

Chanakya National Law University, Patna
LL.M. 2022-23; SEMESTER- I

Course Title: Securities Laws (GROUP- C)

Credit- 05

Course Overview

Securities Market plays a significant role in development of Economy. Securities Market facilitates mobilization of funds from small investors and channelizes these resources into various development needs of various sectors of the economy. In order to prevent undesirable transactions in securities by regulating the business of dealing therein and by providing other matters connected therewith, the Securities Contracts (Regulation) Act, 1956 was enacted by Parliament. After going through this lesson, the student will be able to know about the Powers of procedure for appeal to SAT, Right of Investors, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, current regulation of SEBI and Securities Contract (Regulation) Rules, 1957 etc.

Learning Outcomes

The course aims to *acquire knowledge and understanding of securities laws and the regulatory framework.*

On completion of the course, students will be able to:

1. Understanding
2. Analysing.
3. Critically Analysing with suitable example.

List of Topics/ Modules

Topic/ Module	Contents/ Concepts	Sessions / Lectures
Module I: Introduction	<ul style="list-style-type: none">• Meaning, Concepts and Importance of Securities,• Types of Securities-Long Term and Short Term• Equity, Preference Shares, Debentures, Sweat Equity, Non-Voting Shares, Share Warrants• Derivatives: Option and Future• Government Securities and its Mechanism.	1-10
Module II: Securities Contracts	<ul style="list-style-type: none">• Recognition of Stock Exchange• Corporatization and Demutualization-process.	11-16

(Regulation) Act, 1956	<ul style="list-style-type: none"> • Contract in Securities • Penalties and procedures • Right of Investors • Securities Contract (Regulation) Rules 1957. . 	
Module III: SEBI Act	<ul style="list-style-type: none"> • Objective, Power and Functions, registration of intermediaries, • Prohibition of manipulative and deceptive devices, • Securities Appellate Tribunal, Appeals, Appearance before SAT • SEBI (Issue of Capital and Disclosure Requirements), 2018.- Application, IPO, Right Issue, Bonus Share • FPO and Preferential Issue • Fast Track FPO. 	17-26
Module IV: BUY-BACK OF SECURITIES and ISSUE OF SWEAT EQUITY	<ul style="list-style-type: none"> • SEBI (Buy-Back) Regulations, 2018 • Methods and Sources of Buyback • Prohibitions for Buy-back • Buy-back Process • Sweat Equity Shares Provisions as under Companies Act, 2013 304 • SEBI (Issue of Sweat Equity) Regulations, 2002 	27-34
Module V: Depositories Act, 1996	<ul style="list-style-type: none"> • Definitions, Setting up of Depository, its type, Role and Functions • Depository Participants • Difference between Dematerialization & Rematerialisation • Depository Process • Inspection and Penalties 	35-38
Module VI: Listing and Delisting of Securities	<ul style="list-style-type: none"> • Listing of Securities, (Listing Obligations and Disclosure Requirements) Regulations, 2015, • SEBI (Delisting of Equity Shares) regulations, 2021 	39-45
Module VII: Regulatory Framework relating to Securities Market Intermediaries	<ul style="list-style-type: none"> • Primary Market; meaning, functions, Capital Market Instruments. • Aspects of Primary Market- book building, Green Shoe Option. • Secondary Market: Development of Stock market in India; Stock market & its operations, • Trading Mechanism, Block and Bulk deals, Basis of Sensex, Suspension and Penalties. 	46-54

	<ul style="list-style-type: none"> Case Study 	
Module VIII: Insider Trading, Fraudulent and Unfair Trade.	<ul style="list-style-type: none"> Overview of SEBI (Prohibition of insider Trading) regulations, 2015 SEBI (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES RELATING TO SECURITIES MARKET) REGULATIONS, 2003 SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018 CASE STUDY 	55-60

Evaluation Criteria

Components	Description	Weightage in %
Attendance		05
Project Report		20
Presentation		05
End-Semester Examination		70
	TOTAL	100

Recommended/Reference Text Books and Resources:

Text Books

1. V.L. Iyer: SEBI Practice Manual; Taxman Allied Service (P) Ltd., 59/32, New Rohtak Road, New Delhi-110005.
2. S. Suryanarayanan: SEBI – Law, Practice & Procedure; Commercial Law Publishers (India) V. Varadarajan Pvt. Ltd., 151, Rajindra Market, Opp. Tis Hazari Court, Delhi - 110054
3. Mamta Bhargava: Compliances and Procedures under SEBI Law; Shreeji Publishers, 8/ 294, Sunder Vihar, New Delhi – 110 087
4. Taxmann : SEBI Manual
5. Vishal Saraogi : Capital Markets and Securities Laws simplified, Lawpoint Publication,
- 6 C, R.N. Mukherjee Road, Kolkata-700001

References

1. SEBI Annual Report : SEBI, Mumbai.
2. Indian Securities : NSE Yearly Publication
Market - A Review

Web Resources

www.sebi.gov.in
www.nseindia.com
www.bseindia.com
www.rbi.org.in
www.mca.gov.in

Instructor Details

Name of the Instructor:	ASHOK KUMAR SHARMA
Email:	ashokkumarsharma@cnlu.ac.in