HIMACHAL PRADESH NATIONAL LAW UNIVERSITY, SHIMLA

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Semester: I

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LL.M. (One Year Programme)   **Paper Code: LM-110**

Laws on Securities and Financial Market   **Credit - 02**

Introduction:

Modern business requires huge capital. In the olden days, entrepreneurs use to fetch the same from their family, friends, or partners. Nowadays such capital is readily available from people at large, who freely invest with an expectation of high return. However, whenever investments are allured by misrepresentations, it not only causes loss to the investor but raises serious questions on the very legal framework in which the securities market operates. The poor regulatory framework contributes to securities-related disputes and litigations. The course titled 'Laws on Securities and Financial Market' is designed to provide a critical understanding of India's Capital Market with a focus on Securities Market. The course encompasses a range of issues related to the capital market including regulatory framework, investor protection and international capital market. The course covers the basics of the financial market such as the debt market and money market, and at the time deals with securities market intermediaries and the role of the Securities and Exchange Board of India in regulating the securities market.

Course Objectives:

1. To make the students able to have a critical understanding of the fundamentals of the capital market.

2. To make the students able to critically examine the problems of the securities market.

3. To make the students able to understand the nuances of the securities market, instruments of the securities market and related procedural issues; and

4. To hone students' skills in securities market-related disputes/litigations through their exposure to case laws.

Learning Outcomes:

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

1. Be skilled in the Capital/Securities market instruments;

2. Deal in the securities market disputes;

3. Critique the practices and procedures of the securities market;

4. Apply his skills in securities market intermediaries.

Module - I

Financial Market

1.1. Overview of Capital Market;

1.2. Capital Market Instruments;

1.3. Securities Market Intermediaries;

1.4. Debt Market;

1.5. Money Market.

Module - II

Securities Laws

2.1. Regulatory Framework related to Securities Market;

2.2. Securities Contract (Regulation) Act, 1956;

2.3. Securities Exchange Board of India Act, 1992;

2.4. Depositories Act, 1996;

2.5. Market Infrastructure Institutions - Stock Exchanges.

Module - III

Issue of Securities and Investor Protection

3.1. Issue and Listing of Securities;

3.2. Regulatory Framework related to Securities Market Intermediaries;

3.3. Law of Insider Trading - An Overview;

3.4. Investor Protection;

3.5. Regulatory Investor Protection Measures - SEBI, Companies Act, 2013, and IEPF.

Module - IV

International Capital Market

4.1. Listing in the International Market;

4.2. Depository Receipts;

4.3. Foreign Portfolio Investment;

4.4. Foreign Venture Capital Investment;

4.5. FDI Policy in India.

Prescribed Legislations:

1.   The Companies Act, 2013.

2.   The Banking Regulations Act, 1949.

3.   The Securities and Exchange Board of India Act, 1992.

4.   The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

5.   The SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018.

6.   The Government Securities Act, 2006.

7.   The Securities Contracts (Regulation) Act, 1956.

Prescribed Books:

1.   V. D. Kulshreshtha, GOVERNMENT REGULATION OF FINANCIAL MANAGEMENT OF PRIVATE CORPORATE SECTOR IN INDIA, (1986).

2.   P. H. Conac and Martin Gelter, GLOBAL SECURITIES LITIGATION AND ENFORCEMENT, (2019).

3.   A.C. Fernando *et. al.*, CORPORATE GOVERNANCE: PRINCIPLES, POLICIES AND PROCEDURE, (2022).

4.   A. Ramaiya, GUIDE TO THE COMPANIES ACT, (1998).

5.   E. Gordon and K. Natarajan, CAPITAL MARKET IN INDIA, (2009).

Suggested Readings:

1.   Sanjeev Aggarwal, GUIDE TO INDIAN CAPITAL MARKET, (2000).

2.   V. A. Avadhani, INVESTMENT AND SECURITIES MARKETS IN INDIA, (1996).

3.   M. Y. Khan, INDIAN FINANCIAL SYSTEMS, (2013).

4.   Avtar Singh, COMPANY LAW, (2017).

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