

NIRMA UNIVERSITY

Institute:	Institute of Law
Name of Programme:	B.A., LL.B (Hons.), B.Com.LL.B(Hons.)
Course Code:	2BUL842
Course Title:	Financial Market Regulations
Course Type:	Department Elective
Year of Introduction	2021-2022

Credit Scheme

L	T	Practical component				C
		LPW	PW	W	S	
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Course Learning Outcomes (CLO)

At the end of the course, students will be able to:

1. Relate the Legal Infrastructure of Financial Market in India & Global Financial Market
2. Examine the law and regulation of financial market on transactions and compliance
3. Illustrate the legal issues in in stock market and explain the application of securities Law.
4. Identify the relevance of contemporary changes in various laws and regulations promulgated by the market regulators addressing Ponzi schemes and unfair trading.
5. Outline the aspects of fund raising in Indian financial market
6. Discuss the role of stock exchange in regulating stock market
7. Classify the participation of stock market intermediaries at various levels in securities trade.
8. Explain the frauds and malpractices of stock market.
9. Assess the efficacy of investor protection regulations in India capital Market.

Syllabus:

Unit

Syllabus

Total teaching hour: 60

Teaching hours

Unit-I

Introduction to Financial Market Regulatory Structure & Reforms

7 hours

1. Political Economy of Financial Market Regulations
2. Significance of Financial Regulations in Economic Development
3. Development and growth of financial and capital markets in India
4. Financial reforms and present scenario
5. Regulatory authorities governing financial and capital markets in India.
6. Global Financial Regulations and its Implications in India



Unit-II	Capital Market Players & Regulations	6 hours
	<ol style="list-style-type: none"> 1. Introduction to Capital Market: Corporate vs Personal Finance Perspective 2. Meaning and significance of capital market 3. Capital market vis-a-vis money market; Regulators and SROs 4. Market players – financial institutions, investors government and companies 5. Securities laws/regulatory framework governing Indian Capital Market 	
Unit-III	Securities and Exchange Board of India (SEBI)	11 hours
	<ol style="list-style-type: none"> 1. Structure & Organization 2. Role and powers 3. Functions & Regulations 4. Capital Issues (Control) Act, 1947 (Repealed in 1992) 5. SEBI Act 1992 6. Regulation of Mutual Funds & Collective Investment Schemes 7. SEBI Inquiry, Investigations & Adjudication 	
Unit-IV	Financial Instruments	4 hours
	<ol style="list-style-type: none"> 1. Capital market instruments – equity 2. Debentures 3. Bonds 4. Preference shares 5. Sweat equity shares 6. Non-voting shares 7. New instruments of capital market: pure 8. Hybrid and derivatives 9. Money market instruments: treasury bills, Commercial bills, Certificate of deposits, New money market instruments 	
Unit- V	Issue of Capital & Investment	9 hours
	<ol style="list-style-type: none"> 1. Companies Act 2013 on Issue of Capital 2. SEBI Regulations for Issue of Capital and Investor Protection 3. Equity Market Regulation 4. Debt Market Regulation 5. Initial Coin Offerings 6. Crowdfunding 	

Unit-VI Stock Market & Trading Regulation 7 hours

1. Meaning, Significance, functions and scope of secondary Market
2. Stock Market intermediaries
 - Stock Exchange
 - Depositories
 - Clearance House
 - Financial Institutions
 - Stockbrokers, Sub-brokers
 - Merchant Bankers
 - Investment Advisors & Investment Analysts
3. Regulation of Trading & Settlement System
4. Depositories Act 1996
5. Securities Contract Regulations Act 1956 & Securities Contract Regulation Rules 1957

Unit-VII Regulation of Fraudulent and Unfair Trade Practices 8 hours

1. Market Manipulation
 - Trade based Manipulation
 - Information based Manipulation
 - Other
2. SEBI (Prohibition of fraudulent and Unfair Trade Practices relating to securities market) Regulations, 2003
3. Synchronies Trading, Circular Trading & Front Running
4. Enforcement action and Remedies for investors
5. CASE STUDIES
 - Harshad Mehta
 - Ketan Parekh
 - Sunil Mehta
 - Satyam Scam
 - Sahara Scam
 - Algo Trading Scam

Unit-VIII Regulation of Insider Trading 8 hours

1. Prohibition of Insider Trading (PIT) Regulations, 2015'
2. Insider Trading Policy
3. Insider Trading Code of Conduct
4. Trading Window Restrictions
5. Institutional Mechanism for Prevention of Insider Trading

CASE STUDIES

- Hindustan Unilever Limited and Brooke Bond Lipton Ltd.
- Rakesh Agarwal v/s SEBI
- SEBI vs. Sameer C. Arora
- Ranbaxy Insider trading case

Unit-IX Investor Protection & Dispute Settlement 4 hours

1. Meaning and significance of investor protection
2. Regulatory measures to promote investor confidence
3. Arbitration in Stock Market
4. SEBI's Complaints Redress System
5. SEBI Settlement Mechanism & Settlement Proceedings

Suggested Reading Reference:

- Pathak, B. (2018). Indian Financial System (5th ed.). Pearson India. New Delhi
- Ocampo, J., & Stiglitz, J. (2008). Capital market liberalization and development (1st ed.). Oxford University Press. New Delhi
- Agrawal, S. (2018) SEBI Act - Legal Commentary on SEBI Act, 1992. New Delhi, Taxmann Publications (P) Ltd. New Delhi
- Parekh, S. (2018). Fraud, manipulation and insider trading in the Indian securities markets (4th ed.). CCH India. New Delhi
- Gopalswamy, N. (2013) Inside Capital Market. Mumbai. Macmillan india Ltd.
- Jonnalagadda K. (2015) Securities Law, LexisNexis, New Delhi,
- Kaushik L, Unfair Trade Practices in Securities Market, Taxmann Publications (P) Ltd. (2013)
- Mishra B, (2019). Law relating to Insider Trading Taxmann Publications (P) Ltd. New Delhi.
- Chandratre K. R., (2020). SEBI Listing Obligations and Disclosure Requirements. Bloomsbury Professional India, New Delhi.
- Dedhia V., & Ghosh, A. (2021) Taxman's Law & Practice Relating to Corporate Bonds & Debentures – Comprehensive Commentary on Law Relating to Corporate Bonds and Debentures. Taxmann Publications Private Limited, New Delhi.