Week-7
Capital Market

1. Regulated by primary Market of framework

Regulations of primary Market:
The primary Market is regulated by government bodies such as the Securities and Exchange Board of India (SEBI) in India. These regulatory bodies are responsible for ensuring that securities issuances are conducted in a fair, transparent and efficient manner. Furthermore, that Investors are protected from fraud and other abuses.

Types of primary Market Instruments:-
The various types of securities issued:-

Equity shares:
These are Most common type of new issue Market security issued in the primary Stock Market. Equity shares represent ownership in a Company and give shareholder voting rights and a share in profits.

Debentures:
These are a type of bond that a Company issue to raise Capital. Debentures pay a fixed interest rate and have a Maturity date upon which the Company repays the principal.

Bonds:
These bonds are similar to debentures but are issued by governments or Corporations.

Rights Issue:-

A rights (fresh) Issue is when a Company offers existing shareholders the rights to purchase additional shares of stock at a discounted price.

Ipo:-

A Ipo is the first time a Company issue equity share to the public.

Fpo:-

An FPo is when a Company issues additional equity shares to the public after an Ipo.

2. Types of public Issue:-

There are a few types of public Issues:-

Ipo (Initial public offering)

When an unlisted Company Issues shares or debentures to the public for the first time, this is called an Ipo.

Follow-on public offer (FPO)

When a Company that is already listed issues more shares to the public, this is called an Fpo.

Rights Issue:-

When a Company offers its existing shareholders the chance to buy more shares at a discount

private placement:-
when a company sells shares to a small group of investors, such as accredited or institutional investors, instead of the public.

Bonus Issue:-
when a listed company issues free shares to its existing stockholders.

3. Listing of shares:-

Listing of shares is the process of admitting a company's securities to a stock exchange's trading platform. It's significant milestone for a company's growth and development; as it allows the company to raise capital and improve its structure and reputation.

To have its shares traded on a stock exchange, a company must meet certain requirements, including: Minimum stockholder's equity. Minimum share price, Minimum number of shareholders, and paying initial and yearly listing fees.

These requirements ensure that only high-quality securities are traded on the exchange, and that investors can trust the exchange's integrity and reputation.

5. when a company's application for listing is accepted, It must execute a listing agreement with the stock exchange.