capital Market; Bharat Law House, 22, Tarun Enclave, Pitampura, New Delhi – 110 034.
3. V.L. Iyer : SEBI Practice Manual; Taxman Allied Service (P) Ltd., 59/32, New Rohtak Road, New Delhi-110005.
4. M.Y. Khan : Indian Financial Systems; Tata McGraw Hill, 4/12, Asaf Ali Road, New Delhi – 110 002.
5. S. Suryanarayanan & : SEBI – Law, Practice & Procedure; Commercial Law Publishers (India) V. Varadarajan Pvt. Ltd., 151, Rajindra Market, Opp. Tis Hazari Court, Delhi – 110054
6. Mamta Bhargava : Compliances and Procedures under SEBI Law; Shreeji Publishers, 8/ 294, Sunder Vihar, New Delhi – 110 087
7. Taxmann : SEBI Manual
8. Asim Kumar Mishra : Venture Capital Financing in India; Shipra Publications, 115A, Vikas Marg, Shakarpur, Delhi-110092.
9. Vishal Saraogi : Capital Markets and Securities Laws simplified, Lawpoint Publication, 6C, R.N. Mukherjee Road, Kolkata-70000
10. Ramaiya A, Guide to the Companies Act (1998), Vol. I, II and III

REFERENCE:

SEBI Annual Report': SEBI Mumbai.

Journals- Journals of Indian Law Institute, Journal of Business Law, Chartered Secretary, Company Law Journal, Law and Contemporary Problems.

Statutory Materials- Companies Act and laws relating SEBI, depositories, industrial financing and information technology.