

**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**

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

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

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

**Instructor Details**

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