

COMPLIANCE MECHANISM HARBINGER FOR ROBUST CAPITAL MARKETS

Knowledge Paper Series - 4



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament



Motto

“ सत्यं वद । धर्मं चर ।
Speak the truth. abide by the law. ”

Vision

“ To be a global leader in promoting
good corporate governance ”

Mission

“ To develop high calibre professionals facilitating
good corporate governance ”



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Headquarters

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003
tel 011-45341000, 4150 4444 fax+91-11-2462 6727
email info@icsi.edu website www.icsi.edu

Preface

*“The illiterate of the 21st century will not be those who cannot read and write,
but those who cannot learn, unlearn, and relearn.”*
- Alvin Toffler

In order to fortify knowledge one must invest sincere endeavours in undertaking research on varied topics pertaining to a particular subject / (s). Research plays a crucial role in bridging the gap between theory and practice by exploring or delving deep into various theories, contemporary issues and pertinent facts. It assist immensely in learning new theories or approaches by discarding the archaic information or facts, thereby, adding depth to the reservoir of knowledge.

The only constant thing in world is ‘Change’ and to keep pace with the change one needs to be conversant with various dimensions of change, the Political, Economical, Social, Technological, Legal and Environmental change. Since each of these factors exert an impact on the economy, industry and organization. For instance, the following financial cataclysms- The Credit Crisis of 1772; The Great Depression of 1929-39; The OPEC Oil Price Shock of 1973; The Asian Crisis of 1997; The Global Financial Crisis of 2007-08 and The Eurozone Crisis that quivered the globe and largely impacted their business environment, along with other various developments that took place in legal, economic and business milieu of various economies, engenders paramount research interest to explore the aftermath of such events on various sectors or industries, employment, national income, per capita income, economic growth, international trade, business activities- setting up of new unit, expansion, growth (organic and inorganic), corporate restructuring, capital raising process and so on and so forth. Further, it also generates proclivity towards prognosis of outcomes based on the past and current scenario of various economic events.

Thus, research acts like a ‘Lighthouse’, thereby, assisting in navigation through the ocean of wisdom. It helps to collate pearls of wisdom as we go ahead with the voyage. In light of the indispensability of research, The Institute of Company Secretaries of India (ICSI) have commenced with the concept of “Knowledge Paper Series”, wherein research papers focusing on various key issues / concepts such as- Non-Banking Finance Companies; Indian Debt Market; Impact of various Financial Crisis on India and Global Business World; Critical Chapters / concepts of Indian Companies Act, 2013; Capital Market Laws; Various Mercantile Laws; Important topics from Financial Management- Corporate Finance; Working Capital; Security Analysis; Fundamental and Technical Analysis; Tax Laws especially the Goods & Services Tax (GST), which is like a dawn in the empyrean of Indian Business and other vital topics will be the focal point.

Sincere efforts will be invested to provide high quality research contents to our Governance Professionals, i.e. Company Secretaries both in practice and employment; Ecclesiastic or Doyen of industry, Professionals representing various professional bodies, academic aficionados and students pursuing company secretary and other professional courses.

I commend the dedicated efforts made by Dr. Gargi Rajvanshi, Assistant Director in preparation of this knowledge paper under the guidance of Ms. Sonia Baijal, Director, Professional Development, Perspective Planning & Studies, and overall supervision of CS Dinesh Chander Arora, Secretary, ICSI.

I am sure the readers will find this knowledge paper quite informative and enriching their reservoir of knowledge.

I wish all the success to future research endeavours and knowledge series.

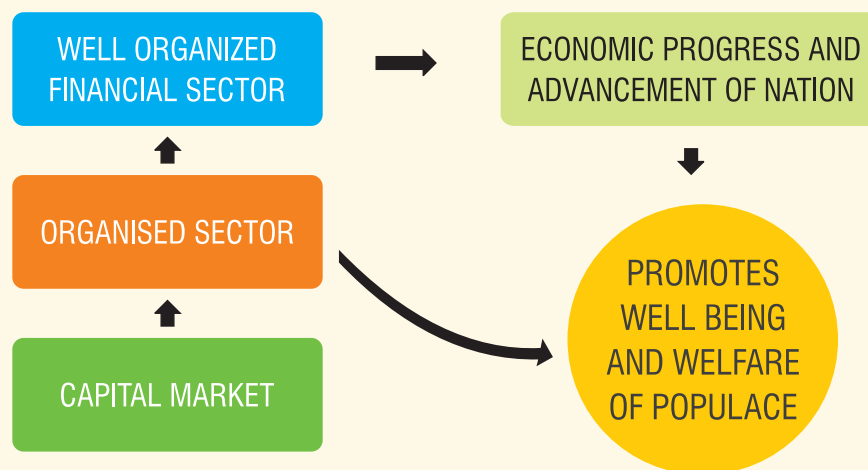
Date: 17th July, 2017
Place: New Delhi

CS (Dr.) Shyam Agrawal
President
The Institute of Company Secretaries of India

Introduction

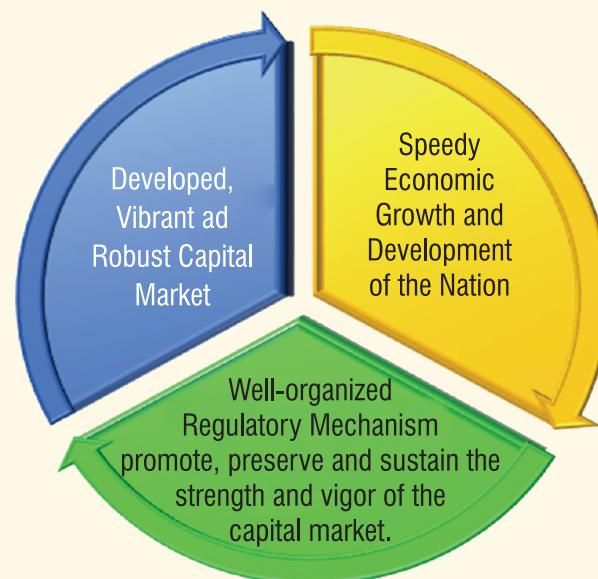
The economic progress and advancement of every nations majorly depends upon the existence of a well-organized financial system. It is the financial system which supplies the necessary financial inputs for the production of goods and services which in turn promotes the well being and standard of living of the people of an a country. Accordingly, the 'financial system' is a broader term which brings in its fold the financial markets and the financial institutions which support the system. In the financial system of the country also, it is the organized financial sector which significantly contribute to the parameters registering inclusive growth for all on equitable and equal foundation.

The organized sector is further consist of two pillars; one being Capital Market and Other being Money Market. Among all, the role of capital market is incredible while subsuming the progression engines of comprehensive growth of the market in the domestic as well international boundaries at par.



When a robust financial system is pivotal in the growth of economy of the country, at the same time a robust capital market provides long term stability to the financial system and thereby concludes a proportionally direct relational to the inclusive economic development of the nation.

Capital market is the heart of any economy through which the savings are channelized into effective long-term investments. A developed, vibrant and robust Capital Market immensely contribute towards speedy economic growth and development of the nation. For the developed and vibrant capital market, it is essentially a paramount to have a well –organized regulatory system where compliances are at par to promote, preserve and sustain the strength and vigor of the capital market.



Therefore, it makes it mandatory for the government to imbibe the well-organized compliance system to ensure the existence and sustainment of robust capital market in the country which in turn would serve a better platform for the capital market to contribute effectively to the economic development of the country, hereby confirming inclusive growth of the nation as a whole.

Capital Market vis-à-vis Growth of Indian Economy: A Bird's Eye View

Economic growth in a modern economy hinges on an efficient and effective financial sector that pools domestic savings and mobilizes capital for productive projects. Absence of effective capital market could leave most productive projects which carry developmental agenda unexploited. Capital market connects the monetary sector with the real sector and therefore facilitates growth in the real sector and economic development.

The role of capital markets is vital for inclusive growth in terms of wealth distribution and making capital safer for investors. Capital markets can create greater financial inclusion by introducing new products and services tailored to suit investors' preference for risk and return as well as borrowers' project needs and risk appetite. Innovation, credit counselling, financial education and proper segment identification constitute the possible strategies to achieve this. A well-developed capital market creates a sustainable low-cost distribution mechanism for multiple financial products and services across the country.¹

Indeed, India as an emerging economy has seen a spate of innovations in the area of financial engineering. These financial innovations are a result of number of Government regulations, tax policies, globalization, liberalization, privatization, integration with the international financial market and increasing risk in the domestic financial market. With the increased volatility in the capital market, the need for new financial innovations to hedge risk and increase returns cannot be overstated. The financial innovations in India has led to various derivative products, index based derivatives etc.

Matching the cross border expansion of Indian Companies, the Indian Capital Markets have also grown exponentially in the last few years. The growth has been in every sphere - the amount of capital raised through primary issuances, exchange trading turnovers, the market indices and market capitalization, mutual fund assets, access to foreign markets for raising funds, foreign listing and foreign institutional investment. In fact, none of this would have been possible if the Indian markets had not developed a world class market and regulatory infrastructure. The efforts of the last decade in developing an efficient market infrastructure have created a market that has made transactions transparent and settlements safer. The Indian Capital Market has come a long way from trading under the Banyan tree to internet trading.

A significant development in Indian Capital Markets have been coining by setting up of SME exchange. The SME Exchange is a welcome move for the Small and Medium Scale Enterprises. In India BSE and NSE have created SME exchanges BSESME and EMERGE respectively. Setting up of SME platform by two leading Stock Exchanges, have opened avenues for SMEs to raise funds from the market. It is an effective booster for Small and Medium Enterprises where raising of capital is a primary concern. Creating a trading platform for SMEs would enable the growth of SMEs and thereby the growth of Economy.

In nutshell, Capital market is the heart of any economy through which the savings are channelized into effective long-term investments. A developed and vibrant Capital Market will immensely contribute towards speedy economic growth and development. Now, Indian capital market is well organized, fairly integrated, mature, modernized and demographically well diversified. The Indian equity market is one of the best in the world in terms of technology. Advances in computer and communications technology, coming together on Internet are shattering geographic boundaries and enlarging the investor class across the national boundaries.

Need and Significance of Robust Capital Market: A Step towards Inclusive Development

A well-developed capital market creates a sustainable low-cost distribution mechanism for multiple financial products and services across the country. This writing has sought to demonstrate an important role played by capital market in economic growth and

¹ See, Role of Capital Market, Investor Education and Protection Fund, Ministry of Corporate Affairs, Government of India. Available at <http://www.iepf.gov.in/IEPF/Role.html>

development. Capital market enhances efficient financial intermediation. It increases mobilization of savings and therefore improves efficiency and volume of investments, economic growth and development. There are various leads of capital market which ensures a strong and directed growth of the nation on holistic parameters. Few of those role of capital market which enhances their need and significance in towards the inclusive development of the nation are discussed as below:

Allocation of Capital: One of the major economic benefits generated by development of the Capital Markets is improved allocation of capital.

Allocation of Risk: The other major economic benefit generated by development of the Capital Markets is improved allocation of Risk.

Mobilization of Savings: Capital Markets is a good channel to move idle savings to most productive units in the economy. In any economy savings are moved to borrowers through Capital Markets or through Banking Financial Corporations/ Non-Banking Financial Corporations.

Policy Making: Capital Markets play an important role in improving policy framework of a country. This is because when policy makers embark on bad policies the equity and bond prices tend to fall. Capital markets anticipate the future prospects of a country thus they convinces the politician's incentives to do things that brings long-term costs that will hurt the economy.

Micro, Small and Medium Enterprises (MSME): Traditionally MSME are the ones that faced difficulty in obtaining capital at low interest rate, but MSME sector contributes 8% of the country's GDP, 45% of the manufactured output and 40% of our exports. It provides employment to about 6 crore people and are the largest generator of employment in Indian Economy.

Apart from the above mentioned facts on the significance of Capital Markets, there is a vast amount of evidence that supports the importance of Capital Markets facilitating economic growth. The other superior recompenses of the robust capital market is as below:

- Higher productivity growth
- Higher real-wage growth
- Greater employment opportunities
- Greater macroeconomic stability
- Greater home ownership
- Raising of long-term funds by the business community.
- Opportunity for the public to invest their savings in attractive securities which provide a higher return.
- Capability of attracting funds from foreign country. Thus, foreign capital flows into the country through foreign investments.
- Enables the country to achieve economic growth as capital formation is promoted through the capital market.
- It works as a barometer of the economy by which you are able to study the economic conditions of the country and it enables the government to take suitable action.
- It provides opportunities for different institutions such as commercial banks, mutual funds, investment trust; etc., to earn a good return on the investing funds. They employ financial experts who are able to predict the changes in the market and accordingly undertake suitable portfolio investments.

The above discussion confirms the very fact that capital markets plays a vital role for inclusive growth in terms of wealth distribution and making capital safer for investors. Therefore, it becomes essential to create a stronger regulatory mechanism to standardize the recompenses of the robust capital market for the economic development of the nation in the longer run. To align the balance between the strong regulations and the robust capital market subsuming the high standards of inclusive growth of the national at global platform, India is having a multi-layered regulatory regime to regulation the conduct of capital market in toto.

Along with various laws, various agencies like Department of Economic Affairs, Ministry of Corporate Affairs, Reserve Bank of India, NCLT, SEBI and alike also regulates the conduct of transactions in the security market either directly or indirectly. Among all, it is **Securities and Exchange Board of India (SEBI)** which is responsible for the regulation of Capital Markets and various participants and activities therein. At the outset, SEBI is directly charged with the mandate of supervision of the Capital Market in India.

Vigorous Compliance Mechanism towards Robust Capital Market: A Progressive Indication

Indian Capital Markets are regulated and monitored by the Ministry of Finance, The Securities and Exchange Board of India and The Reserve Bank of India.

The Ministry of Finance regulates through the Department of Economic Affairs - Capital Markets Division. The division is responsible for formulating the policies related to the orderly growth and development of the securities markets (i.e. share, debt and derivatives) as well as protecting the interest of the investors.²

In particular, it is responsible for

- Institutional reforms in the securities markets,
- Building regulatory and market institutions,
- Strengthening investor protection mechanism, and
- Providing efficient legislative framework for securities markets.

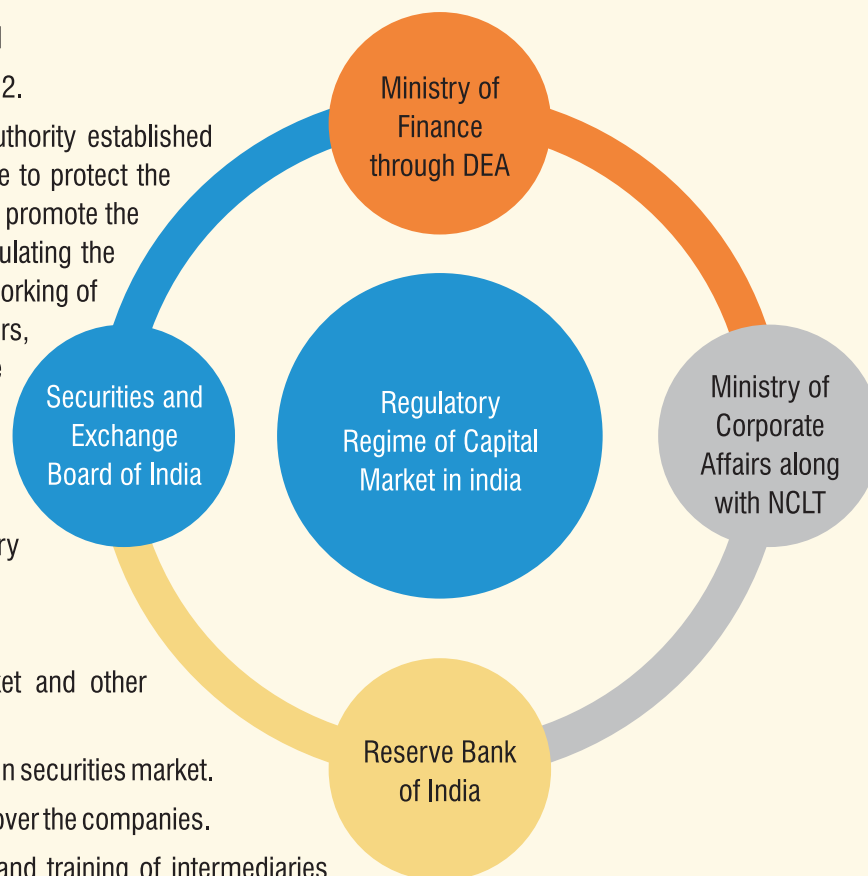
The Division administers legislations and rules made under the

- Depositories Act, 1996,
- Securities Contracts (Regulation) Act, 1956 and
- Securities and Exchange Board of India Act, 1992.

As discussed previously, it is SEBI, regulatory authority established under the SEBI Act 1992 which plays a major role to protect the interest of the investors in the securities as well as promote the development of the capital market. It involves regulating the business in the stock exchanges supervising the working of the stock brokers, share transfer agents, underwriters, merchant bankers as well as prohibiting unfair trade practices in the securities market.³

The major functions of SEBI could be analyzed as under:

1. To promote and regulate the self-regulatory organizations.
2. To prohibit insider trading in securities market.
3. To regulate the business of the stock market and other securities market.
4. To prohibit fraudulent and unfair trade practices in securities market.
5. To regulate huge acquisition of shares and take over the companies.
6. To promote the awareness among investors and training of intermediaries about safety of market.



² Regulations in India, International Investors, National Stock Exchange. Available at https://www.nseindia.com/int_invest/content/regulatory_framework.htm

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

Harbinger of Robust Capital Market: Role of SEBI

As per the SEBI Act, 1992, the power and functions of the Board encompass the regulation of Stock Exchanges and other securities markets; registration and regulation of the working stock brokers, sub-brokers, bankers to an issue (a public offer of capital), trustees of trust deeds, registrars to an issues, merchant bankers, under writers, portfolio managers, investment advisors and such other intermediaries who may be associated with the stock market in any way; registration and regulations of mutual funds; promotion and regulation of self-regulatory organizations; prohibiting Fraudulent and unfair trade practices and insider trading in securities markets; regulating substantial acquisition of shares and takeover of companies; calling for information from, undertaking inspection, conducting inquiries and audits of stock exchanges, intermediaries and self-regulatory organizations of the securities market; performing such functions and exercising such powers as contained in the provisions of the Capital Issues(Control) Act, 1947 and the Securities Contracts (Regulation) Act, 1956, levying various fees and other charges, conducting necessary research for above purposes and performing such other functions as may be prescribes from time to time.

SEBI as the watchdog of the industry has an important and crucial role in the market in ensuring that the market participants perform their duties in accordance with the regulatory norms. The Stock Exchange as a responsible Self-Regulatory Organization (SRO) functions to regulate the market and its prices as per the prevalent regulations. SEBI and the Exchange play complimentary roles to enhance the investor protection and the overall quality of the market.

To ensure the effective growth of the capital market, a compressive set of regulation is maintained by SEBI while performing its functions under dual heads including:

1. Regulatory Functions and
2. Development Functions.

This dual framework of effective and efficient regulator at the hand of Regulators can be assessed as below:

ROLE OF SEBI TOWARDS ROBUST CAPITAL MARKET IN INDIA

Regulatory Functions	Development Functions
Regulation of Business in the Stock Exchanges	Promoting investor's education
Registration and Regulation of the Working of Intermediaries	Training of intermediaries
Registration and Regulation of Mutual Funds, Venture Capital Funds & Collective Investment Schemes	Conducting research and publishing information useful to all market participants
Promoting & regulating self-regulatory organizations	Promotion of fair practices
Prohibiting fraudulent and unfair trade practices in the securities market	Promotion of self-regulatory organizations
Prohibition of insider trading	Conducting research for the above purposes
Inspection and inquiries	Investor education and the training of intermediaries
Regulating substantial acquisition of shares and take-overs	
Performing such functions and exercising such powers under the provisions of the Securities Contracts (Regulation) Act, 1956 as may be delegated to it by The Central Government	
Levying fees or other charges for carrying out the purposes of this section	

Recent Reforms of Capital Market: SEBI's Desk

As an Independent regulator, various regulations and norms are introduced and effected as an indication for the robust capital market. In the recent time, following reforms in relation thereto are worked and sought by SEBI:

Facilitation of capital raising by issuers

In order to achieve the three-fold purpose of (i) a speedy completion of the fund raising process by the issuers, (ii) enabling compliance with the minimum public shareholding requirement, (iii) streamlining the disclosure process in initial public offering ("IPO"), SEBI has offered the following measures:

Promoters' contribution made easy: Under Regulation 32 of the SEBI (Issue of Capital & Disclosure Requirements) Regulations 2009 ("ICDR"), the promoters of the issuer company are required to contribute in the public issue to the extent of 20% of the post issue capital and such promoter contribution shall be locked in for a period of 3 (three) years. Consequently, it was observed that the promoters of issuer companies were often unable to meet the statutory 20% contribution requirement themselves and therefore SEBI has proposed that in order to satisfy the statutory requirement, the promoters may now take the aid of SEBI registered Alternative Investment Funds ("AIF") such as SME funds, infrastructure funds, private equity funds etc. subject to a maximum of 10%.

Additional methods for compliance with minimum public shareholding requirement: In its first Board meeting of the year 2012, SEBI had decided to provide alternative methods to enable companies to comply with the minimum public shareholding requirement of 25%, with the introduction of (i) Institutional Placement Programme and (ii) Offer for sale of shares through stock exchanges. Acting further in line with the same, SEBI has decided to prescribe additional methods for complying with the 25% requirement which methods include rights issue and bonus issue. SEBI has also specified that although it may come up with additional options, the existing options may also undergo some modifications in order to make them more attractive.

Pricing norms for qualified institutional placements ("QIPs") modified: To enable QIPs to flourish even in worsening market conditions, SEBI has allowed issuers to offer a maximum discount of 5% to the price calculated as per the ICDR.

Reduction in average market capitalization for fast track issues: Under Regulation 10 of the ICDR, every listed company desirous of raising capital under a fast track route was required to have a market capitalization of INR 5,000 crore, which market capitalization has now been reduced to INR 3,000 crore so as to facilitate further public offerings and rights issue through the fast track route.

As a matter of recapitulation, the fast track issuance route which was introduced in 2007 for enabling listed companies' to have quick access to further capital. However due to the onerous market capitalization requirement, this route was not as often resorted to by listed companies desirous of raising capital.

Re-filing of the prospectus not required: Unlike the existing threshold of 10%, any addition or deletion to the objects of the issue resulting in a change in estimated issue size or estimated means of finance by more than 20%, will not warrant any re-filing of the offer document with the SEBI.

Additional Disclosures: In addition to the existing disclosure requirements, it is proposed that listed companies shall file a comprehensive annual disclosure statement with the SEBI, which filings are aimed at providing updated information to the investors. The SEBI's proposal is directed towards the alignment of the existing disclosure requirements in India with the 20F filing prescribed by the United States Securities and Exchange Commission ("US SEC") by which foreign private issuers provide certain information to the US SEC.

Increasing the reach of IPOs to retail investors

With the aim of increasing participation of investors in the IPO process, SEBI has resolved to widen the broker network of stock exchanges for the purpose of distributing IPOs in electronic form. The IPOs may be accessed by the members of the general public, either physically or electronically, through the channel of brokers. For those who do not prefer to deal with brokers may download the application forms directly through the website of the stock exchange and also view the status of their applications online. The facility of Application Supported by Blocked Amount ("ASBA") will also be made available to applicants applying through this route.

The share allotment procedure is proposed to be modified to ensure that every retail applicant, irrespective of the size of his application, gets a minimum bid allotted subject to availability of shares in aggregate. The minimum application size for all investors is proposed to be increased to INR 10,000 - INR 15,000 as against the existing INR 5,000 - INR 7,000. Although the minimum application size has been increased, by assuring a minimum bid allotment, SEBI intends to gratify more number of smaller applicants in cases of oversubscribed issues. We hope that this proposal attracts wider participation of the retail public in the primary market and leads to improvement in the liquidity of stocks.

Improving the quality of public offerings

In order to ensure invigoration of the SMEs and better quality of issues on the main market segment, it is proposed that only those issuer companies which have a minimum average pre-tax operating profit of INR 15 crore will be allowed to participate through the profitability route. All others will be able to access the markets either through the small and medium exchanges (“SME”) or through the compulsory book building route with increased qualified institutional buyer participation of 75%, as opposed to the existing 50%.

While the ICDR did not impose any cap on the objects of the issue, SEBI has decided that ‘General Corporate Purposes’ as an object of the issue should not exceed 25% of the issue size. Additional mechanisms for monitoring the issue proceeds to be introduced.

Listed companies are required to frame employee stock option schemes only in accordance with the extant SEBI Guidelines in relation to employee stock option plans and employee stock option schemes. Companies whose stock option plans are not in compliance with the guidelines shall be granted time for doing so and such schemes shall be restricted from acquiring shares from the secondary market. Though this change may have significant impacts on listed companies who do not have a legally compliant stock option scheme in place, it is rather surprising to note that SEBI has not provided any rationale behind such proposal.

Disclosures in relation to issuance of debt securities

SEBI has approved the amendments to the disclosure requirements in the offer documents/ memorandum in connection with the public issue & listing of non-convertible debt as well as privately placed debt securities which are listed or sought to be listed under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Debt Regulations).

In addition to disclosures required to be made under the Companies Act, the Debt Regulations also prescribe certain disclosures to be made in the offer documents / information memorandum in case of issuance of debt securities. The key additional disclosures that have now been included are details of change in capital structure over the last five years and details of default / delay in borrowing over the last five years.

Shelf placement document for frequent issue of debt securities through private placement

The concept of shelf placement document valid for a period of 180 days has also been introduced in case of frequent issue of debt securities through private placement. Until now facility of shelf prospectus was only available for public issue of debt securities. Thus, easing administrative burden and compliance cost on the issuers.

Mutual Funds

With a view to promote sustainable growth of the mutual fund industry and effective channelization of domestic savings, SEBI has suggested a long term policy in relation to mutual funds, the main features of which are as follows:

Fungibility of Total Expense Ratio (“TER”) has been permitted: TER is a measure of the total costs associated with managing and operating a mutual fund. These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The size of the TER assumes significance from the investor’s perspective because the costs coming out of the fund affect investor’s returns. Being mindful of the fact that the mutual fund products require deeper penetration into the market, SEBI has introduced the concept of fungibility of TER so as to provide greater flexibility towards allocation of costs to mutual fund managers. Whether this would allow managers to load some of the distribution costs on to the scheme, a long standing demand from the industry, is yet to be seen.

Need for robust distribution networks: The success of the mutual fund market does not alone depend on the mutual fund product, but to a large extent is dependent on the distribution networks. In order to strengthen the distribution network, SEBI has decided to

streamline the registration process for distributors by including postal agents, retired government officials, retired teachers etc. for distribution of simplistic products.

Alignment of interests: In order to align the interests of the various stakeholders, distributors and asset management companies (“AMC”), SEBI has decided that the brokerage and transaction cost chargeable to the scheme for execution of trade should be capped to 12 bps in case of cash market transactions and 5 bps in case of F&O transactions. Also, to avoid differential treatment in the same scheme to different classes of investors, SEBI is of the view that all new investors will be subjected to a single expense structure under a single plan and there shall be a separate plan for direct investments with a lower expense ratio.

Enhanced participation: As a welcome move, SEBI has decided to make mutual fund products accessible to small farmers and traders who otherwise were not able to deal in such products owing to procedural formalities like lack of PAN/ bank accounts etc. Going forward, the small traders will be allowed to participate in mutual fund schemes by way of cash transactions to the extent of INR 20,000 subject to compliance of the provisions of the Prevention of Money Laundering Act, 2002. Further, it is decided that the service tax payable on investment management fees should be charged to the scheme.

Firming up the regulatory framework: In order to make the regulatory system more accountable, SEBI has suggested certain additional disclosures by the AMCs which inter alia are as follows: (i) AMCs to provide monthly portfolio disclosures on their website; (ii) set up a new self-regulatory organization for regulation of distributors; (iii) AMCs to publish half yearly financial statements on their websites and an advertisement in this regard to be published in one national and one regional newspaper.

Role of CS: A Professional Catalyst of Robust Capital Market

Indeed the above discussion on the role of robust capital market in the inclusive growth of the economy at the global platform and additionally on the role of fortified regulatory and compliance regime to ensure the perspectives of robust capital market, it has come to a clear conclusion that effective compliance of the regulatory regime designed for the capital market categorically related to the progression and development of the nation on all parameters of growth.

Well established is the fact that when it comes to the directed, goal oriented and rightly spirited implementation of legal reform in the country with ensuring proper compliances with the law, then Company Secretaries are the apt professionals to ensure the qualified and proficient application of each and every provision of that reform. In the gamut of robust capital market also, professional excellence of the Company Secretaries is paving the way for the optimum realization of compliances adequate design to boost the perspective of capital market while remarkably tackling the challenges coming in the way of effective escalation of capital market domestically as well as globally.

Along with the various role played by the Company Secretaries to establish and preserve the compliances in the capital market of the country, following is the glimpse of the role of CS in direct proportion as a harbinger for the robust capital market.

Public Issue, Listing and Securities Management

- Advisor/consultant in issue of shares and other securities.
- Drafting of prospectus/offer for sale/letter of offer/other documents related to issue of securities and obtaining various approvals.
- Listing/delisting of securities with recognized stock exchange.
- Private placement of shares and other securities.
- Buy-back of shares.
- Raising of funds from international markets ADR/GDR/FCCBs/FCEBs/ ECB.
- Due diligence.

Takeover Code and Insider Trading

- Ensuring compliance of the Takeover Regulations and other applicable laws and rules.
- Acting as Compliance Officer and ensuring compliance with Prohibition of Insider Trading Regulations.

Securities Compliance and Certification Services

- Certification on compliance of Corporate Governance
- Annual Compliance auditor under SEBI (Research Analyst) Regulations, 2014
- Internal Audit of Depository Participants/Portfolio Manager/Stock Brokers.
- Audit in relation to Reconciliation of Shares.
- Certificate in respect of compliance of Private Limited and Unlisted Public Company (Buy Back of Securities) Rules.
- Certification under clause 47(c) (Transfer of Shares) of Listing Agreement.

With their role as a thorough compliance officer in confirming the directed and effective implementation of the regulatory compliances and governance of capital market, they have proved their worth as a professional catalyst in assisting the government to achieve their four fold objectives of vigorous capital market including the Protecting the interests of investors in securities; Promoting the development of, and Regulating, the securities market and for matters connected therewith or incidental thereto, wherein the greater focus has been depend own on investor protection.

Indeed with the development, promotion and sustainment of the robust capital market requires directed implementation and compliance of the regulatory regime, the, Compliance Professionals known as Company Secretaries came forward as professional catalyst in ensuing the balance regulation of the Indian capital market along with the support for its significant development both dimensionally and directionally.

In the emerging trends of progressive capital market too, the advanced understanding of the professionals about the facts and facets of capital market and astonishing facilitating role, they perform in the advancement of capital market in ensuring the effective and efficient regulation of the market as a whole, would surely pave the way for a new age India with world class economic development of the nation and welfare to each and every stakeholder of capital market of the country on equitable and equal grounds.

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