



# Capital Markets Week

April 23-28, 2012

*A Professional Platform for Debate*



**THE INSTITUTE OF  
Company Secretaries of India**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**  
Statutory body under an Act of Parliament

## Capital Markets-Growth Drivers

'Investment' is one of the eminent buzzwords serving as a significant input for achieving the coveted economic status, be it individual, business or the nation. In that context, Capital Market is the place where investment are pooled and channeled for constructive use, it may be business expansion, or infrastructure. Thus, Capital Markets play a vital role in the development of economy. The stronger the capital market, the better the prospects of economic development. Hence, a developed, dynamic and vibrant capital markets immensely contribute to economic growth and development.

The Institute of Company Secretaries of India (ICSI) has been actively engaged in promoting the interest of investors and the orderly development of the capital markets in India. Its members have been authorised by SEBI – the capital market regulator, stock exchanges to issue various certificates and to undertake internal audit of various capital market intermediaries. The ICSI has also undertaken research studies and brought out publications on various aspects of the capital markets and securities laws.

As part of its initiative towards creating awareness and good governance in Capital Markets, the ICSI is observing 'Capital Markets Week' on the theme 'Capital Markets – Growth Drivers' from April 23 to April 28, 2012. The nation wide events such as Academic Development Programmes, Panel Discussions, Lectures, Interactive Meetings with Regulators/Stock Exchanges, Investor Awareness Programmes shall be held by all regional offices and chapters during this period.

### SUB THEMES

Capital Markets: Challenges, Opportunities for Innovation

Recent Regulatory Changes in Capital Markets

SME Exchange : Empowering India's SME Sector

Indian Capital Market - How to Rebuild Investor Confidence

#### Capital Markets: Challenges, Opportunities for Innovation

Emerging economies like India are now a key drivers of global growth. This growing importance of the emerging markets driven by rapid globalization of capital markets and cross-border capital flows, have created investment opportunities and attracted pools of wealth. Investors around the world are parking their funds to take advantage of new opportunities for raising their risk adjusted return on funds.

It has led to new innovations in financing resources. A stream of new financing resources for businesses such as private equity, angel fund, venture capital etc. become popular and successful because they fulfill business and economic purposes. Infact, the innovative financing resources help in moving funds across time and space, pooling of funds, managing or reallocating risk and enhancing liquidity. It is in this backdrop this technical session has been devised to deliberate upon challenges and opportunities for innovation in capital markets.

#### Recent Regulatory Changes in Capital Markets

There is a universal recognition that the growth of the economy depends to a large extent on the growth of the Capital Market as it provides the vehicle for raising resources and managing risks. The Indian Capital Market which has undergone revolutionary changes in almost all the operational and systemic risk management parameters, is today said to be setting global standards. However, as the future looks non-linear, discontinuous and unpredictable, what matters most is to keep pace with the future so as to remain synchronized with global benchmarks.

It is in that context, the regulatory regime needs to be enterprising, forward looking and evolutionary in nature. The deepening of global integration of financial markets indeed would require the integration of regulatory framework demanding a greater consistency in the regulatory approach across the globe. This technical session has been structured to deliberate upon recent updates on operational, systemic and regulatory developments in the capital markets and to discuss future perspective and issues for global benchmarking of regulatory framework for capital markets in India.

#### SME Exchange: Empowering India's SME Sector

Small and Medium Enterprises (SMEs) are the backbone of a nation's economy. SMEs constitute substantial percentage of total enterprises in most of the economies, so does it holds true in case of India. These constitute the bulk of the industrial base and also contribute significantly to their exports as well as to their Gross Domestic Product (GDP). SMEs account for generating the highest rates of employment and also account for a major share of industrial production and exports.

Setting up of SME Platform by two leading Stock Exchanges of India, have opened avenues for SMEs to raise funds from the market. It would provide desired impetus to SMEs for their access to capital, quickly and at lower costs, thus empowering SME sector in India to effectively contribute to economic growth. Therefore, this technical session has been devised to deliberate as to how SME platform of Stock exchanges would help ease the funding problems of SME sector in India.

#### Indian Capital Market - How to Rebuild Investor Confidence

The number and volume of companies offering equity in primary markets increased continuously for a substantial period, while in recent time, there is a slump experienced by the primary markets offering equity where investors are resisting in making investments. The main reason for slump appears to be lack of investor confidence in the market. The causing attributes closely relates to governance issues faced by the market. Recent incidences of corporate misgovernance has put common investors in a dilemma.

As the global financial crisis begins to recede and normalcy returns in the market, the need is to create the transparent, regulated and efficient capital market, in order to boost the corporate equity debt market, to introduce innovative financial products and to attract local and foreign investors. In this context, this technical session has been structured around developing the capital market in order to regain the trust and confidence of the investors.



## MEGA PROGRAMMES

Day & Date	Place	Day & Date	Place
Monday, April 23, 2012	Mumbai	Thursday, April 26, 2012	Kolkata
Tuesday, April 24, 2012	Bangalore	Friday, April 27, 2012	Ahmedabad
Wednesday, April 25, 2012	Chennai	Saturday, April 28, 2012	Delhi

**Mega Programmes: Four PCH for Members & Eight PDP for students**

### The ICSI – Capital Markets Interface

- Undertakes research in corporate and securities laws
- Views/suggestions on new laws/regulations proposed by capital markets regulator
- Capacity Building Programmes on new developments in Capital markets and Securities Laws
- Secretarial Standards and Guidance Notes thereon
- Professional Development Programmes in Capital Markets related areas
- Investor Awareness Programmes

### Role of CS in Capital Markets

Company Secretary, over a period of time, have developed themselves as professionals having core competence in compliances and corporate governance, moving from their traditional role of Secretary of the Company. They are now popularly known as governance professionals and are more frequently called upon to guide the Corporate Boards on various strategic, governance and compliance issues.

Under various securities laws such as Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, Regulations and Guidelines issued by SEBI under the SEBI Act, 1992 and the Listing Agreement of the Stock Exchanges for Equity, Debt listing, IDRs, Company Secretaries have been recognised to verify compliances and to issue certificates.

A list of the services provided by Company Secretaries(both in employment and practice) in Capital Markets is given below :

### Corporate Laws Advisory Services

Advising companies on Compliance of legal and procedural aspects, particularly under –

- SEBI Act, 1992
- Securities Contracts (Regulation) Act 1956 and Rules made thereunder
- SEBI Regulations and Guidelines
- Listing Agreement

### Representation Services

Representing on behalf of a company and other persons before –

- Securities Appellate Tribunal

### Public Issue, Listing and Securities Management

- Advisor/consultant in issue of shares and other securities in India and abroad
- Drafting of prospectus/offer for sale/ letter of offer/other documents related to issue of securities and obtaining approvals in association with lead managers
- Listing / delisting of securities
- Private placement of securities
- Buy-back of shares
- Raising of funds from international markets – ADR/GDR/ECB/FCCB
- Acting as Compliance Officer under various listing agreement(s)
- Compliance officer for various capital market intermediaries

### Takeover Code and Insider Trading

- Compliance of the Takeover Regulations
- Compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992.

### Internal Audit and Certification Services

Compliance with rules and regulations in securities market particularly–

- Internal Audit of Depository Participants
- Internal Audit of Stock Brokers/Trading Members/Clearing Members
- Internal Audit of Portfolio Managers
- Internal Audit of Credit Rating Agencies
- Certification in relation to Reconciliation of Share Capital Audit i.e. reconciliation of total issued capital, listed capital and Capital held by depositories in dematerialized form
- Concurrent Audit in case of Demat Account Opening, Control, Verification of Delivery Instruction Slips
- Certification regarding Non- Promoters Holding under Clause 35 of the Equity Listing Agreement
- Certification that all transfers have been completed within stipulated time under clause 47 (c) of the Equity Listing Agreement

- Certification regarding compliance of conditions of Corporate Governance under Clause 49 of the Equity Listing Agreement and Listing Agreement for Indian Depository Receipts
- Certification regarding maintenance of 100% Security cover under Listing Agreement for Debt Securities
- Various certifications for trading members of Stock Exchanges.

### CAPACITY BUILDING

The Institute has been taking initiatives towards capacity building of its members in the area of Corporate Governance and compliances in capital markets and securities laws. Major capacity building initiatives include –

- Professional Development and Continuing Education Programmes
- Regular updation of Course Curriculum
- MOU with Stock Exchanges
- Publications on practical aspect of Capital Markets
- Research Centre ICSI - CCGRT at Navi Mumbai
- Training Programmes/Seminars/Conferences in Capital Markets related matters in collaboration with Stock Exchanges

### Memorandum of Understanding with Stock Exchanges

The Institute has entered into a Memorandum of Understanding with MCX SX, United Stock Exchange of India to .

- Facilitate holding of training programmes for students and members on themes of topical and professional interest
- Exchange of resources
- Develop curriculum of academic and continuing education programmes
- Exchange of faculties.

### Memorandum of Understanding with International Organisations

- The Institute has entered into an MOU with the Capital Markets and Corporate Governance Institute (CMCGI) of Capital Markets Development Authority (CMDA) of Maldives.
- The Institute has MOU with Chartered Institute for Securities and Investment (CISI) London, which provides opportunities to Company Secretaries to enhance their career progression in various specialised areas like –
  - Capital markets,
  - Commodity markets,
  - Fund management,
  - Wealth management, and
  - Investment banking

### ICSI PUBLICATIONS ON CAPITAL MARKET & SECURITIES LAWS

The Institute regularly publishes Research Publications, Guidance Notes and Referencers related to Capital Markets and Securities Laws to build the capacities of its members. The list of major publications is as under :

- Internal Audit of Stock Brokers
- Segmentwise Role of Company Secretaries
- Securities Management and Compliances
- Delisting of Equity Shares
- Listing Agreement – A Compendium
- Prohibition of Insider Trading – Law & Procedure
- Handbook on Internal Audit of Operations of Depository Participants
- Guidance Note on Certification under Investor Education and Protection Fund
- Corporate Governance Beyond Letters
- Secretarial Standards – A Compendium
- Guidance Note on Corporate Governance Compliance Certificate
- Guidance Note on Due Diligence of Banks
- Research Study on Beyond Clause 49
- Research Study on Board Committees
- Research Study on Independent Directors
- Research Study on Corporate Social Responsibility

#### Vision

To be a global leader in promoting good corporate governance

#### Mission

To develop the high calibre professionals facilitating good corporate governance



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