

# PROFESSIONAL PROGRAMME

## CORPORATE FUNDING & LISTINGS IN STOCK EXCHANGES

Funding is crucial for corporates, not only to invest and to expand, but also to operate their daily business. Some corporates rely more intensively on internal funds, while others rely more intensively on external funding. The never-ending requirement for funds germinates from the continuous business expansion undertaken by corporates.

Currently, the market offers numerous ways to obtain finance. With each passing day, a different product is getting evolved to meet the requirements of the growing industries. There are a number of ways to finance a business and a range of lenders and investors to choose from when the treasury function is making financing decisions.

Listing refers to the company's shares being traded officially on the board of a Stock Exchange. Each Stock Exchange has its own listing requirements or rules. Only listed shares are quoted on the Stock Exchange. Stock exchange provides transparency in transactions of listed securities and equality and competitive conditions. Listing is beneficial for the company, to the investor, and to the public at large.

When companies get listed at Stock Exchanges, they are required to enter into an agreement which is called the listing Agreement under which they are required to file certain compliances and disclosures which are given by listing Agreement, failing which the company may face some disciplinary action, including suspension/ delisting of securities.

The paper on Corporate Funding & Listings on Stock Exchanges has been introduced to provide knowledge on the various source of finances available to raise funds in the Indian as well international market, the legislative framework for raising such funds and regulatory requirements to list the securities on the Indian as well as foreign Stock Exchanges, issued pursuant to the funds raised.

This Paper is divided into two parts: Part I deals with Corporate Funding and Part II deals with Listings on Stock Exchanges.

Part I elaborates on the conceptual and legal framework of corporate funding like Equity, Debt, Public Funding, Private funding, Fund based, Non-fund based funding & Securitization. Part II explains about the listing on Indian Stock Exchanges, international listing, preparing a company for IPO, documentation and procedural compliances.

A Company Secretary plays a vital role in raising finance for a company. Further the corporates in India looks upon especially Company Secretaries to provide the impetus, guidance and direction for raising funds from different source and to advise the Board on their regulatory compliances while raising funds. The Company Secretary being a Compliance officer of the company and Senior Management Personnel plays a pivotal role in listing of the securities on the Stock Exchanges in India and abroad as well.

The coverage of this subject is "Hybrid" in nature which requires integrated application of several Core / Ancillary areas or references of the other subjects included in the ICSI Syllabus. This study material has covered such topics to a limited context. The students are advised to refer the relevant topics from the bare Acts, Rules & Regulations and study material of the respective subjects or from the publications such as guidance note, referencer published by the ICSI.

The legislative changes made up to July, 2021 have been incorporated in the study material. The students to be conversant with the amendments to the laws made upto six months preceding the date of examination. It may happen that some developments might have taken place during the printing of the study material and its supply to the students. The students are therefore advised to refer to the updations at the Regulator's website, Supplement relevant for the subject issued by ICSI, ICSI Journal Chartered Secretary Journal, Student Company Secretary e-journal, Monthly Updates, Regulatory Updates, Case Digest Series issued by ICSI and other publications for updation of study material.

In the event of any doubt, students may write to the Directorate of Academics of the Institute for clarification at [academics@icsi.edu](mailto:academics@icsi.edu).



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