## CONTENTS

**Acknowledgement**

i-ii

**List of Abbreviations**

iii-iv

**List of Cases**

v-vi

**Preface**

vii-viii

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>INTRODUCTION</th>
<th>TITLE</th>
<th>PAGE No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>INTRODUCTION</td>
<td></td>
<td>1-46</td>
</tr>
<tr>
<td>1</td>
<td>Indian Financial-Market</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Money-market</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Capital market</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>1.2.1</td>
<td>Primary-market</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>1.2.2</td>
<td>Secondary-market</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>1.2.3</td>
<td>Cash or normal trading</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>1.2.4</td>
<td>Derivative trading mechanism</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Magnitude of the research problem</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Review of literature</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Lack of knowledge among shareholders</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>Lack of Resources</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>3.3</td>
<td>Problems in the implementation of shareholder protection laws</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Statement of research problem</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Scope of the study</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Objective of the study</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>List of the research-questions</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Hypothesis of the research study</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Research methodology</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>9.1</td>
<td>Sampling size and Sample design of the research study</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>9.2</td>
<td>Data collection and analysis of collected data</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Tools and techniques of data analysis</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Limitation of the research study in data collection</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Scheme of chapterisation</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>
II  HISTORY OF CAPITAL MARKET IN INDIA  47-67
1. Pre-Independence Period  47
2. Post-Independence Period  56

III  ORGANIZATIONAL STRUCTURE OF  68-208
INDIAN CAPITAL MARKET AND  
SHAREHOLDER PROTECTION LAWS
1. Structure of Indian Financial System  68
2. Structure of capital market  71
   2.1. Share  75
   2.2. Preference shares  75
   2.3. Debentures  77
   2.4 Bonds  78
3. Structure of securities market  81
   3.1. Meaning of the securities market  82
   3.2. Secondary Market  110
4. Role of law on protection of shareholder  161
   4.1. Legal framework of Securities and Exchange Board of India  164
   4.2. Legal framework of stock exchange  167
   4.3. Legal framework of brokers and sub-brokers  171
   4.4. Legal framework of listing of the securities  173
5. Major Acts for the protection of shareholder  176
   5.1. SEBI Act, 1992  176
   5.2. Securities Contract (Regulation) Act, 1956  178
   5.3. Depositories Act, 1996  180
   5.4. Indian Companies Act, 1956  182
   5.5. Departments of Central Government  187
6. Guidelines, Regulations, Circulars etc. related to protection of shareholders  188
   6.1. Disclosure of investor protection guidelines, 2000  188
4. Laws on insider trading in shares
5. Law on margins from the investors
6. Laws on transaction charges on securities
7. Penal provisions from the protection of shareholder

7. Investor protection fund
8. Classification of investors
    8.1. Individual investors
    8.2. Joint stock companies
    8.3. Institutional investors

IV SECURITIES FRAUDS AND ROLE OF THE JUDICIARY IN INDIA

1. Introduction
2. Major Indian securities frauds
   2.1. Harshad Mehta fraud
   2.2. Ketan Parekh fraud
   2.3. C R Bhansali fraud
   2.4. Dinesh Singhana fraud
   2.5. Dinesh Dalmia fraud
   2.6. Abdul Karim Telgi fraud
   2.7. Unit Trust of India fraud
   2.8. Sanjay Agarwal fraud
2.9. Yes Bank IPO fraud 225
2.10. Vaswani IPO fraud 226
2.11. Satyam fraud 228
2.12. Preventive measures by the SEBI after frauds 231

3. Major committees constituted on capital market reforms (2012-2013)
   3.1. Technical advisory committee 233
   3.2. Depository system review committee 233
   3.3. High Level Committee for reviewing the SEBI (Prohibition of Insider Trading) Regulations, 1992 233
   3.4. Risk management review committee 234
   3.5 SEBI Committee on Disclosures and Accounting Standards (SCODA) 234
   3.6 Corporate Bonds and Securitization Advisory Committee (CoBoSAC) 235
   3.7 Committee on Clearing Corporations 236

4. Committees reports on shareholder protection
   4.1. Disclosure to public by intermediaries (DIPIN) 236
   4.2. Report of the group on reduction of demat charges 237
   4.3. Review Committee on SEBI (Underwriters) Rules and Regulations, 1993 238

5. SEBI initiatives on market practices (2012-2013) 238

6. Judicial verdicts on shareholder protection 251

7. Actions taken by the SEBI (2012-13) 267

8. Arbitration and Investor Grievance Redressal Mechanism 280
V    A STUDY OF IMPLEMENTATION OF SHAREHOLDER PROTECTION LAWS IN SHIMLA

1. General description of Shimla
   1.1. Location and geographical area
   1.2. Small saving data of Shimla in 2011-12
   1.3. Literacy data of Shimla
   1.4. Ranking of States according to population and area

2. Data analysis
3. Description of variables
4. Meaning of hypothesis testing
   4.1. Meaning of null hypothesis
   4.2. Meaning of alternate hypothesis
5. Analytical tool
   5.1. Scatter plot
   5.2. Regression line
6. Criteria of hypothesis testing
7. Analysis of the primary data
   7.1. Testing of hypothesis-I
   7.2. Test of hypothesis-II
   7.3. Test of hypothesis-III
8. Age-wise description of respondents
9. Education-wise description of respondents
10. Occupation-wise description of respondents
11. Income-wise description of respondents
12. Response on lack of resources by respondents
13. Response on lack of knowledge by respondents
14. Response on lack of implementation of shareholder protection laws by respondents
15. Conclusion of the survey

VI CONCLUSIONS AND SUGGESTIONS 325-350
1. Conclusions 325
2. Suggestions 346

BIBLIOGRAPHY 351-376

ANNEXURES 377-433