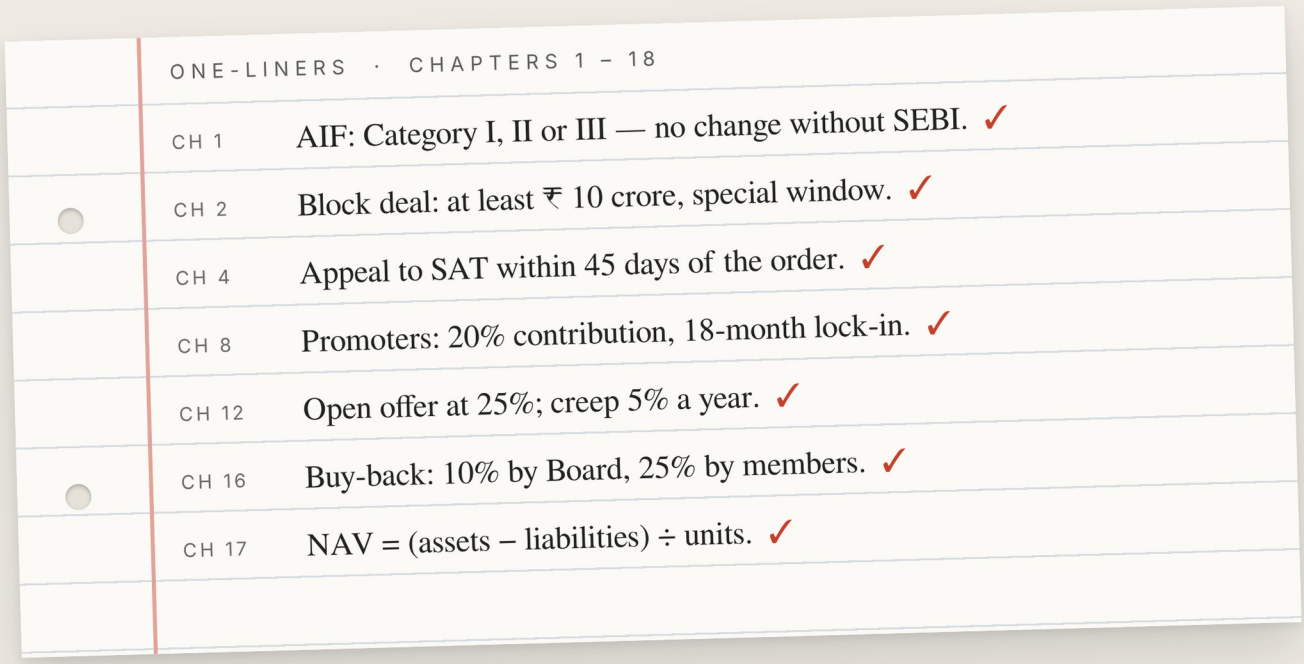
CS EXECUTIVE · PAPER 5

Capital Market and Securities Laws

Scanner Revision Pointers

Every Scanner question connected to the **ICSI Study Material (Syllabus 2022)** — and the one line that answers it.



18 CHAPTERS

657 SCANNER QUESTIONS

250 ONE-LINERS

Shuchita Prakashan PVT. LTD.

Introductory Note

Capital Market and Securities Laws is a paper of numbers inside regulations: 25% to trigger an open offer, 20% promoters' contribution locked in for 18 months, 10% and 25% for buy-backs, 15 days to appeal to SAT, ₹ 20 crore to close a CIS. ICSI tests them through short notes, comments and practical cases built on SEBI's regulations. Every question in the Shuchita Scanner for CS Executive Paper 5 has been traced to the passage of the ICSI Study Material that teaches it, and the rule it turns on has been written down as a single line.

The result: 657 Scanner questions — every past ICSI examination question the Scanner carries, theory and practical, from the earlier and current syllabi — reduced to 250 one-liners, and those condensed further into 159 revision pointers. Every one-liner follows the wording of the ICSI Study Material (Syllabus 2022). Where a printed answer and the Study Material differ, the one-liner teaches the Study Material position.

How each chapter is arranged

Part A — One-liners mapped to Scanner questions and Study Material. Topic by topic, in Scanner order. Each row gives:

- Ref — the row's address: Topic.Row (5.2 is the second row of Topic 5);
- One-liner — the rule, provision or distinction the question turns on, in Study Material language;
- Scanner Q — the Scanner questions it answers, by the Scanner's own numbers (TQ = theory question; PQ = practical or case-based question);
- Asked in — every ICSI examination in which those questions were set;
- SM source — the Study Material section and page.

Part B — Revision Sheet. The same chapter compressed to short pointers, in Study Material order, each weighted by how often ICSI has asked it and linked back to its Part A row.

How to use this booklet

1. Work the chapter from the Study Material and the Scanner first; this booklet is for revision, not first learning.
2. Before attempting a question, read the one-liners for its topic — they tell you what the examiner is testing.
3. Revise from Part B. Where a pointer is not instantly clear, go to its Part A ref and re-attempt one of the Scanner questions listed against it.
4. In the final week, read only the ★★★ and ★★ lines of every chapter.

Conventions

Term	Meaning
TQ · PQ	Theory question · Practical (case-based or computational) question
SN · DB · DESC	Short note · Distinguish between · Descriptive
PYQ	Previous-year question from an ICSI examination (year and month shown)
2026-Jun	June 2026 paper: no answer is published until ICSI releases its Suggested Answer; the one-liner states the general rule only
★★★ ★★ ★	Asked 6 or more times · 3 – 5 times · once or twice
Not in SM	Examined but not covered in the Study Material module; the one-liner follows the Scanner's answer

The chapters at a glance

Ch	Chapter	Questions	One-liners	Pointers	★★★ share
1	Basics Concept of Capital Market	94	25	17	71%
2	Secondary Market in India	56	20	12	68%
3	Securities Contracts (Regulation) Act, 1956	24	13	7	–
4	Securities and Exchange Board of India	45	13	9	51%
5	Laws Governing to Depositories and Depository Participants	30	15	8	30%
6	Securities Market Intermediaries	52	19	10	65%
7	International Financial Services Centres Authority	9	5	5	–
8	Issue of Capital and Disclosure Requirements	56	25	15	44%
9	Share Based Employee Benefits and Sweat Equity	32	12	8	56%
10	Issue and Listing of Non Convertible Securities	9	5	4	–
11	Listing Obligations and Disclosure Requirements	55	22	14	36%
12	Acquisition of Shares and Takeovers - Concepts	30	15	7	83%
13	Prohibition of Insider Trading	32	11	10	22%
14	Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market	6	4	4	–
15	Delisting of Equity Shares	28	11	9	–
16	Buy Back of Securities	21	6	5	76%
17	Mutual Fund	60	22	11	67%
18	Collective Investment Schemes	18	7	4	78%
	Total	**657**	**250**	**159**	

Prof. Arun Kumar
Editor-in-Chief, Shuchita Prakashan Pvt. Ltd.
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CHAPTER 1

Basics Concept of Capital Market

94 Scanner questions · 25 one-liners · 17 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Basics Concept of Capital Market

SM Lesson 1, pages 1 – 30

Topic 1 Financial System and Markets

6 Scanner questions · ICSI appearances PYQ 6

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	The primary market channels savings into new securities; the secondary market gives them liquidity and continuous pricing. A well-functioning securities market mobilises savings, allocates capital efficiently, spreads risk, enforces disclosure and governance — so stock indices act as a barometer of the economy.	TQ 1.44, TQ 1.49, TQ 1.50, TQ 1.56	PYQ 2015-Dec, 2016-Jun, 2017-Jun	L1, pp. 5, 8
1.2	The debt market deals in fixed-income instruments (government securities, bonds, debentures, money-market paper) with fixed returns and maturity; the equity market in ownership shares with variable returns and no maturity. Securities of the same class are identical and interchangeable (fungible) — in a depository, holdings are not identified by distinctive numbers.	TQ 1.29, TQ 1.43	PYQ 2015-Jun	L1, p. 27; L5, p. 154

Topic 3 Regulatory Framework

1 Scanner question · ICSI appearances PYQ 1

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	A listed entity must have a vigil mechanism for directors and employees to report genuine concerns, with safeguards against victimisation and direct access to the audit committee chairperson in appropriate cases (LODR, reg. 22).	TQ 1.18	PYQ 2022-Jun	L1, p. 12

Topic 5 Participants of Capital Markets

10 Scanner questions · ICSI appearances PYQ 10

Ref	One-liner for the student	Scanner Q	Asked in	SM source
5.1	A QIB (ICDR, reg. 2(1)(ss)) is a specified institutional investor — mutual funds, VCFs, AIFs, FPIs (other than individuals, corporates and family offices), public financial institutions, scheduled commercial banks, insurers, provident and pension funds with corpus of ₹ 25 crore, and others; not every institutional buyer is a QIB.	TQ 1.2, TQ 1.38, TQ 1.58	PYQ 2012-Dec, 2013-Dec, 2017-Jun	L1, p. 12

Ref	One-liner for the student	Scanner Q	Asked in	SM source
5.2	An FPI is registered with SEBI under the FPI Regulations, 2019 in Category I (government and related investors — a foreign central bank, sovereign wealth funds, appropriately regulated entities) or Category II (all others, including endowments and foundations, family offices and individuals); a foreign endowment fund is Category II.	TQ 1.15, TQ 1.67	PYQ 2021-Aug, 2019-Dec	L1, p. 13
5.3	HNIs are individuals with large investible wealth investing above ₹ 2 lakh in an issue (the non-institutional category). A pension fund is set up by an employer to provide retirement income; pensions are governed by the PFRDA Act, 2013 (NPS), EPF and Miscellaneous Provisions Act (now the Social Security Code) and the Government pension rules.	TQ 1.9, TQ 1.8, TQ 1.69	PYQ 2019-Jun, 2018-Dec, 2019-Dec	L1, p. 18
5.4	An accredited investor holds a SEBI-recognised accreditation of financial sophistication (income or net worth thresholds); a large value accredited investor commits at least ₹ 70 crore to an AIF and enjoys relaxed investment conditions.	TQ 1.22	PYQ 2022-Dec	L1, p. 16
5.5	An SCSB is a bank recognised by SEBI to accept ASBA applications — it blocks the application amount in the investor's account and releases it on allotment.	TQ 1.14	PYQ 2020-Dec	L2, p. 60

Topic 6 Capital Market Instruments

50 Scanner questions · ICSI appearances PYQ 50

Ref	One-liner for the student	Scanner Q	Asked in	SM source
6.1	An AIF is a privately pooled fund, Indian-incorporated, as a trust, company, LLP or body corporate, collecting money from sophisticated investors for investment under a policy — excluding mutual funds, CIS, family trusts, ESOP trusts and employee welfare funds. Category I: venture capital, SME, social venture, infrastructure, special situation funds; Category II: private equity and debt funds without leverage; Category III: hedge funds using leverage. Investible funds are the corpus net of expenses. A special situation fund (Category I) invests in stressed assets — loans and securities of companies under resolution — with minimum corpus ₹ 100 crore and investors putting in at least ₹ 10 crore each. A fund may change category only with SEBI approval if it has not made investments under the earlier category. An individual cannot be an AIF.	TQ 1.3, TQ 1.19, TQ 1.36, TQ 1.61, TQ 1.46, TQ 1.77, TQ 1.42, TQ 1.66, TQ 1.40, TQ 1.78	PYQ 2013-Jun, 2022-Jun, 2013-Dec, 2018-Jun, 2015-Dec, 2022-Dec, 2014-Dec, 2019-Jun	L1, pp. 14 – 15
6.2	Venture capital funds invest mainly in unlisted equity of start-ups and early-stage ventures with high growth potential (not in all types of securities); social venture funds invest in entities with social objectives and may accept grants, offering muted returns.	TQ 1.7, TQ 1.32, TQ 1.35, TQ 1.45, TQ 1.74	PYQ 2018-Dec, 2016-Dec, 2013-Dec, 2015-Dec, 2021-Dec	L1, p. 15

Ref	One-liner for the student	Scanner Q	Asked in	SM source
6.3	Private equity invests in unlisted, illiquid companies, usually from HNIs and institutions, for a significant stake and an exit after some years; types: leveraged buyout (acquisition financed largely by debt), venture capital, growth capital, mezzanine and distressed investment. It suits a closely held company wanting growth capital without bank borrowing.	TQ 1.6, TQ 1.21, TQ 1.81, TQ 1.16, PQ 1.13	PYQ 2018-Dec, 2022-Dec, 2023-Dec, 2021-Dec, 2025-Jun	L1, p. 16
6.4	An angel fund is a Category I AIF sub-scheme that pools money from angel investors to invest in start-ups, with minimum investment ₹ 25 lakh and a lock-in.	TQ 1.11, TQ 1.24	PYQ 2019-Dec, 2023-Jun	L1, p. 17
6.5	A depository receipt is a negotiable instrument representing underlying shares held by a custodian. An IDR (s. 2(48)) is issued in India by a domestic depository against equity of a foreign company; the issuer must be listed in its home country, have a pre-issue paid-up capital and free reserves of US$ 50 million and market capitalisation of US$ 100 million, a track record of profits and no regulatory bar (rule 13); IDRs are listed on Indian exchanges and freely transferable by residents.	TQ 1.1, TQ 1.13, TQ 1.34, TQ 1.39, TQ 1.47, TQ 1.51, TQ 1.52, TQ 1.57, TQ 1.63	PYQ 2012-Dec, 2020-Dec, 2014-Dec, 2015-Dec, 2016-Jun, 2016-Dec, 2017-Jun, 2018-Jun	L1, p. 25
6.6	FCCB: an unsecured bond in foreign currency issued by an Indian company, convertible into its own shares; FCEB: a bond in foreign currency exchangeable into shares of another (group) company. ADR, GDR, FCCB and FCEB issues are governed by FEMA, the Depository Receipts Scheme, 2014 and the Companies Act; benefits include lower coupon for the issuer and conversion upside for the investor.	TQ 1.12, TQ 1.31, TQ 1.41, TQ 1.53, TQ 1.62	PYQ 2020-Dec, 2015-Dec, 2014-Dec, 2016-Dec, 2018-Jun	L1, pp. 24 – 25
6.7	OFCDs may, at the holder's option, be converted into equity or redeemed; partly convertible debentures carry a convertible portion and a non-convertible portion; non-convertible debentures are redeemed in cash.	TQ 1.10, TQ 1.30	PYQ 2019-Dec, 2015-Jun	L1, p. 22
6.8	A bond has a face value, coupon, maturity and issue price; types include government and corporate bonds, zero-coupon, convertible, inflation-indexed, green and municipal bonds. On a convertible bond the holder compares the value of shares on conversion with the redemption value and chooses the greater.	TQ 1.17, PQ 1.6, PQ 1.10, PQ 1.14	PYQ 2021-Dec, 2021-Aug, 2026-Jun	L1, p. 24
6.9	Municipal bonds are issued by urban local bodies to fund civic infrastructure; SEBI's regulations require a positive net worth, no default in the past year and listing on a stock exchange.	TQ 1.26	PYQ 2023-Jun	L1, p. 27

Ref	One-liner for the student	Scanner Q	Asked in	SM source
6.10	A REIT is a trust that owns income-producing real estate and distributes most of its income; it lets investors take exposure to real estate with small sums, liquidity on the exchange, regular income and professional management. Registration requires a sponsor with net worth of at least ₹ 100 crore and five years' real estate experience, a trustee registered with SEBI, and a manager meeting experience criteria.	TQ 1.20, TQ 1.54, TQ 1.80, TQ 1.82	PYQ 2022-Dec, 2016-Dec, 2023-Jun, 2024-Jun	L1, p. 26
6.11	Shares with differential voting rights (s. 43(a)(ii), rule 4) may be issued if the articles authorise it, members approve by ordinary resolution (postal ballot for listed companies), DVRs do not exceed 74% of total voting power, and the company has three years of distributable profits; a company that has defaulted in filing returns, repaying deposits, debentures or dividends, or been penalised under specified laws in the past three years cannot issue them.	TQ 1.33, TQ 1.70, TQ 1.83	PYQ 2012-Dec, 2020-Dec, 2025-Dec	L1, p. 20

Topic 7 Derivatives

13 Scanner questions · ICSI appearances PYQ 14

Ref	One-liner for the student	Scanner Q	Asked in	SM source
7.1	An option gives the buyer, for a premium, the right but not the obligation to buy (call) or sell (put) at the strike price — American options may be exercised any time before expiry, European only on expiry. A call is exercised if spot exceeds strike, a put if spot is below strike; the buyer's loss is limited to the premium, the writer's gain to it. A put protects a holder of shares against a fall.	TQ 1.27, TQ 1.59, TQ 1.72, PQ 1.2, PQ 1.4, PQ 1.11, PQ 1.12	PYQ 2013-Jun, 2012-Dec, 2018-Jun, 2021-Dec, 2018-Dec, 2019-Jun, 2023-Jun	L2, p. 40
7.2	A derivative derives its value from an underlying asset. Futures are exchange-traded standardised contracts to buy or sell at a set price on a future date, marked to market daily; currency futures fix an exchange rate, commodity derivatives a commodity price. Selling futures hedges a long position — the futures gain offsets part of the loss on the shares.	TQ 1.60, TQ 1.71, TQ 1.75, TQ 1.79, TQ 1.23, PQ 1.9	PYQ 2018-Jun, 2021-Aug, 2022-Jun, 2023-Jun	L2, p. 40

Topic 8 Public issue mechanics

14 Scanner questions · ICSI appearances PYQ 16

Ref	One-liner for the student	Scanner Q	Asked in	SM source
8.1	An anchor investor is a QIB applying for ₹ 10 crore or more in a book-built main-board issue; up to 60% of the QIB portion may go to anchors on a discretionary basis (one-third reserved for domestic mutual funds); 2 to 15 anchors for allocation up to ₹ 250 crore; if the issue price exceeds the anchor price, anchors pay the difference; 50% of their shares are locked in for 30 days and the rest for 90 days.	TQ 1.4, TQ 1.65, TQ 1.76, PQ 1.1	PYQ 2014-Jun, 2018-Dec, 2022-Dec, 2017-Dec	L1, p. 18

Ref	One-liner for the student	Scanner Q	Asked in	SM source
8.2	Green shoe option: a stabilising agent borrows up to 15% of the issue from promoters to over-allot and buys shares in the market if the price falls below the issue price within 30 days; shares not bought back are issued by the company; any gain on stabilisation goes to the Investor Protection and Education Fund.	TQ 1.5, PQ 1.3, PQ 1.5, PQ 1.7	PYQ 2017-Jun, 2013-Jun, 2016-Dec, 2018-Dec, 2020-Dec, 2021-Aug	L2, p. 62
8.3	Book building discovers price through bids within a price band; the cut-off price is the price at which the issue is fully subscribed; bids are visible online to all — a transparent process; fixed-price issues set the price in advance. IPOs may use either method.	TQ 1.37, TQ 1.48, TQ 1.64, PQ 1.8	PYQ 2013-Dec, 2015-Dec, 2018-Jun, 2021-Aug	L1, p. 17
8.4	UPI is NPCI's instant payment system; in public issues, individual investors applying up to ₹ 5 lakh through intermediaries must use UPI to block funds, which replaces physical ASBA forms routed through syndicate members.	TQ 1.68, TQ 1.73	PYQ 2019-Dec, 2021-Dec	L2, p. 60

Part B — Chapter 1 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 71% of ICSI appearances in this chapter.

Basics Concept of Capital Market

#	One-liner	Weight	Part A ref
1	Primary v. secondary market; market as barometer of the economy.	★★	1.1
2	Debt v. equity market; fungibility of securities.	★	1.2
3	Vigil mechanism (LODR reg. 22).	★	3.1
4	QIB; not every institutional buyer is one.	★★	5.1
5	FPI categories I and II.	★	5.2
6	HNI, pension fund, accredited investor, SCSB.	★★	5.3, 5.4, 5.5
7	AIF: definition, three categories, change of category.	★★★	6.1
8	VCF v. social venture fund; private equity and LBO; angel funds.	★★★	6.2, 6.3, 6.4
9	Depository receipts and IDR eligibility (rule 13).	★★★	6.5
10	FCCB v. FCEB; OFCD, PCD, NCD; bonds and municipal bonds.	★★★	6.6, 6.7, 6.8, 6.9
11	REIT: benefits and sponsor eligibility.	★★	6.10
12	DVRs: 74% cap, conditions, disqualifications.	★★	6.11
13	Options: call and put, European v. American; pay-offs.	★★★	7.1
14	Futures and currency/commodity derivatives; hedging.	★★★	7.2
15	Anchor investors: 60% of QIB portion, lock-in.	★★	8.1
16	Green shoe: 15% over-allotment, 30-day stabilisation.	★★★	8.2
17	Book building v. fixed price; cut-off price; UPI ≤ ₹ 5 lakh.	★★★	8.3, 8.4

CHAPTER 2

Secondary Market in India

56 Scanner questions · 20 one-liners · 12 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Secondary Market in India

SM Lesson 2, pages 31 – 62

Topic 1 Trading, settlement and indices

16 Scanner questions · ICSI appearances PYQ 16

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	Trading in India is screen-based, anonymous, order-driven on BSE (BOLT, 1995) and NSE (NEAT, 1994), through registered brokers; the secondary market is regulated by SEBI under the SEBI Act, SCRA and Depositories Act, with exchanges as first-level regulators. Funds raised through a prospectus go to the company; an offer for sale gives proceeds to the selling shareholders.	TQ 1.8, PQ 1.5, TQ 1.44	PYQ 2021-Aug, 2023-Dec, 2025-Dec	L2, pp. 31 – 32
1.2	Equity trades settle on a T+1 rolling basis (from 2023): pay-in and pay-out of funds and securities on T+1; shortages go to auction. Older questions on the T+2 cycle map trade day, custodial confirmation and delivery generation (T+1), pay-in and pay-out (T+2) and auction (T+3).	PQ 1.1	PYQ 2014-Jun	L2, p. 35
1.3	Sensex (BSE) tracks 30 large, liquid, sector-representative stocks and Nifty 50 (NSE) 50 stocks, both by free-float market capitalisation against a base period (Sensex 1978-79 = 100); indices are barometers of market sentiment and the economy.	TQ 1.3, TQ 1.5, TQ 1.14, TQ 1.27	PYQ 2019-Jun, 2019-Dec, 2022-Dec, 2015-Dec	L2, pp. 49 – 50
1.4	The closing price on NSE is the weighted average price of trades in the last 30 minutes; if no trade then, the last traded price is taken.	PQ 1.2, PQ 1.3	PYQ 2014-Dec, 2016-Dec	L2, p. 47
1.5	Bulk deal: total quantity bought or sold by a client in a scrip in a day exceeds 0.5% of its listed shares, disclosed by the broker the same day. Block deal: a single trade of at least ₹ 10 crore in a separate window (morning 8:45 – 9:00 a.m., afternoon 2:05 – 2:20 p.m.) within ±1% (3% in the afternoon) of the reference price, with delivery mandatory; open to all investors.	TQ 1.4, TQ 1.15, TQ 1.30, TQ 1.35, PQ 1.6, PQ 1.10	PYQ 2019-Jun, 2023-Jun, 2018-Dec, 2021-Aug, 2024-Jun, 2024-Dec	L2, pp. 48 – 49

Topic 2 Surveillance and risk management

14 Scanner questions · ICSI appearances PYQ 14

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	Market surveillance detects abuse early: online (real-time) alerts on price and volume, preventive surveillance (stringent on-boarding, graded and additional surveillance measures, trade-for-trade, higher margins, price bands, restrictions on open positions), and post-trade surveillance (end-of-day alerts, investigation of patterns, action against members).	TQ 1.1, TQ 1.6, TQ 1.12, TQ 1.29, TQ 1.31, TQ 1.32, TQ 1.34, PQ 1.6	PYQ 2014-Jun, 2021-Aug, 2022-Jun, 2017-Dec, 2019-Jun, 2019-Dec, 2020-Dec, 2024-Jun	L2, p. 53
2.2	SEBI's risk management: categorisation of stocks, VaR, extreme-loss and mark-to-market margins, position limits, settlement guarantee funds, circuit breakers and price bands, and core settlement guarantee and cyber-security and business-continuity frameworks for exchanges. Initial margin is collected up front; the account must not fall below the maintenance margin. Market-wide circuit breakers halt trading at 10%, 15% and 20% index movements.	TQ 1.33, TQ 1.45, TQ 1.7, TQ 1.18, TQ 1.21, TQ 1.26	PYQ 2019-Dec, 2026-Jun, 2021-Aug, 2013-Jun, 2016-Jun	L2, pp. 47, 54

Topic 3 Macro indicators

11 Scanner questions · ICSI appearances PYQ 11

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	Repo rate: the rate at which RBI lends to banks against government securities; reverse repo: the rate at which RBI absorbs liquidity from banks. A cut in repo makes borrowing cheaper and stimulates growth.	TQ 1.9, TQ 1.11	PYQ 2021-Dec, 2022-Jun	L2, p. 57
3.2	Inflation indices measure price changes: WPI covers wholesale prices of goods (base 2011-12, compiled by the Office of the Economic Adviser); CPI covers retail prices of goods and services paid by consumers (base 2012, by NSO) and is RBI's inflation target. Inflation rate = (current price − old price) ÷ old price × 100 — coffee at ₹ 12 rising to ₹ 16 is 33.33%.	TQ 1.10, TQ 1.23, TQ 1.24, TQ 1.36, TQ 1.40	PYQ 2021-Dec, 2019-Jun, 2024-Jun, 2021-Aug, 2023-Jun	L2, p. 58
3.3	The US Fed sets the federal funds rate; a rise draws foreign capital out of India, weakens the rupee, raises import costs and tightens liquidity, pulling stock prices down. RBI's monetary policy (repo rate, CRR, SLR, OMOs) controls liquidity and inflation — tightening raises borrowing costs and cools markets; easing does the reverse.	TQ 1.37, TQ 1.39, TQ 1.41, TQ 1.43	PYQ 2021-Dec, 2022-Jun, 2024-Jun, 2025-Jun	L2, pp. 55 – 56

Topic 4 Securities and corporate actions

8 Scanner questions · ICSI appearances PYQ 8

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	Book closure: the period the register of members is closed to determine entitlement to dividend or corporate benefits; record date: a single date fixed for the same purpose in demat holdings — no closure of books is needed.	TQ 1.2, TQ 1.19	PYQ 2018-Dec, 2013-Dec	L2, p. 48
4.2	Listed securities have been admitted to dealings under a listing agreement with the exchange; permitted securities are listed elsewhere but permitted to trade on another exchange without listing there.	TQ 1.20, TQ 1.22	PYQ 2015-Jun, 2017-Jun	L2, p. 35
4.3	SARAL account opening: a simplified one-page form for individual investors to open a trading account for cash-segment trading, with limited KYC documents.	TQ 1.13	PYQ 2022-Jun	Not in SM
4.4	The Negotiated Dealing System is RBI's electronic platform for reporting and dealing in government securities and money-market instruments, with settlement through CCIL.	TQ 1.28	PYQ 2017-Jun	L2, p. 38
4.5	An ETF tracks an index, commodity or basket and trades like a share — it diversifies across many stocks, so it carries less unsystematic risk than a single share, at low cost and with intraday liquidity.	TQ 1.42	PYQ 2024-Dec	L2, p. 38
4.6	In a rights issue, rights entitlements are credited in demat form to shareholders on the record date; they may be renounced by sale on the exchange (on-market) or by an off-market transfer through the depository, during the renunciation window, before the issue closes.	TQ 1.46	PYQ 2026-Jun	L2, p. 42

Topic 5 Derivatives

6 Scanner questions · ICSI appearances PYQ 6

Ref	One-liner for the student	Scanner Q	Asked in	SM source
5.1	Call: right to buy; put: right to sell, at the strike price, for a premium; a European option is exercised only on expiry — calls if the market is above strike, puts if below; net gain = intrinsic value less premiums paid. Currency derivatives fix exchange rates; commodity derivatives fix commodity prices.	TQ 1.16, TQ 1.17, TQ 1.25, PQ 1.4, PQ 1.8	PYQ 2012-Dec, 2013-Jun, 2024-Dec, 2022-Dec, 2024-Jun	L2, p. 40
5.2	UPI in public issues: an individual investor applying up to ₹ 5 lakh gives his UPI ID in the bid; the sponsor bank sends a mandate request; the investor approves it in his UPI app, blocking the amount until allotment.	TQ 1.38	PYQ 2022-Jun	L2, p. 60

Topic 6 Listing and fund raising

3 Scanner questions · ICSI appearances PYQ 3

Ref	One-liner for the student	Scanner Q	Asked in	SM source
6.1	A not-for-profit organisation — section 8 company, charitable trust or society — registered on the Social Stock Exchange may raise funds through zero-coupon zero-principal instruments or donations via mutual fund schemes, if at least 67% of its activities target underserved populations; one debarred by the Ministry of Home Affairs or barred from foreign contributions cannot register.	PQ 1.7	PYQ 2024-Jun	L2, p. 45
6.2	Listing on an SME platform: post-issue paid-up capital up to ₹ 25 crore, net tangible assets of at least ₹ 1.5 crore, operating track record and positive net worth, demat trading only; a change of promoter within a year may bar the application. A main-board IPO needs a profitability or institutional-allocation route.	PQ 1.9, PQ 1.6	PYQ 2024-Dec, 2024-Jun	L8, p. 250

Part B — Chapter 2 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 68% of ICSI appearances in this chapter.

Secondary Market in India

#	One-liner	Weight	Part A ref
1	Screen-based trading; regulatory framework; OFS v. prospectus.	★★	1.1
2	T+1 rolling settlement; auction for shortages.	★	1.2
3	Sensex 30, Nifty 50 by free float; closing price = 30-minute VWAP.	★★★	1.3, 1.4
4	Bulk deal > 0.5%; block deal ≥ ₹ 10 crore in special windows.	★★★	1.5
5	Surveillance: online, preventive, post-trade.	★★★	2.1
6	Risk management: margins, circuit breakers, SGF.	★★★	2.2
7	Repo and reverse repo; WPI v. CPI; inflation rate.	★★★	3.1, 3.2
8	Fed rate and RBI policy effects on Indian markets.	★★	3.3
9	Book closure v. record date; listed v. permitted securities.	★★	4.1, 4.2
10	SARAL, NDS, ETFs, rights entitlements.	★★	4.3, 4.4, 4.5, 4.6
11	Options pay-offs; UPI in public issues.	★★★	5.1, 5.2
12	Social Stock Exchange; SME listing.	★★	6.1, 6.2

CHAPTER 3

Securities Contracts (Regulation) Act, 1956

24 Scanner questions · 13 one-liners · 7 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Securities Contracts (Regulation) Act, 1956

SM Lesson 3, pages 63 – 100

Topic 1 Stock exchanges: recognition and governance

10 Scanner questions · ICSI appearances PYQ 10

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	Stock exchanges are the nerve centre of the capital market: they provide liquidity and continuous pricing, channel savings into investment, and enforce listing and trading discipline.	TQ 1.1	PYQ 2012-Dec	L3, p. 72
1.2	Recognition (SCRA, s. 3): an exchange applies to SEBI (powers delegated by the Central Government) with its bye-laws; recognition is granted if the rules are in the investors' interest and comply with conditions. The Central Government/SEBI may call for returns, direct rules and bye-laws, supersede the governing body, suspend business, and withdraw recognition.	TQ 1.15, TQ 1.16	PYQ 2023-Dec, 2025-Jun	L3, p. 70
1.3	Demutualisation separates ownership, management and trading rights — brokers no longer own and run the exchange — removing conflicts of interest and improving governance; at least 51% of shares are held by the public other than trading members.	TQ 1.5, TQ 1.6	PYQ 2015-Jun, 2016-Jun	L3, p. 68
1.4	A recognised exchange may, with approval, make rules restricting voting rights (s. 7A) — e.g. to one vote per member and limits on proxies — and frame bye-laws on trading, clearing, settlement, margins, member conduct and dispute arbitration (s. 9).	TQ 1.7, TQ 1.11	PYQ 2016-Jun, 2019-Dec	L3, pp. 76, 78
1.5	An exchange may, with SEBI approval, transfer clearing and settlement to a clearing corporation (s. 8A), which acts as central counterparty, guarantees settlement and manages risk.	TQ 1.12	PYQ 2021-Dec	L3, p. 66
1.6	Recognition is withdrawn (s. 5) after notice and a hearing to the governing body; contracts made before withdrawal remain valid; members and officers must produce documents to SEBI; exchanges keep books for the prescribed period (rule 14 – 15); business of an exchange may be suspended in an emergency for up to seven days, extendable (s. 12).	PQ 1.6	PYQ 2024-Dec	L3, pp. 73, 77
1.7	A depository must be a company registered with SEBI, with net worth of at least ₹ 100 crore, bye-laws approved by SEBI, and automated systems; it is sponsored by institutions such as exchanges, banks and financial institutions.	TQ 1.13	PYQ 2022-Dec	L5, p. 144

Topic 2 Listing, continuous listing and delisting

8 Scanner questions · ICSI appearances PYQ 8

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	Continuous listing (SCRR rule 19A): every listed company keeps public shareholding of at least 25%; a company falling below must restore it within three years (listed PSUs too, under the 2018 amendment); the Central Government may exempt listed PSUs. Methods: further public offer, offer for sale, QIP, rights or bonus to public shareholders, block trades, OFS through the exchange.	TQ 1.2, TQ 1.8, PQ 1.5	PYQ 2013-Dec, 2018-Dec, 2023-Dec	L3, p. 97
2.2	An exchange may delist securities (rule 21) for: three years of losses with negative net worth, trading suspended for six months, infrequent trading for three years, a change of registered office without notice, failure to comply with listing conditions, or promoters' default — after notice and hearing; public shareholders get a fair exit. Trading suspended for non-compliance is revoked on compliance and payment of fines.	TQ 1.9, PQ 1.1, PQ 1.2	PYQ 2019-Jun, 2016-Dec, 2018-Dec	L3, p. 88
2.3	A company refused listing, or whose securities are delisted, may appeal to SAT within 15 days (s. 22, s. 22A), extendable by one month for sufficient cause.	TQ 1.10, PQ 1.7	PYQ 2019-Dec, 2025-Dec	L3, p. 83

Topic 3 Contracts and derivatives

2 Scanner questions · ICSI appearances PYQ 2

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	A derivative (s. 2(ac)) derives its value from an underlying security, index, commodity or rate; it is a contract, not an asset in itself. A spot delivery contract (s. 2(i)) provides for actual delivery and payment on the same or the next day.	TQ 1.3, TQ 1.4	PYQ 2014-Jun, 2014-Dec	L3, pp. 67 – 68

Topic 4 Penalties, appeals and recovery

4 Scanner questions · ICSI appearances PYQ 4

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	SCRA penalties: failure to furnish information or returns — ₹ 1 lakh a day up to ₹ 1 crore (s. 23A); failure to redress grievances — same (s. 23C); failure to segregate client securities — same (s. 23D); breach of listing conditions or delisting rules — up to ₹ 25 crore (s. 23E); contravention of rules generally — up to ₹ 1 crore (s. 23H).	TQ 1.14, TQ 1.17, PQ 1.4	PYQ 2023-Dec, 2026-Jun, 2023-Jun	L3, p. 85
4.2	Unpaid penalty is recovered by the SEBI recovery officer by attachment and sale of movable and immovable property, attachment of bank accounts, arrest and detention, or appointment of a receiver (s. 23JB).	PQ 1.3	PYQ 2022-Jun	L3, p. 87

Part B — Chapter 3 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. No line in this chapter reaches ★★★; every pointer has been asked fewer than six times.

Securities Contracts (Regulation) Act, 1956

#	One-liner	Weight	Part A ref
1	Stock exchanges: nerve centre; recognition and Central Government powers.	★★	1.1, 1.2
2	Demutualisation; voting-rights rules (s. 7A); bye-laws (s. 9).	★★	1.3, 1.4
3	Clearing corporation; withdrawal of recognition; depository eligibility.	★★	1.5, 1.6, 1.7
4	Minimum public shareholding 25% (rule 19A); methods.	★★	2.1
5	Delisting by exchange (rule 21); appeal to SAT in 15 days.	★★	2.2, 2.3
6	Derivatives; spot delivery contract.	★	3.1
7	Penalties ss. 23A – 23H; recovery (s. 23JB).	★★	4.1, 4.2

CHAPTER 4

Securities and Exchange Board of India

45 Scanner questions · 13 one-liners · 9 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Securities and Exchange Board of India

SM Lesson 4, pages 101 – 142

Topic 1 SEBI: constitution, powers and functions

8 Scanner questions · ICSI appearances PYQ 8

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	SEBI (Act of 1992) has a Chairman, two members from the Finance Ministry, one from RBI and five others (at least three whole-time). It protects investors and develops and regulates the market (s. 11): regulating exchanges and intermediaries, registering collective investment schemes and mutual funds, prohibiting fraud and insider trading, regulating takeovers, investor education, inspections; it has civil-court powers for discovery, production of documents, summoning and examination on oath (s. 11(3)).	TQ 1.12, TQ 1.13, TQ 1.16, TQ 1.35	PYQ 2017-Jun, 2018-Jun, 2019-Jun, 2025-Dec	L4, pp. 103, 111
1.2	Pending or after investigation SEBI may (s. 11(4)) suspend trading, restrain persons from accessing the market, suspend office-bearers of exchanges, impound proceeds, attach bank accounts for up to one month, and direct intermediaries not to dispose of assets.	TQ 1.21	PYQ 2020-Dec	L4, p. 106
1.3	SEBI protects investors through disclosure, regulation of intermediaries and grievance redressal, but expects them to invest with eyes open — reading disclosures and dealing only with registered intermediaries; brokers and sub-brokers are liable to prosecution under the Act. Financial education builds literacy through SEBI's resource persons, NISM programmes, investor awareness programmes and the RBI's national strategy.	TQ 1.5, TQ 1.6, TQ 1.11	PYQ 2014-Jun, 2014-Dec, 2017-Jun	Not in SM

Topic 2 Securities Appellate Tribunal

12 Scanner questions · ICSI appearances PYQ 12

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	SAT (s. 15K) has a Presiding Officer and judicial and technical members; any person aggrieved by an order of SEBI, an adjudicating officer or a stock exchange appeals within 45 days (extendable for sufficient cause), with the prescribed fee; SAT disposes of it within six months. It has civil-court powers for summoning, discovery, affidavits and review; civil courts have no jurisdiction over matters within SEBI or SAT (s. 20A).	TQ 1.1, TQ 1.7, TQ 1.10, TQ 1.19, TQ 1.31, TQ 1.32, PQ 1.1, PQ 1.8, PQ 1.9	PYQ 2013-Dec, 2014-Dec, 2016-Jun, 2019-Dec, 2023-Dec, 2016-Dec, 2024-Dec, 2025-Dec	L4, pp. 106, 125

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.2	SAT members hold office for a fixed term with eligibility for reappointment (five years under s. 15N; four years under the Tribunal Reforms Act, 2021), but not beyond 70 years for the Presiding Officer or 67 for other members — a Presiding Officer appointed at 62 may be reappointed, but only until he turns 70.	PQ 1.2	PYQ 2018-Dec	L4, p. 123
2.3	Appeal from SAT lies to the Supreme Court within 60 days on a question of law (s. 15Z).	TQ 1.30	PYQ 2023-Jun	L4, p. 126
2.4	No civil court may entertain a suit against an order of SEBI or an adjudicating officer; the remedy is appeal to SAT (s. 20A).	PQ 1.3	PYQ 2021-Dec	L4, p. 126

Topic 3 Investor grievance redressal

18 Scanner questions · ICSI appearances PYQ 18

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	SCORES is SEBI's online grievance system (web and mobile app) against listed companies and intermediaries: the complaint goes to the entity, which resolves it within 21 days; if unresolved, the designated body reviews it, and the investor may seek a second review by SEBI; SCORES 2.0 auto-routes complaints and tightens timelines. Not entertained: complaints against unlisted or delisted companies, companies under BIFR/NCLT or liquidation, sub judice matters, suggestions and non-specific complaints. A shareholder unpaid a declared dividend may complain on SCORES.	TQ 1.2, TQ 1.4, TQ 1.8, TQ 1.9, TQ 1.14, TQ 1.18, TQ 1.20, TQ 1.28, TQ 1.29, TQ 1.34, PQ 1.5, PQ 1.6, PQ 1.7	PYQ 2015-Jun, 2013-Dec, 2014-Dec, 2015-Dec, 2018-Jun, 2019-Dec, 2022-Dec, 2025-Dec, 2023-Jun, 2024-Dec	L4, pp. 134, 137
3.2	Trade and service complaints causing financial loss, if not resolved by the exchange, went to the Investor Grievance Redressal Committee and then arbitration; SEBI now routes unresolved disputes to the Online Dispute Resolution (SMART ODR) portal for conciliation and arbitration.	TQ 1.27	PYQ 2022-Jun	L4, p. 136
3.3	Under the SEBI (Ombudsman) Regulations, 2003, an investor could approach the Ombudsman one month after an unanswered representation to a listed company or intermediary (e.g. for refund or interest on refund), within the time limits; proceedings were summary, without strict rules of evidence; an aggrieved party could petition SEBI against the award.	TQ 1.15, TQ 1.22, TQ 1.26, PQ 1.4	PYQ 2018-Dec, 2020-Dec, 2021-Dec	Not in SM

Topic 4 Informal guidance

4 Scanner questions · ICSI appearances PYQ 4

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	Informal guidance (SEBI scheme, 2003): intermediaries, listed companies and those proposing to list, mutual funds and acquirers may seek SEBI's view on interpretation of a regulation as a no-action letter or interpretive letter, with a fee of ₹ 25,000; SEBI replies within 60 days; the request may be kept confidential for up to 90 days.	TQ 1.3, TQ 1.17, TQ 1.25, TQ 1.33	PYQ 2016-Dec, 2019-Jun, 2021-Aug, 2023-Dec	L4, p. 141

Topic 5 Recovery and penalties

3 Scanner questions · ICSI appearances PYQ 3

Ref	One-liner for the student	Scanner Q	Asked in	SM source
5.1	If a person fails to pay a penalty or comply with a disgorgement or refund order, the recovery officer recovers it by attachment and sale of property, attachment of bank accounts, arrest and detention, or appointment of a receiver (s. 28A).	TQ 1.23, TQ 1.24	PYQ 2020-Dec, 2021-Aug	L4, p. 122
5.2	On the death of a person, proceedings under the Act other than for levy of penalty continue against, or may be initiated against, his legal representative, whose liability is limited to the value of the estate inherited (s. 28B).	PQ 1.10	PYQ 2026-Jun	L4, p. 123

Part B — Chapter 4 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 51% of ICSI appearances in this chapter.

Securities and Exchange Board of India

#	One-liner	Weight	Part A ref
1	SEBI composition, powers (s. 11) and civil-court powers.	★★	1.1
2	Interim measures pending investigation (s. 11(4)).	★	1.2
3	Investor protection with eyes open; financial education.	★★	1.3
4	SAT: appeal in 45 days, disposal in six months; tenure and age limits.	★★★	2.1, 2.2
5	SAT to Supreme Court in 60 days; no civil court jurisdiction (s. 20A).	★	2.3, 2.4
6	SCORES: entity resolves in 21 days; second review; exclusions.	★★★	3.1
7	IGRC and ODR; Ombudsman regime.	★★	3.2, 3.3
8	Informal guidance: no-action or interpretive letter, ₹ 25,000, 60 days.	★★	4.1
9	Recovery (s. 28A); legal representative liable to the extent of the estate (s. 28B).	★★	5.1, 5.2

CHAPTER 5

Laws Governing to Depositories and Depository Participants

30 Scanner questions · 15 one-liners · 8 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Laws Governing to Depositories and Depository Participants

SM Lesson 5, pages 143 – 168

Topic 1 Depository system

10 Scanner questions · ICSI appearances PYQ 10

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	The depository system works like a bank for securities: it holds them in electronic book-entry form and transfers them by debit and credit; it eliminates bad delivery, forgery, loss and stamp duty on transfer, speeds settlement, cuts costs, and credits corporate benefits directly.	TQ 1.9, TQ 1.11, TQ 1.16	PYQ 2014-Jun, 2014-Dec, 2017-Jun	L5, p. 151
1.2	All securities held in a depository are fungible (s. 9) — they bear no distinctive numbers, and any unit of the same class can replace another.	TQ 1.14, TQ 1.17	PYQ 2016-Jun, 2018-Dec	L5, p. 154
1.3	The depository is the registered owner only for effecting transfers; the beneficial owner, whose name is recorded with the depository, has all the rights and benefits — voting, dividends, bonus — and liabilities of the securities (s. 10).	TQ 1.22	PYQ 2025-Jun	L5, p. 155
1.4	Holding securities in demat form is optional for an investor under the Act, but transfers of listed securities (other than transmission and transposition) must be in demat form since 1 April 2019, and IPOs and rights issues are in demat form. Commercial paper, certificates of deposit and debentures can be dematerialised if admitted by the depository; an investor may open more than one demat account; a foreign bank operating in India with RBI approval can be a DP.	TQ 1.18, PQ 1.1, PQ 1.3	PYQ 2020-Dec, 2021-Dec, 2024-Jun	L5, pp. 151, 154
1.5	A depository must be a company with net worth of at least ₹ 100 crore, sponsored by eligible institutions, with fit and proper management of proven experience and systems; it is governed by the Depositories Act, 1996 and the SEBI (Depositories and Participants) Regulations, 2018. The quarterly reconciliation of share capital audit (reg. 76) is done by a practising CA or CS.	PQ 1.5	PYQ 2026-Jun	L5, p. 152

Topic 2 Dematerialisation and rematerialisation

5 Scanner questions · ICSI appearances PYQ 5

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	Dematerialisation converts physical certificates into electronic holdings: the investor submits a demat request form with certificates to the DP, which sends them to the issuer's RTA; on verification the RTA confirms and the depository credits the account. Immobilisation keeps physical certificates in custody while dealings happen electronically — the two are distinct.	TQ 1.4, TQ 1.13, TQ 1.20	PYQ 2015-Dec, 2015-Jun, 2023-Jun	L5, p. 153
2.2	Rematerialisation converts electronic holdings back to certificates: the investor submits a remat request to the DP, which blocks the holding and forwards it to the RTA, which issues certificates; shares once rematerialised can be traded only after being dematerialised again.	TQ 1.5, PQ 1.4	PYQ 2017-Jun, 2024-Dec	L5, p. 149

Topic 3 Depository participants and audit

13 Scanner questions · ICSI appearances PYQ 13

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	A depository participant is the depository's agent and the investor's interface — banks, brokers, custodians and financial institutions registered with SEBI; it opens accounts, processes demat and remat requests and transfers, and links the investor to the company through the depository.	TQ 1.15, TQ 1.21	PYQ 2016-Jun, 2023-Dec	L5, p. 147
3.2	Concurrent audit of DPs by a practising CA or CS covers account opening, KYC and in-person verification, control and verification of delivery instruction slips, demat and remat processing and other operations, with reports to the depository; it catches irregularities as they occur.	TQ 1.1, TQ 1.7, TQ 1.12	PYQ 2013-Dec, 2018-Jun, 2015-Jun	L5, p. 163
3.3	DPs issue pre-printed, serially numbered DIS booklets only against requisition, record their issue, verify signatures and the account holder before processing, and are covered in concurrent audit.	TQ 1.8, TQ 1.19	PYQ 2013-Jun, 2021-Aug	L5, p. 154
3.4	Reconciliation of share capital audit (reg. 76): every listed issuer has a practising CA or CS reconcile total issued, listed and demat-held capital each quarter and submit the report to the exchanges within 30 days.	TQ 1.3, PQ 1.2	PYQ 2015-Jun, 2021-Dec	L5, p. 162
3.5	In-person verification of clients is mandatory for intermediaries including DPs. A Designated Depository Participant registers and monitors FPIs on SEBI's behalf.	TQ 1.2, TQ 1.6	PYQ 2014-Dec, 2017-Dec	L4, p. 106; L6, p. 197

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.6	A Company Secretary may act as concurrent and internal auditor of DPs, certify reconciliation of share capital, and advise on demat compliance. Depositories and DPs must follow SEBI's cyber-security and cyber-resilience framework — governance, identification, protection, detection, response and recovery, and periodic audit.	TQ 1.23, TQ 1.24	PYQ 2025-Jun, 2025-Dec	L5, pp. 164 – 165

Topic 4 Offences and immunity

2 Scanner questions · ICSI appearances PYQ 2

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	The Central Government may grant immunity from prosecution to a person alleged to have contravened the Act who makes full and true disclosure and pays any penalty, on SEBI's recommendation; immunity may be withdrawn if he gave false evidence or concealed material facts (s. 22C).	TQ 1.10	PYQ 2014-Jun	L5, p. 160
4.2	Any person who contravenes, attempts to contravene or abets contravention of the Act, rules or regulations is punishable with imprisonment up to ten years, or fine up to ₹ 25 crore, or both (s. 20), besides penalties under ss. 19A – 19H.	TQ 1.25	PYQ 2026-Jun	L5, p. 157

Part B — Chapter 5 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 30% of ICSI appearances in this chapter.

Laws Governing to Depositories and Depository Participants

#	One-liner	Weight	Part A ref
1	Depository works like a bank for securities; benefits.	★★	1.1
2	Fungibility; depository as registered owner, investor as beneficial owner.	★★	1.2, 1.3
3	Demat optional but transfers of listed shares only in demat since 2019.	★★	1.4
4	Depository net worth ₹ 100 crore; reconciliation audit by practising CA/CS.	★	1.5
5	Demat v. immobilisation; remat procedure.	★★	2.1, 2.2
6	DP as agent; concurrent audit; DIS controls; reconciliation audit (reg. 76).	★★★	3.1, 3.2, 3.3, 3.4
7	IPV; DDP; role of CS; cyber-security.	★★	3.5, 3.6
8	Immunity (s. 22C); offences — 10 years or ₹ 25 crore (s. 20).	★	4.1, 4.2

CHAPTER 6

Securities Market Intermediaries

52 Scanner questions · 19 one-liners · 10 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Securities Market Intermediaries

SM Lesson 6, pages 169 – 206

Topic 1 Intermediaries: registration and general obligations

8 Scanner questions · ICSI appearances PYQ 8

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	Capital market intermediaries link issuers, investors and the regulator: primary market — merchant bankers, registrars, bankers to an issue, underwriters, debenture trustees, syndicate members; secondary market — stock brokers, depositories and DPs, custodians, portfolio managers, investment advisers, research analysts. All register with SEBI and follow the Intermediaries Regulations, 2008: fit and proper persons, code of conduct, records, grievance redressal, compliance officer.	TQ 1.38, TQ 1.40, TQ 1.45	PYQ 2023-Jun, 2023-Dec, 2025-Jun	L6, p. 169
1.2	A SEBI certificate of registration is permanent unless suspended or cancelled, on conditions: comply with the Act and regulations, pay fees, keep SEBI informed of material changes, redress grievances. A change in status or constitution, or in control, needs SEBI's prior approval; otherwise the certificate lapses.	TQ 1.35, TQ 1.36, PQ 1.7	PYQ 2022-Jun, 2022-Dec, 2026-Jun	L6, p. 174
1.3	Every intermediary appoints a compliance officer to monitor compliance with securities laws and the redressal of investor grievances, and to report non-compliance to SEBI.	TQ 1.16, TQ 1.17	PYQ 2023-Jun	L6, p. 175

Topic 2 Primary market intermediaries

18 Scanner questions · ICSI appearances PYQ 18

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	Merchant bankers manage public issues — due diligence, offer document, pricing, marketing, coordination of intermediaries and post-issue work; every public issue and QIP/IPP must be managed by at least one SEBI-registered merchant banker.	TQ 1.18, TQ 1.21, TQ 1.23	PYQ 2012-Dec, 2015-Jun, 2016-Jun	L6, p. 177
2.2	A lead merchant banker must underwrite at least 5% of the issue size or ₹ 25 lakh, whichever is less, where it acts as underwriter.	TQ 1.1	PYQ 2012-Dec	L6, p. 186

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.3	Registrars to an issue and RTAs: pre-issue — collect bank details, finalise application formats; post-issue — collect and reconcile applications, finalise the basis of allotment with the exchange, credit demat accounts, refund unblocking; and for listed entities handle transfers, transmission and investor service requests.	TQ 1.19, TQ 1.22, TQ 1.32, TQ 1.42, TQ 1.7	PYQ 2013-Dec, 2015-Dec, 2020-Dec, 2024-Jun, 2018-Jun	L6, p. 180
2.4	A banker to an issue is a scheduled bank registered with SEBI that accepts applications and money, blocks funds under ASBA, refunds and pays dividends or interest; it keeps records and reports to the registrar and SEBI.	TQ 1.8, TQ 1.12, TQ 1.18, TQ 1.44	PYQ 2018-Dec, 2020-Dec, 2012-Dec, 2025-Jun	L6, p. 181
2.5	A syndicate member is a SEBI-registered intermediary appointed by the book-running lead manager to collect bids and application money in a book-built issue.	TQ 1.6	PYQ 2017-Dec	L8, p. 238
2.6	A debenture trustee — a scheduled bank, financial institution, insurer or company registered with SEBI with net worth of ₹ 10 crore — is mandatory where debentures are offered to the public or to more than 500 persons; it protects debenture holders, verifies security and asset cover, monitors covenants, calls meetings, and enforces security on default; it may not be associated with the issuer.	TQ 1.3, TQ 1.5, TQ 1.14, TQ 1.31, TQ 1.39	PYQ 2014-Jun, 2016-Dec, 2021-Aug, 2020-Dec, 2023-Jun	L6, p. 169

Topic 3 Secondary market intermediaries

11 Scanner questions · ICSI appearances PYQ 11

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	A stock broker holds trading rights on a recognised exchange, executes clients' trades, keeps client funds and securities segregated, follows KYC and risk management; a qualified stock broker is designated by SEBI on size and activity and faces enhanced obligations. Brokers may not accept cash from clients.	PQ 1.4, PQ 1.2	PYQ 2025-Dec, 2019-Jun	L6, p. 185
3.2	Sub-broker registration has been abolished; existing sub-brokers migrate to act as authorised persons of a stock broker (or register as brokers).	TQ 1.30	PYQ 2019-Jun	L6, p. 172
3.3	A custodian provides custodial services — safekeeping of securities, collecting benefits, maintaining accounts — under the SEBI (Custodian) Regulations, 1996; it keeps separate accounts for each client, does not mix client assets, and needs net worth of ₹ 50 crore.	TQ 1.9, TQ 1.13, TQ 1.25, TQ 1.37, PQ 1.5	PYQ 2019-Jun, 2020-Dec, 2016-Jun, 2022-Dec, 2025-Dec	L6, p. 189
3.4	A portfolio manager manages clients' funds under contract — discretionary (decides investments) or non-discretionary (acts on instructions) — with net worth of ₹ 5 crore and minimum investment ₹ 50 lakh per client; unlike a broker, it gives customised investment management.	TQ 1.10, TQ 1.33, TQ 1.7	PYQ 2019-Dec, 2021-Dec, 2018-Jun	L6, p. 188

Topic 4 Advisers, analysts and rating agencies

11 Scanner questions · ICSI appearances PYQ 11

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	An investment adviser gives investment advice for consideration and acts in a fiduciary capacity: KYC and risk profiling, suitability, disclosure of conflicts, no dealing with clients on own account, segregation of advice from distribution, annual compliance audit by a CA or CS. Advice through mass media is not covered. Registration under the SEBI (Investment Advisers) Regulations, 2013 and the Intermediaries Regulations.	TQ 1.4, TQ 1.20, TQ 1.34, TQ 1.41, PQ 1.6	PYQ 2015-Dec, 2015-Jun, 2022-Jun, 2024-Jun, 2026-Jun	L6, p. 191
4.2	A research analyst prepares and publishes research reports and recommendations; he must register, meet qualification and net worth norms, disclose conflicts and holdings, and keep research independent of business interests.	TQ 1.11, TQ 1.29	PYQ 2019-Dec, 2019-Jun	L6, p. 193
4.3	Credit rating agencies (net worth ₹ 25 crore) rate debt instruments; rating is a qualitative judgment supported by quantitative analysis; they must monitor ratings, review promptly on material events such as delay in debt servicing, disclose methodology and avoid conflicts.	TQ 1.26, TQ 1.27, TQ 1.43	PYQ 2018-Jun, 2018-Dec, 2024-Dec	L6, p. 195
4.4	A KYC Registration Agency keeps KYC records uploaded by intermediaries so that an investor's KYC done once is usable across intermediaries; it verifies, safeguards and gives access to the records.	TQ 1.24	PYQ 2016-Jun	L6, p. 204

Topic 5 Internal audit

4 Scanner questions · ICSI appearances PYQ 4

Ref	One-liner for the student	Scanner Q	Asked in	SM source
5.1	Intermediaries — stock brokers, portfolio managers, RTAs — must have internal audit by an independent practising CA, CS or cost accountant (half-yearly or as prescribed) covering operations, controls and compliance, with reports to the Board and the regulator.	TQ 1.2, TQ 1.4, TQ 1.15, TQ 1.28	PYQ 2013-Dec, 2015-Dec, 2021-Dec, 2018-Dec	L6, p. 203

Topic 6 Enforcement

2 Scanner questions · ICSI appearances PYQ 2

Ref	One-liner for the student	Scanner Q	Asked in	SM source
6.1	SEBI may issue directions to intermediaries (s. 11B), investigate where they act against investors or the market (s. 11C) — the investigating authority may seize books and must return them within six months — and levy penalties considering the gain made, loss caused and repetition (s. 15J). A broker trading through another broker to manipulate an illiquid scrip violates the PFUTP Regulations.	PQ 1.1, PQ 1.3	PYQ 2014-Jun, 2025-Jun	L4, p. 111

Part B — Chapter 6 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 65% of ICSI appearances in this chapter.

Securities Market Intermediaries

#	One-liner	Weight	Part A ref
1	Intermediaries: kinds; registration; permanent certificate; prior approval for change in control.	★★★	1.1, 1.2
2	Compliance officer.	★	1.3
3	Merchant banker; minimum underwriting 5% or ₹ 25 lakh.	★★	2.1, 2.2
4	RTA pre- and post-issue work; bankers to an issue; syndicate members.	★★★	2.3, 2.4, 2.5
5	Debenture trustee: when mandatory, eligibility, duties.	★★	2.6
6	Stock broker; sub-brokers become authorised persons.	★★	3.1, 3.2
7	Custodian (₹ 50 crore); portfolio manager (₹ 5 crore; ₹ 50 lakh minimum).	★★★	3.3, 3.4
8	Investment adviser: fiduciary duties; research analysts; CRAs; KRA.	★★★	4.1, 4.2, 4.3, 4.4
9	Internal audit of intermediaries.	★★	5.1
10	SEBI directions, investigation, penalties.	★	6.1

CHAPTER 7

International Financial Services Centres Authority

9 Scanner questions · 5 one-liners · 5 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

International Financial Services Centres Authority

SM Lesson 7, pages 207 – 222

Topic 1 International Financial Services Centres

9 Scanner questions · ICSI appearances PYQ 9

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	IFSCs serve non-residents and residents in foreign currency under one regulator (IFSCA, 2020) — they bring offshore financial business (banking, capital markets, insurance, fund management, aircraft leasing) on-shore, retain talent and tax revenue in India, and deepen markets; GIFT City, Gujarat, is India's first IFSC, set up as an SEZ with tax incentives.	TQ 1.2, TQ 1.4	PYQ 2023-Dec, 2025-Jun	L7, pp. 209, 214
1.2	'Financial products' under the IFSCA Act (s. 3(1)(d)) include securities, contracts of insurance, deposits, units of collective investment schemes, and any other product notified by the Central Government — e.g. derivatives, foreign currency loans and ship and aircraft leases.	TQ 1.5	PYQ 2025-Dec	L7, p. 216
1.3	Listing in an IFSC is open to companies incorporated in an IFSC, in India or abroad, by IPO or direct listing. A start-up may list (with or without a public offer) if its offer document is filed within ten years of incorporation and its turnover has not exceeded US$ 20 million in any year since; SMEs up to US$ 50 million; at least 75% of the offer must be subscribed.	TQ 1.1, TQ 1.3, PQ 1.1	PYQ 2023-Dec, 2024-Jun, 2024-Dec	L7, p. 218
1.4	A SPAC may list in an IFSC if its primary object is a business acquisition and it has no operating business: offer size at least US$ 50 million, sponsors holding at least 20% of post-issue capital, minimum application size US$ 250,000 (Study Material), minimum subscription 75%, proceeds in escrow, and acquisition within three years (extendable by one).	PQ 1.2, PQ 1.3	PYQ 2025-Jun, 2026-Jun	L7, p. 220
1.5	Social bonds finance projects with positive social outcomes for target populations — affordable housing, basic infrastructure such as water and sanitation, access to health, education and financial services, employment generation and food security; IFSCA permits listing of ESG-labelled debt securities with disclosure of use of proceeds.	PQ 1.4	PYQ 2026-Jun	L7, p. 218

Part B — Chapter 7 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. No line in this chapter reaches ★★★; every pointer has been asked fewer than six times.

International Financial Services Centres Authority

#	One-liner	Weight	Part A ref
1	IFSCs and GIFT City: offshore business on-shore under IFSCA.	★	1.1
2	Financial products under the IFSCA Act.	★	1.2
3	IFSC listing: start-ups (10 years, US$ 20 million), SMEs (US$ 50 million).	★★	1.3
4	SPACs: US$ 50 million offer, sponsors 20%, three-year acquisition.	★	1.4
5	Social bonds: proceeds for social projects.	★	1.5

CHAPTER 8

Issue of Capital and Disclosure Requirements

56 Scanner questions · 25 one-liners · 15 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Issue of Capital and Disclosure Requirements

SM Lesson 8, pages 223 – 256

Topic 1 Public issue: methods, documents and eligibility

16 Scanner questions · ICSI appearances PYQ 16

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	Methods of raising funds in the primary market: public issue (IPO by an unlisted issuer, FPO by a listed one), rights issue, preferential issue, QIP, bonus issue, and private placement; the offer document is a draft offer document, red herring prospectus (book building, without price) or prospectus. An IPO cannot be made by an issuer or promoters debarred by SEBI, wilful defaulters, fugitive economic offenders, or where convertible securities are outstanding.	TQ 1.2, TQ 1.28, TQ 1.35	PYQ 2013-Dec, 2018-Jun, 2024-Dec	L8, p. 223
1.2	IPO eligibility (reg. 6(1)): net tangible assets of ₹ 3 crore in each of the preceding three years (not more than 50% monetary unless deployed), average operating profit of ₹ 15 crore over three years with profit in each, net worth of ₹ 1 crore in each of three years; otherwise (reg. 6(2)) the issue must be book-built with at least 75% to QIBs, failing which money is refunded. Shares offered for sale must have been held for one year (reg. 8), not bonus from revaluation reserves.	TQ 1.11, PQ 1.9, PQ 1.14, PQ 1.15, PQ 1.20	PYQ 2012-Dec, 2020-Dec, 2023-Jun, 2023-Dec, 2025-Dec	L8, pp. 225, 228
1.3	The draft offer document is filed with SEBI through the lead manager and made public for 21 days for comments; SEBI may return it for incompleteness, and the issuer may resubmit after removing the deficiencies; observations are given within the prescribed time.	TQ 1.3, TQ 1.34	PYQ 2013-Dec, 2024-Dec	L8, p. 239
1.4	A red herring prospectus does not contain the price or quantity of shares offered; it is used in book building and is filed with the RoC before the issue opens; the final prospectus after pricing contains them.	TQ 1.8	PYQ 2023-Dec	L8, p. 225
1.5	A fast track issue (FPO or rights) dispenses with filing a draft offer document with SEBI where the issuer has been listed for three years, its average market capitalisation of public shareholding is at least ₹ 1,000 crore (rights: ₹ 250 crore), its shares are frequently traded, it has redressed 95% of complaints, there is no SEBI action against it, and it complies with listing obligations.	TQ 1.7, TQ 1.17, TQ 1.23, TQ 1.26	PYQ 2018-Jun, 2013-Jun, 2015-Dec, 2016-Dec	L8, p. 240

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.6	Unlisted Indian companies may list on foreign stock exchanges (ADR/GDR or direct listing in permitted jurisdictions) under the Depository Receipts Scheme and the rules on direct listing abroad.	TQ 1.24	PYQ 2016-Dec	L8, p. 224

Topic 2 Promoters' contribution and lock-in

4 Scanner questions · ICSI appearances PYQ 4

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	Minimum promoters' contribution: at least 20% of post-issue capital, locked in for 18 months from allotment (three years if the proceeds fund capital expenditure); excess over 20% is locked in for six months (one year in the capex case); pre-issue capital of others is locked in for six months. A venture capital fund or AIF qualifying as promoter may contribute and is subject to the same lock-in.	TQ 1.1, PQ 1.5, PQ 1.18	PYQ 2012-Dec, 2019-Dec, 2024-Jun	L8, pp. 223, 236
2.2	Securities ineligible for minimum promoters' contribution (reg. 15): those acquired in the preceding three years for consideration other than cash or through bonus out of revaluation reserves, those acquired in the preceding year at a price below the issue price (unless the difference is paid), pledged securities, and partnership-firm conversions within a year.	PQ 1.2	PYQ 2018-Dec	L8, p. 240

Topic 3 Pricing and allocation

10 Scanner questions · ICSI appearances PYQ 11

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	The issuer may fix a price band; the cap may not exceed 120% of the floor, and the cap is at least 105% of the floor; the band is announced at least two working days before opening; the issue stays open at least three working days, extendable by three for a band revision, but not beyond ten.	TQ 1.4, PQ 1.10	PYQ 2017-Jun, 2021-Aug	L8, p. 225
3.2	Differential pricing is allowed: retail individual investors and employees may be offered a lower price or discount (up to 10% for retail), and anchor investors may get a different price; the discount must be disclosed in the offer document.	TQ 1.14, TQ 1.20, TQ 1.25, PQ 1.6	PYQ 2012-Dec, 2013-Dec, 2016-Dec, 2016-Jun, 2019-Dec	L8, p. 225
3.3	Book-built allocation: QIBs not more than 50% (anchors up to 60% of it), non-institutional at least 15%, retail at least 35%; in the NII category one-third goes to applicants of ₹ 2 – 10 lakh and two-thirds above ₹ 10 lakh, each allotted the minimum application size by draw of lots.	TQ 1.31, PQ 1.19, PQ 1.17	PYQ 2022-Dec, 2024-Jun	L8, p. 251

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.4	Reservation on a competitive basis may be made for employees, shareholders of listed promoter or group companies and others as permitted, up to the limits specified (e.g. employees up to 5% of post-issue capital); allotment within the reservation is proportionate.	TQ 1.22	PYQ 2015-Jun	Not in SM

Topic 4 Issue process and post-issue

11 Scanner questions · ICSI appearances PYQ 11

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	QIBs (reg. 2(1)(ss)): mutual funds, VCFs, AIFs, FPIs (other than individuals, corporates and family offices), public financial institutions, scheduled commercial banks, multilateral institutions, State industrial development corporations, insurers, provident and pension funds with corpus of ₹ 25 crore, the National Investment Fund, insurance funds of the armed forces and the Department of Posts, and systemically important NBFCs.	TQ 1.33	PYQ 2024-Dec	L1, p. 12
4.2	ASBA: the applicant authorises his bank (SCSB) to block the application amount, which is debited only on allotment; it is mandatory for all applicants; channels include SCSBs, syndicate members, brokers, RTAs, DPs, and UPI for individuals up to ₹ 5 lakh.	TQ 1.27, TQ 1.30	PYQ 2018-Jun, 2022-Jun	L8, p. 239
4.3	The subscription list opens on the issue opening date announced in the offer and closes after at least three working days; a minimum subscription of 90% of the offer through the offer document is required, failing which money is refunded.	TQ 1.19	PYQ 2013-Jun	L8, p. 251
4.4	Issue proceeds above ₹ 100 crore (excluding offer for sale) must be monitored by a credit rating agency, which reports quarterly; the audit committee reviews utilisation; variation in objects needs a special resolution with exit for dissenting shareholders; general corporate purposes are capped at 25% of the issue.	TQ 1.32, PQ 1.3, PQ 1.7	PYQ 2022-Dec, 2019-Jun, 2020-Dec	L8, p. 240
4.5	Dissenting shareholders — those who voted against a change in objects or variation of terms of a contract in the prospectus — must be given an exit offer by promoters where the issue was after the relevant date, at a price based on the volume-weighted average and other parameters.	TQ 1.29, PQ 1.11	PYQ 2018-Dec, 2021-Aug	Not in SM
4.6	Market making is compulsory only for issues on SME platforms (for three years), not for main-board issues. Multiple listing means listing on more than one exchange; clearing determines obligations of members; circuit breakers halt trading on sharp index moves.	TQ 1.13, TQ 1.16	PYQ 2012-Dec, 2013-Jun	Not in SM

Topic 5 Other issues: rights, preferential, QIP, bonus

15 Scanner questions · ICSI appearances PYQ 15

Ref	One-liner for the student	Scanner Q	Asked in	SM source
5.1	An issuer may not make a rights issue if it, its promoters or directors are debarred by SEBI, are wilful defaulters or fugitive economic offenders, or if it has outstanding convertible securities not reserved for.	TQ 1.9	PYQ 2025-Jun	L8, p. 242
5.2	A preferential issue is to identified persons — promoters, investors, strategic partners — not retail investors: special resolution, pricing under reg. 164 (for frequently traded shares, the higher of the 90-trading-day and 10-trading-day volume-weighted average prices), allotment within 15 days, lock-in. Warrants: at least 25% of the price paid upfront, the balance on conversion within 18 months; unexercised warrants forfeit the upfront amount.	TQ 1.12, TQ 1.15, PQ 1.1, PQ 1.8, PQ 1.12	PYQ 2012-Dec, 2013-Dec, 2020-Dec, 2021-Dec	L8, pp. 234, 245
5.3	QIP: a listed issuer issues securities only to QIBs by special resolution, with a placement document, at a price not below the two-week average, through a merchant banker; IPP (now discontinued) was a further public offer only to QIBs to reach minimum public shareholding.	TQ 1.18, TQ 1.6	PYQ 2013-Jun, 2017-Dec	L8, pp. 225, 246
5.4	Pre-marketing lets the syndicate gauge investor demand before pricing; a nominated investor in an SME issue subscribes to unsubscribed portions and may act as market maker.	TQ 1.10, TQ 1.5	PYQ 2012-Dec, 2017-Dec	Not in SM
5.5	An offer for sale through the stock exchange mechanism lets promoters of listed companies sell shares through a separate window, with at least 25% reserved for mutual funds and insurers and 10% for retail.	TQ 1.21	PYQ 2014-Dec	L8, p. 225
5.6	Bonus issue (reg. 293 – 295): authorised by the articles, no default in interest or principal of debt securities or statutory dues, out of free reserves or securities premium (not revaluation reserves), partly paid shares made fully paid, implemented within two months of Board approval; once announced, a bonus issue cannot be withdrawn.	PQ 1.4, TQ 1.40	PYQ 2019-Jun, 2026-Jun	L8, p. 253
5.7	An FPO cannot be made if the issuer, promoter or director is a wilful defaulter or fugitive economic offender; an issuer that changed its name in the past year must have earned at least 50% of revenue from the activity indicated by the new name; general corporate purposes may not exceed 25% of the amount raised.	PQ 1.13, PQ 1.16	PYQ 2021-Dec, 2024-Jun	L8, pp. 231, 244

Part B — Chapter 8 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 44% of ICSI appearances in this chapter.

Issue of Capital and Disclosure Requirements

#	One-liner	Weight	Part A ref
1	Primary market methods; IPO v. FPO; ineligible issuers.	★★	1.1
2	IPO eligibility: ₹ 3 crore NTA, ₹ 15 crore profit, ₹ 1 crore net worth; else 75% QIB.	★★	1.2
3	Draft offer document; RHP; fast track issues.	★★★	1.3, 1.4, 1.5
4	Listing abroad by unlisted companies.	★	1.6
5	Promoters' 20% contribution, 18-month lock-in; ineligible securities.	★★	2.1, 2.2
6	Price band ≤ 120%; differential pricing; NII one-third/two-thirds.	★★★	3.1, 3.2, 3.3
7	Competitive reservation.	★	3.4
8	QIB list (reg. 2(1)(ss)).	★	4.1
9	ASBA and UPI; subscription list; 90% minimum subscription.	★★	4.2, 4.3
10	Monitoring agency above ₹ 100 crore; GCP ≤ 25%; dissenting shareholders.	★★	4.4, 4.5
11	Market making (SME); multiple listing.	★	4.6
12	Rights issue ineligibility; preferential issue and warrants; QIP and IPP.	★★★	5.1, 5.2, 5.3
13	Pre-marketing; nominated investor; OFS through exchange.	★★	5.4, 5.5
14	Bonus: free reserves, two months, no withdrawal.	★	5.6
15	FPO conditions: fugitive offenders, name change.	★	5.7

CHAPTER 9

Share Based Employee Benefits and Sweat Equity

32 Scanner questions · 12 one-liners · 8 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Share Based Employee Benefits and Sweat Equity

SM Lesson 9, pages 257 – 274

Topic 1 Schemes under the SBEB&SE Regulations

14 Scanner questions · ICSI appearances PYQ 14

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	The SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 apply to listed companies (and their group companies' employees) that have schemes dealing in their own shares or the holding company's — ESOS, ESPS, SARs, general employee benefits and retirement benefit schemes — and to sweat equity; unlisted companies follow the Companies Act and rules.	TQ 1.14, PQ 1.6	PYQ 2021-Dec, 2022-Jun	L9, p. 259
1.2	ESOS: options to employees to buy shares at a future date at a pre-determined price; approved by special resolution, administered by the compensation (nomination and remuneration) committee; minimum vesting period one year; exercise price freely determined subject to accounting standards; options lapse if not exercised within the exercise period and cannot be transferred or pledged.	TQ 1.2, TQ 1.3, TQ 1.4, TQ 1.13, TQ 1.10	PYQ 2013-Jun, 2015-Dec, 2016-Jun, 2021-Dec, 2019-Jun	L9, pp. 259, 273
1.3	ESPS: offer of shares to employees as part of a public issue or otherwise, at a price fixed by the company, with a lock-in of at least one year from allotment.	TQ 1.1	PYQ 2012-Dec	L9, p. 267
1.4	SARs give employees the right to receive the appreciation in share value over the SAR price — settled in cash or equity; vesting at least one year; the SAR price is the base price fixed on grant for computing appreciation.	TQ 1.9, PQ 1.14	PYQ 2018-Dec, 2025-Dec	L9, p. 260
1.5	ESOP by direct route: the company issues new shares to employees on exercise. Trust route: an employee welfare trust acquires shares (by fresh issue or secondary acquisition, up to 2% a year and 5% in total from the market) and transfers them to employees; the company may lend to the trust, which repays from sale proceeds.	TQ 1.5, PQ 1.4, TQ 1.16	PYQ 2021-Aug, 2020-Dec, 2022-Jun	L9, p. 262
1.6	General Employee Benefit Schemes and Retirement Benefit Schemes may hold the company's shares only within limits (not more than 10% of the scheme's assets in such shares) and follow the Regulations' disclosure and accounting requirements.	PQ 1.13	PYQ 2025-Jun	L9, p. 268

Topic 2 Eligibility and implementation

6 Scanner questions · ICSI appearances PYQ 6

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	Eligible employees: permanent employees in or outside India, directors (whole-time or not) — but not independent directors — and employees of group companies; a promoter or member of the promoter group, or a director holding more than 10% of shares, is excluded (except in start-ups for ten years). A nominee director's exclusion as such is not barred; an independent director cannot be given ESOPs.	TQ 1.6, TQ 1.11, PQ 1.1, PQ 1.9	PYQ 2013-Dec, 2019-Dec, 2018-Dec, 2023-Jun	L9, p. 259
2.2	A company may vary the terms of a scheme by special resolution provided the variation is not prejudicial to employees, with disclosure of the reasons; repricing is allowed only if not prejudicial and approved by shareholders.	TQ 1.12	PYQ 2019-Dec	L9, p. 265
2.3	Shares from options or SARs granted before an IPO are not locked in after listing if the scheme complied with the Regulations and was disclosed in the offer document; the scheme must be ratified by shareholders after listing before new grants.	TQ 1.17	PYQ 2022-Jun	L9, p. 257

Topic 3 Sweat equity

12 Scanner questions · ICSI appearances PYQ 14

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	Sweat equity (s. 2(88), s. 54): shares issued at a discount or for consideration other than cash to employees or directors for know-how or value additions; special resolution; issued to a class already issued; at least one year after commencement of business. Listed companies: not more than 15% of paid-up capital a year and 25% in total (50% for IGP-listed start-ups in ten years); lock-in of three years; pricing per ICDR; promoter-group recipients need the approval of a majority of public shareholders.	TQ 1.7, TQ 1.8, PQ 1.7, PQ 1.10, PQ 1.11, PQ 1.15, PQ 1.5	PYQ 2014-Dec, 2014-Jun, 2017-Dec, 2022-Dec, 2023-Dec, 2024-Jun, 2025-Dec, 2021-Aug	L9, pp. 258, 263
3.2	Sweat equity for non-cash consideration: where it is for an asset, the asset is capitalised at its value; otherwise the value is an expense under the accounting standards; the valuation is by a registered valuer, and the auditor certifies compliance with the Regulations.	TQ 1.15, PQ 1.2, PQ 1.12	PYQ 2021-Dec, 2019-Jun, 2024-Dec	L9, p. 270
3.3	The price of sweat equity in a listed company is set as for a preferential issue under the ICDR Regulations — the company is not free to fix it; a listed NBFC turned small finance bank follows the same rule.	PQ 1.3, PQ 1.8	PYQ 2019-Jun, 2022-Dec	L9, p. 258

Part B — Chapter 9 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 56% of ICSI appearances in this chapter.

Share Based Employee Benefits and Sweat Equity

#	One-liner	Weight	Part A ref
1	SBEB&SE Regulations: listed companies; ESOS, ESPS, SAR, GEBS, RBS, sweat equity.	★	1.1
2	ESOS: special resolution, one-year vesting; ESPS one-year lock-in; SARs.	★★★	1.2, 1.3, 1.4
3	Direct v. trust route; trust limits 2%/5%.	★★	1.5
4	GEBS and RBS limits.	★	1.6
5	Eligible employees: not independent directors or promoters (except start-ups).	★★	2.1
6	Variation not prejudicial; pre-IPO grants.	★	2.2, 2.3
7	Sweat equity: 15% a year, 25% in all, three-year lock-in, ICDR pricing.	★★★	3.1, 3.3
8	Sweat equity accounting and valuation.	★★	3.2

CHAPTER 10

Issue and Listing of Non Convertible Securities

9 Scanner questions · 5 one-liners · 4 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Issue and Listing of Non Convertible Securities

SM Lesson 10, pages 275 – 292

Topic 1 Non-convertible securities

7 Scanner questions · ICSI appearances PYQ 7

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	Green debt securities raise funds for renewable and sustainable energy, clean transportation, climate-change adaptation, energy efficiency and green buildings, sustainable waste and water management, pollution prevention and biodiversity conservation; the issuer discloses use of proceeds and tracks them.	TQ 1.1, TQ 1.5	PYQ 2023-Dec, 2024-Jun	L10, p. 284
1.2	The issuer executes a debenture trust deed in the prescribed form before the listing application, covering the trustee's powers and duties, security, covenants and events of default. The debenture trustee verifies the security and asset cover, monitors covenants and payments, calls meetings of holders, and acts on default; the issuer creates security, maintains asset cover, keeps the recovery expense fund and pays interest and principal on time.	TQ 1.2, TQ 1.4, PQ 1.5	PYQ 2024-Dec, 2026-Jun, 2025-Jun	L10, pp. 275, 282, 283
1.3	Privately placed non-convertible securities are listed on filing a general information document (valid for a year) and key information documents for each issue with the exchange; commercial paper is listed on filing the information memorandum in the specified format.	TQ 1.3, PQ 1.3	PYQ 2025-Jun, 2025-Dec	L10, p. 288

Topic 2 Listing obligations (misplaced)

2 Scanner questions · ICSI appearances PYQ 2

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	A listed entity provides e-voting on all resolutions and submits voting results to the exchange within two working days of the general meeting (LODR, reg. 44); the top 100 listed entities also webcast their AGMs.	PQ 1.1	PYQ 2022-Dec	L11, p. 314
2.2	A person above 75 may be appointed or continued as a non-executive director of a listed entity only by special resolution with justification (LODR, reg. 17(1A)); an appointment by ordinary resolution is invalid.	PQ 1.2	PYQ 2022-Dec	L11, p. 300

Part B — Chapter 10 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. No line in this chapter reaches ★★★; every pointer has been asked fewer than six times.

Issue and Listing of Non Convertible Securities

#	One-liner	Weight	Part A ref
1	Green debt: eligible purposes.	★	1.1
2	Debenture trust deed; trustee's duties; issuer's obligations.	★★	1.2
3	Private placement: GID and KID; CP listing.	★	1.3
4	LODR: voting results in two working days; NED above 75 by special resolution.	★	2.1, 2.2

CHAPTER 11

Listing Obligations and Disclosure Requirements

55 Scanner questions · 22 one-liners · 14 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Listing Obligations and Disclosure Requirements

SM Lesson 11, pages 293 – 328

Topic 1 Listing and general obligations

12 Scanner questions · ICSI appearances PYQ 12

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	Listing gives securities liquidity, price discovery and visibility, and brings the company under continuous disclosure and governance obligations that protect investors; good governance is a brand that lowers the cost of capital.	TQ 1.11, TQ 1.9	PYQ 2017-Jun, 2016-Jun	L11, p. 299
1.2	A listed entity appoints a qualified company secretary as compliance officer (reg. 6) — a person not more than one level below the Board — responsible for compliance, filings, coordination with the exchange and SEBI, and grievance redressal; a vacancy must be filled within three months. PCS certify compliance with corporate governance, non-disqualification of directors, share transfers, reconciliation of capital and the annual secretarial compliance report.	TQ 1.1, PQ 1.22, TQ 1.21, TQ 1.31	PYQ 2013-Jun, 2025-Dec, 2021-Aug, 2026-Jun	L11, p. 298
1.3	One-time compliances on listing: appoint a compliance officer and RTA, enter into the listing agreement, set up a grievance mechanism and SCORES registration, website disclosures. Policies required: preservation of documents, archival, determining material events, related party transactions, material subsidiaries, whistle-blower (vigil), nomination and remuneration, dividend distribution (top 1,000), risk management, CSR as applicable.	TQ 1.29, TQ 1.10	PYQ 2025-Jun, 2017-Jun	L11, p. 315
1.4	A listed entity must have a vigil mechanism (whistle-blower policy) with protection against victimisation and direct access to the audit committee chairperson; a corporate governance compliance certificate from the auditor or a PCS is annexed to the annual report.	TQ 1.2, TQ 1.3	PYQ 2015-Jun, 2016-Jun	L11, p. 314
1.5	Corporate governance provisions (regs. 17 – 27) do not apply to a listed entity with paid-up equity capital up to ₹ 10 crore and net worth up to ₹ 25 crore, or to SME-listed entities; net worth is paid-up capital plus free reserves and securities premium, less accumulated losses and deferred expenditure; preference capital is irrelevant to the paid-up equity test.	TQ 1.4, PQ 1.5	PYQ 2023-Dec, 2020-Dec	L11, p. 311

Topic 2 Board composition and directors

18 Scanner questions · ICSI appearances PYQ 18

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	Board composition (reg. 17): at least half non-executive; at least one woman director (an independent woman director in the top 1,000); one-third independent if the chairperson is non-executive, half if the chairperson is executive or a non-executive promoter or related to the promoter; the top 2,000 need at least six directors.	PQ 1.1, PQ 1.13, PQ 1.23	PYQ 2015-Dec, 2023-Jun, 2026-Jun	L11, pp. 306, 324
2.2	Quorum for Board meetings of the top 2,000 listed entities: one-third of the Board or three directors, whichever is higher, including at least one independent director; participation by video conference counts; gap between meetings not more than 120 days.	TQ 1.19, PQ 1.4	PYQ 2021-Aug, 2019-Dec	L11, p. 304
2.3	Directorships (reg. 17A): no person may be a director in more than seven listed entities, nor an independent director in more than seven; a whole-time director or MD of a listed entity may be an independent director in at most three listed entities.	TQ 1.22, PQ 1.6, PQ 1.7, PQ 1.15	PYQ 2022-Jun, 2021-Dec, 2023-Dec	L11, p. 306
2.4	Independence (reg. 16(1)(b)): no material pecuniary relationship, no recent employment or audit link, not a promoter or related; independent directors meet at least once a year without non-independent directors and management (reg. 25(3)); a person who resigned as independent director cannot become a whole-time director in the company or its group for one year; appointment, reappointment and removal by special resolution.	TQ 1.12, PQ 1.10, PQ 1.11, TQ 1.24	PYQ 2018-Dec, 2022-Jun, 2022-Dec	L11, p. 306
2.5	Appointment of a director must be approved by shareholders at the next general meeting or within three months, whichever is earlier (reg. 17(1C)); a vacancy of an independent director is filled within three months.	TQ 1.25, PQ 1.19	PYQ 2022-Dec, 2024-Dec	L11, p. 324
2.6	A non-executive director above 75 needs a special resolution; remuneration of executive promoter directors above ₹ 5 crore or 2.5% of net profit (or aggregate 5%) needs a special resolution (reg. 17(6)(e)); the top 500 may separate the roles of chairperson and MD/CEO.	PQ 1.2, PQ 1.9, PQ 1.17	PYQ 2018-Dec, 2022-Jun, 2024-Jun	L11, p. 303

Topic 3 Committees

5 Scanner questions · ICSI appearances PYQ 5

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	Audit committee (reg. 18): at least three directors, two-thirds independent, all financially literate and one with accounting expertise, chaired by an independent director; at least four meetings a year with quorum of two or one-third (higher) with at least two independent directors present; role includes oversight of financial reporting, auditors, RPTs, internal controls and whistle-blower mechanism.	TQ 1.6, TQ 1.27, PQ 1.16	PYQ 2013-Jun, 2023-Dec	L11, p. 306
3.2	Nomination and remuneration committee: at least three non-executive directors, two-thirds independent, chaired by an independent director. Risk management committee (top 1,000): at least three members, majority directors, at least one independent director, meeting twice a year.	TQ 1.5, TQ 1.20	PYQ 2024-Jun, 2021-Aug	L11, pp. 306, 315

Topic 4 Related party transactions

6 Scanner questions · ICSI appearances PYQ 6

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	All RPTs and material modifications need prior approval of the audit committee (only independent members vote); material RPTs (above ₹ 1,000 crore or 10% of turnover) need shareholders' approval with related parties not voting. The audit committee may grant omnibus approval for repetitive transactions on criteria it lays down, valid for a year, up to ₹ 1 crore per transaction where details are unforeseeable, reviewed quarterly. Transactions with wholly owned subsidiaries whose accounts are consolidated, and certain uniform corporate actions, are excluded.	TQ 1.17, TQ 1.26, TQ 1.30, PQ 1.2, PQ 1.12, PQ 1.24	PYQ 2021-Aug, 2023-Jun, 2025-Dec, 2018-Dec, 2022-Dec, 2026-Jun	L11, p. 309

Topic 5 Disclosures and periodic compliance

7 Scanner questions · ICSI appearances PYQ 7

Ref	One-liner for the student	Scanner Q	Asked in	SM source
5.1	Periodic compliances: quarterly — shareholding pattern, corporate governance report, investor grievances, financial results within 45 days; half-yearly — statement of assets and liabilities and cash flow with results; yearly — annual report, secretarial compliance report, BRSR for the top 1,000 (with ESG disclosures).	TQ 1.13, TQ 1.15, TQ 1.18, PQ 1.21	PYQ 2018-Dec, 2019-Dec, 2021-Aug, 2025-Jun	L11, p. 322
5.2	Prior intimation to the exchange (reg. 29): at least two working days before a Board meeting on financial results, buy-back, fund raising, bonus and dividend (excluding results, intimations for which are five days ahead in some cases).	TQ 1.16	PYQ 2020-Dec	L11, p. 312

Ref	One-liner for the student	Scanner Q	Asked in	SM source
5.3	Outcome of a Board meeting on material matters — dividend, bonus, buy-back, fund raising, results — is disclosed to the exchange within 30 minutes of its close.	PQ 1.20	PYQ 2024-Dec	L11, p. 313
5.4	E-voting must be offered on all resolutions; voting results go to the exchange within two working days (reg. 44).	TQ 1.23	PYQ 2022-Jun	L11, p. 314

Topic 6 Promoters, subsidiaries and SMEs

8 Scanner questions · ICSI appearances PYQ 8

Ref	One-liner for the student	Scanner Q	Asked in	SM source
6.1	Re-classification of a promoter as public (reg. 31A): the promoter and related persons together hold not more than 10%, have no special rights, are not on the Board or KMP, and the listed entity is compliant with MPS, not suspended and has no outstanding dues; approval of the Board, shareholders and exchange.	PQ 1.3, PQ 1.18	PYQ 2019-Jun, 2024-Jun	L11, p. 319
6.2	A material subsidiary has income or net worth exceeding 10% of the consolidated income or net worth of the listed holding company; an independent director of the holding company sits on the board of an unlisted material subsidiary, and its accounts and significant transactions are reviewed by the holding company's audit committee and board.	TQ 1.28, PQ 1.14	PYQ 2025-Jun, 2023-Jun	L11, p. 310
6.3	SME exchanges: listed SMEs are exempt from several governance provisions; a PCS certifies compliance with listing conditions; start-ups may list on the Innovators Growth Platform with relaxed norms.	TQ 1.7, TQ 1.8, TQ 1.14	PYQ 2013-Dec, 2015-Jun, 2018-Dec	L11, p. 299
6.4	Differential pricing in an IPO allows retail investors a lower price within a 10% discount; ₹ 250 against ₹ 300 is a discount of more than 10% and invalid; anchors may not be allotted below the price for other applicants, so ₹ 280 is not allowed.	PQ 1.8	PYQ 2022-Jun	L8, p. 225

Part B — Chapter 11 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 36% of ICSI appearances in this chapter.

Listing Obligations and Disclosure Requirements

#	One-liner	Weight	Part A ref
1	Listing benefits; governance as a brand.	★	1.1
2	Compliance officer (reg. 6); PCS certifications.	★★	1.2
3	One-time compliances; required policies; vigil mechanism.	★★	1.3, 1.4
4	Governance exemption: ≤ ₹ 10 crore paid-up and ≤ ₹ 25 crore net worth.	★	1.5
5	Board: half non-executive; independent woman director; one-third or half independent.	★★	2.1
6	Quorum one-third or three; 120-day gap.	★	2.2
7	Directorships: seven listed; WTD as ID in three.	★★	2.3
8	Independence; separate ID meeting; cooling-off.	★★	2.4
9	Shareholder approval of directors within three months; NED above 75; promoter remuneration.	★★	2.5, 2.6
10	Audit committee, NRC and RMC composition.	★★	3.1, 3.2
11	RPTs: audit committee approval, omnibus approval, material RPT thresholds.	★★★	4.1
12	Periodic compliances; prior intimation; outcome in 30 minutes; e-voting results.	★★★	5.1, 5.2, 5.3, 5.4
13	Promoter re-classification; material subsidiaries; SMEs.	★★★	6.1, 6.2, 6.3
14	Differential pricing within 10%.	★	6.4

CHAPTER 12

Acquisition of Shares and Takeovers - Concepts

30 Scanner questions · 15 one-liners · 7 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Acquisition of Shares and Takeovers - Concepts

SM Lesson 12, pages 329 – 358

Topic 1 Concepts

6 Scanner questions · ICSI appearances PYQ 6

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	'Acquirer' (reg. 2(1)(a)): any person who, directly or indirectly, acquires or agrees to acquire shares, voting rights or control over a target company, alone or with persons acting in concert.	TQ 1.3	PYQ 2016-Dec	L12, p. 338
1.2	Enterprise value (reg. 2(1)(h)) = market capitalisation (shares × price) + debt + minority interest + preference capital − cash and cash equivalents; it is used to value indirect acquisitions where the target is a predominant part of the business.	TQ 1.5, PQ 1.4, PQ 1.10, PQ 1.15	PYQ 2024-Jun, 2019-Jun, 2021-Aug, 2025-Dec	L12, p. 332
1.3	The Achuthan Committee (2010) aimed to protect minority shareholders with a fair exit, raise the trigger to 25% and the offer size to 26%, provide for creeping acquisitions and voluntary offers, and make the Code clear and predictable.	TQ 1.15	PYQ 2025-Jun	L12, p. 331

Topic 2 Triggers for open offer

7 Scanner questions · ICSI appearances PYQ 7

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	An acquirer who, with persons acting in concert, would hold 25% or more of voting rights must make an open offer (reg. 3(1)); an individual crossing a threshold by his own acquisition also triggers it even if the group holding is unchanged (reg. 3(3)) — M going from 23% to 26% must make an open offer.	PQ 1.12	PYQ 2023-Jun	L12, pp. 334, 340
2.2	Creeping acquisition (reg. 3(2)): an acquirer holding 25% or more but less than the maximum permissible non-public shareholding may acquire up to 5% more voting rights in each financial year without an open offer; gross acquisitions are counted without netting sales.	TQ 1.4, PQ 1.3, PQ 1.7, PQ 1.13	PYQ 2017-Jun, 2019-Jun, 2019-Dec, 2024-Jun	L12, p. 339
2.3	Warrants do not carry voting rights; the open-offer obligation arises on their conversion into shares, not on issue.	PQ 1.1	PYQ 2014-Dec	L12, p. 351

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.4	A wilful defaulter (declared by a bank or FI under RBI guidelines) may not make a public announcement of an open offer or a transaction that triggers one (reg. 6A), but may make a competing offer when another person makes an open offer.	PQ 1.14	PYQ 2024-Dec	L12, p. 336

Topic 3 Exemptions

7 Scanner questions · ICSI appearances PYQ 7

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	Automatic exemptions (reg. 10): inter se transfers among immediate relatives, promoters named for three years, and group companies (within the 25% price-cap conditions), schemes of arrangement approved by a court or tribunal, rights issues within entitlement, buy-backs, IBC resolution plans, and transmission on succession; notice to the exchange four working days before and a report within four working days after.	TQ 1.9, PQ 1.6, PQ 1.9, PQ 1.11, PQ 1.5	PYQ 2016-Dec, 2019-Dec, 2020-Dec, 2022-Jun, 2019-Jun	L12, p. 347
3.2	SEBI may exempt an acquisition from the open-offer obligation on application with a fee of ₹ 5 lakh, after considering the public interest (reg. 11). Disinvestment — sale by the Central or a State Government of its shares in a PSU — requires a public announcement on the date of agreement; the Government itself is exempt.	TQ 1.6, TQ 1.14	PYQ 2025-Jun, 2023-Jun	L12, pp. 347, 356

Topic 4 Open offer process

9 Scanner questions · ICSI appearances PYQ 9

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	A conditional offer is one where the acquirer makes acceptance subject to a minimum level of acceptance; if it is not met, the acquirer may withdraw the offer and pay interest only on the delay.	TQ 1.1	PYQ 2014-Dec	Not in SM
4.2	Before the detailed public statement the acquirer opens an escrow account: 25% of consideration up to ₹ 500 crore and 10% above, in cash, bank guarantee or securities with margin; it ensures performance and may be forfeited on default.	TQ 1.2, PQ 1.8, PQ 1.2	PYQ 2015-Dec, 2020-Dec, 2015-Jun	L12, p. 348
4.3	An open offer once made cannot be withdrawn except where statutory approvals are refused, the acquirer (a natural person) dies, a condition outside the acquirer's control is not met, or SEBI permits it.	TQ 1.10, TQ 1.12	PYQ 2017-Dec, 2021-Aug	L12, p. 333
4.4	Consideration may be paid in cash, by issue, exchange or transfer of listed shares of the acquirer or PACs, by listed secured debt instruments rated investment grade, or by convertible debt securities, or a combination (reg. 9).	TQ 1.11	PYQ 2019-Jun	Not in SM

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.5	A competing offer may be made within 15 working days of the detailed public statement of the first offer, for at least the size of the first; all offers then run on the same schedule, and shareholders may choose between them.	TQ 1.13, TQ 1.9	PYQ 2022-Dec, 2016-Dec	L12, p. 342

Topic 5 Disclosures

2 Scanner questions · ICSI appearances PYQ 2

Ref	One-liner for the student	Scanner Q	Asked in	SM source
5.1	Disclosures: an acquirer reaching 5% (with PACs) discloses to the company and exchanges within two working days, and thereafter every change of 2% or more (reg. 29); promoters disclose encumbrances (reg. 31); disclosure obligations rest on the acquirer, not the target.	TQ 1.7, TQ 1.8	PYQ 2013-Dec, 2015-Jun	L12, p. 345

Part B — Chapter 12 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 83% of ICSI appearances in this chapter.

Acquisition of Shares and Takeovers - Concepts

#	One-liner	Weight	Part A ref
1	Acquirer; enterprise value formula; Achuthan Committee aims.	★★★	1.1, 1.2, 1.3
2	25% trigger (reg. 3(1)); individual crossing (reg. 3(3)).	★	2.1
3	Creeping 5% a year (reg. 3(2)); warrants on conversion; wilful defaulters.	★★★	2.2, 2.3, 2.4
4	Automatic exemptions (reg. 10); SEBI exemption (reg. 11); disinvestment.	★★★	3.1, 3.2
5	Conditional offer; escrow 25%/10%; no withdrawal save specified cases.	★★★	4.1, 4.2, 4.3
6	Modes of payment; competing offer within 15 working days.	★★	4.4, 4.5
7	Disclosures: 5% and every 2% change.	★	5.1

CHAPTER 13

Prohibition of Insider Trading

32 Scanner questions · 11 one-liners · 10 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Prohibition of Insider Trading

SM Lesson 13, pages 359 – 392

Topic 1 Concepts

13 Scanner questions · ICSI appearances PYQ 13

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	UPSI: information relating to a company or its securities, not generally available, which on becoming available is likely to materially affect the price — ordinarily financial results, dividends, changes in capital structure, mergers, demergers, acquisitions, delistings, disposals and expansion, changes in KMP, and material events under LODR; information already public is not UPSI.	TQ 1.1, TQ 1.7, TQ 1.11, TQ 1.13, TQ 1.21, PQ 1.1, PQ 1.6	PYQ 2014-Jun, 2025-Dec, 2015-Jun, 2016-Jun, 2021-Aug, 2013-Dec, 2023-Jun	L13, p. 366
1.2	Insider: a connected person or one in possession of or having access to UPSI. A connected person is anyone associated with the company in the six months before the act — directors, employees, professionals — with access to UPSI; deemed connected persons include relatives, intermediaries, investment companies and banks of the company. Insider trading is dealing on UPSI; s. 12A of the SEBI Act prohibits it along with fraudulent and manipulative practices.	TQ 1.2, TQ 1.9, TQ 1.12, TQ 1.14, TQ 1.3	PYQ 2015-Jun, 2013-Jun, 2015-Dec, 2016-Jun, 2016-Dec	L13, pp. 360, 363
1.3	'Trading' includes subscribing, buying, selling, dealing and pledging; exercise of ESOPs is exempt from the trading window and contra-trade restrictions, but sale of the shares so acquired is not.	TQ 1.23	PYQ 2022-Jun	L13, p. 391

Topic 2 Prohibitions and trading plans

7 Scanner questions · ICSI appearances PYQ 7

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	No insider may communicate UPSI, and no person may procure it, except for legitimate purposes, performance of duties or legal obligations (reg. 3); UPSI may be shared in a takeover or due diligence if the Board considers it in the company's interest and the parties sign confidentiality agreements.	TQ 1.4	PYQ 2017-Jun	L13, p. 366
2.2	The trading window closes for designated persons and relatives from the end of each quarter until 48 hours after results are declared, and whenever the compliance officer finds that they may hold UPSI; the company secretary as compliance officer announces closures and pre-clears trades.	TQ 1.10, TQ 1.19	PYQ 2014-Dec, 2020-Dec	L13, p. 381

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.3	Trading plan (reg. 5): an insider may trade under a plan approved by the compliance officer and disclosed to the exchanges; it starts not earlier than 120 days after disclosure, covers at least 12 months, avoids the period around results, fixes the dates, values and price limits of trades, and once approved is irrevocable — the insider must implement it even if he later comes to know UPSI.	TQ 1.15, TQ 1.16, TQ 1.20, PQ 1.5	PYQ 2017-Dec, 2018-Dec, 2021-Aug, 2022-Dec	L13, p. 374

Topic 3 Disclosures and controls

6 Scanner questions · ICSI appearances PYQ 6

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	Continual disclosure (reg. 7(2)): promoters, KMP, directors and designated persons disclose to the company trades exceeding ₹ 10 lakh in a calendar quarter within two trading days, and the company informs the exchange within two trading days.	TQ 1.6	PYQ 2024-Dec	L13, p. 375
3.2	Every listed company adopts a code of conduct to regulate trading by designated persons (Schedule B) — trading window, pre-clearance above thresholds, contra-trade ban for six months, disclosures; appoints a compliance officer (a senior officer, financially literate, reporting to the Board — normally the company secretary); maintains internal controls (reg. 9A) and a structured digital database of persons with whom UPSI is shared, with PAN and timestamps, non-tamperable and kept for eight years.	TQ 1.17, TQ 1.18, TQ 1.22, TQ 1.25	PYQ 2018-Dec, 2019-Dec, 2021-Dec, 2025-Dec	L13, pp. 380, 383
3.3	Principles of fair disclosure (reg. 8): prompt public disclosure of UPSI, uniform and universal dissemination, a chief investor relations officer, prompt response to market rumours, and no selective disclosure.	TQ 1.24	PYQ 2025-Jun	L13, p. 379

Topic 4 Penalties and cases

6 Scanner questions · ICSI appearances PYQ 6

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	Penalty for insider trading (SEBI Act, s. 15G): not less than ₹ 10 lakh, up to ₹ 25 crore or three times the profit made, whichever is higher; criminal liability under s. 24 up to ten years or ₹ 25 crore; termination of service does not end SEBI's jurisdiction. In HLL v. SEBI (1998), HLL's purchase of BBLIL shares ahead of their merger was held insider trading, as the information was price sensitive and not public.	TQ 1.8, PQ 1.2, PQ 1.3, PQ 1.4, PQ 1.7	PYQ 2012-Dec, 2014-Jun, 2014-Dec, 2019-Jun, 2023-Jun	L13, p. 361
4.2	Frequently traded shares (SAST, reg. 2(1)(j)): traded turnover in the 12 months before the reference date is at least 10% of the total number of shares of that class.	TQ 1.5	PYQ 2024-Dec	L12, p. 333

Part B — Chapter 13 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 22% of ICSI appearances in this chapter.

Prohibition of Insider Trading

#	One-liner	Weight	Part A ref
1	UPSI: price-material, not public; deemed items.	★★★	1.1
2	Insider; connected and deemed connected persons; s. 12A.	★★	1.2
3	Trading includes pledge; ESOP exercise exempt.	★	1.3
4	No communication or procurement except legitimate purposes.	★	2.1
5	Trading window: quarter-end to 48 hours after results.	★	2.2
6	Trading plan: 120 days, 12 months, irrevocable.	★★	2.3
7	Continual disclosure above ₹ 10 lakh a quarter.	★	3.1
8	Code of conduct; compliance officer; SDD; fair disclosure.	★★	3.2, 3.3
9	Penalty s. 15G: ₹ 25 crore or 3× profit; HLL case.	★★	4.1
10	Frequently traded shares (SAST).	★	4.2

CHAPTER 14

Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market

6 Scanner questions · 4 one-liners · 4 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market

SM Lesson 14, pages 393 – 414

Topic 1 PFUTP Regulations

6 Scanner questions · ICSI appearances PYQ 6

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	'Fraud' (PFUTP reg. 2(1)(c)) includes any act, expression, omission or concealment, whether in deceit or not, to induce another to deal in securities — false statements, concealment of facts, misleading promises, deceptive behaviour — whether or not there is wrongful gain or loss.	TQ 1.1, TQ 1.4	PYQ 2024-Jun, 2025-Dec	L14, p. 394
1.2	A mule account is an account used by a person other than the holder, or with the holder's connivance, to deal in securities for another; using or lending such accounts is a fraudulent and unfair trade practice.	TQ 1.2	PYQ 2025-Dec	L14, p. 403
1.3	No person may buy, sell or deal in securities fraudulently, use a manipulative or deceptive device, employ a scheme to defraud, or engage in a practice that operates as fraud (reg. 3); manipulative and unfair trade practices include circular trading, price rigging, false market, misleading publicity and front running (reg. 4).	TQ 1.3, PQ 1.1	PYQ 2025-Jun, 2023-Dec	L14, pp. 394, 396
1.4	SEBI serves summons and notices by delivering or tendering them to the person or his authorised agent, by registered post, speed post or courier with acknowledgement, by e-mail or electronic means, or, failing these, by affixing at the last known place of residence or business or by publication in a newspaper circulating in that region.	PQ 1.2	PYQ 2026-Jun	L14, p. 402

Part B — Chapter 14 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. No line in this chapter reaches ★★★; every pointer has been asked fewer than six times.

Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market

#	One-liner	Weight	Part A ref
1	Fraud: any inducement to deal by deceit or concealment.	★	1.1
2	Mule accounts prohibited.	★	1.2
3	Prohibited dealings (reg. 3) and manipulative practices (reg. 4).	★	1.3
4	Service of SEBI summons and notices.	★	1.4

CHAPTER 15

Delisting of Equity Shares

28 Scanner questions · 11 one-liners · 9 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Delisting of Equity Shares

SM Lesson 15, pages 415 – 440

Topic 1 Delisting concepts

6 Scanner questions · ICSI appearances PYQ 6

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	Voluntary delisting (Delisting Regulations, 2021) from all exchanges requires an exit opportunity to public shareholders; from some exchanges, no exit is needed if the shares remain listed on an exchange with nationwide terminals. A company cannot delist without giving shareholders a fair exit.	TQ 1.1, TQ 1.7, TQ 1.8, TQ 1.13	PYQ 2013-Jun, 2017-Jun, 2017-Dec, 2014-Jun	L15, p. 419
1.2	Delisting is not permitted pursuant to a buy-back or preferential allotment, within three years of listing from a fresh issue, if any instruments convertible into the same class are outstanding, or (for the acquirer) after selling shares in the six months before.	TQ 1.6, PQ 1.5	PYQ 2015-Jun, 2020-Dec	L15, p. 418

Topic 2 Voluntary delisting process

10 Scanner questions · ICSI appearances PYQ 10

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	Process: initial public announcement; a peer-review company secretary carries out due diligence (reg. 10); Board approval; special resolution by postal ballot or e-voting, acted upon only if public shareholders' votes in favour are at least twice the votes against; in-principle approval of exchanges; detailed public announcement and letter of offer; reverse book building; final application to the exchanges.	TQ 1.9, PQ 1.3, PQ 1.4, PQ 1.12	PYQ 2020-Dec, 2019-Jun, 2019-Dec, 2025-Jun	L15, p. 422
2.2	The discovered price is found by reverse book building — the price at which the shares accepted take the promoter group holding to 90%; the floor price follows the SAST Regulations; the acquirer may accept it, make a counter offer, or offer a higher price; the offer succeeds if post-offer promoter holding reaches 90% of the issued shares.	TQ 1.4, PQ 1.1, PQ 1.9	PYQ 2026-Jun, 2017-Dec, 2023-Dec	L15, p. 424
2.3	A fixed delisting price — at least 15% above the floor price — may be offered by the acquirer instead of reverse book building, for frequently traded shares; the offer succeeds on reaching the 90% threshold.	TQ 1.2	PYQ 2025-Jun	L4, p. 126

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.4	The acquirer pays the shareholders whose shares are accepted within ten working days of the closing of the bid period; the manager to the offer ensures disclosures are true, escrow is maintained and the acquirer complies; remaining public shareholders may tender for one year after delisting at the same price.	TQ 1.10, PQ 1.11	PYQ 2021-Aug, 2025-Jun	L15, p. 421

Topic 3 Compulsory delisting and relisting

7 Scanner questions · ICSI appearances PYQ 7

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	Compulsory delisting by an exchange: notice and a panel's order, with fair value determined by an independent valuer; promoters must buy the shares at that value; the exchange gives public notice; the company and promoters are barred from the market for ten years. Delisting orders are appealable to SAT within 15 days (SCRA, s. 21A).	TQ 1.5, PQ 1.6, PQ 1.10, TQ 1.3, PQ 1.2	PYQ 2014-Dec, 2021-Dec, 2024-Dec, 2025-Dec, 2018-Dec	L15, pp. 430, 436
3.2	A company that delisted voluntarily cannot apply to relist for five years (three years for small companies delisted without exit); after compulsory delisting the bar is ten years.	PQ 1.8, PQ 1.14	PYQ 2023-Jun, 2026-Jun	L15, p. 438

Topic 4 Special cases

5 Scanner questions · ICSI appearances PYQ 5

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	Delisting from the Innovators Growth Platform after an IPO (reg. 36): Board approval; special resolution by postal ballot or e-voting acted upon only if a majority of public shareholders' votes favour it; price based on the SAST floor plus a premium; acquirer reaching 75% with at least 50% of public shares tendered; exchange approval.	PQ 1.13, PQ 1.15	PYQ 2025-Dec, 2026-Jun	L15, p. 435
4.2	A peer-reviewed practising company secretary is appointed to carry out due diligence and certify that the delisting complies with the Regulations and that the promoters have not traded in the shares in violation of the conditions.	TQ 1.11	PYQ 2022-Dec	L15, p. 422
4.3	An AMC must have an audit committee (majority independent, chaired by an independent director) overseeing financial reporting, internal audit and compliance. Load: an entry or exit load is charged on NAV — the difference between NAV and the offer or redemption price expressed as a percentage.	TQ 1.12, PQ 1.7	PYQ 2022-Dec	L17, p. 481

Part B — Chapter 15 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. No line in this chapter reaches ★★★; every pointer has been asked fewer than six times.

Delisting of Equity Shares

#	One-liner	Weight	Part A ref
1	Voluntary delisting needs exit when delisting from all exchanges.	★★	1.1
2	When delisting is not permitted.	★	1.2
3	Process: peer review, SR with 2:1 public votes, reverse book building.	★★	2.1
4	Discovered price; 90% threshold; fixed delisting price (+15%).	★★	2.2, 2.3
5	Payment in ten working days; one-year residual exit.	★	2.4
6	Compulsory delisting: fair value, ten-year bar; appeal to SAT.	★★	3.1
7	Relisting: five years after voluntary, ten after compulsory.	★	3.2
8	IGP delisting (reg. 36); peer reviewer CS.	★★	4.1, 4.2
9	AMC audit committee; loads (misplaced).	★	4.3

CHAPTER 16

Buy Back of Securities

21 Scanner questions · 6 one-liners · 5 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Buy Back of Securities

SM Lesson 16, pages 441 – 466

Topic 1 Buy-back of securities

21 Scanner questions · ICSI appearances PYQ 21

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	Buy-back limits (reg. 4): up to 10% of paid-up capital and free reserves by Board resolution, up to 25% by special resolution; equity bought back in a year not over 25% of paid-up equity; post-buy-back debt not more than twice capital and free reserves (6:1 for specified NBFCs and HFCs); fully paid shares only; no buy-back within one year of a previous one.	PQ 1.1, PQ 1.4, PQ 1.5, PQ 1.7, PQ 1.9, PQ 1.11, PQ 1.12, PQ 1.13, PQ 1.15, PQ 1.16	PYQ 2019-Jun, 2020-Dec, 2021-Dec, 2022-Jun, 2023-Jun, 2023-Dec, 2024-Dec, 2026-Jun	L16, pp. 446 – 447
1.2	Buy-back may be through a tender offer (proportionate, with 15% reserved for small shareholders) or from the open market through the exchange (being phased out) or book building — never through negotiated deals, spot transactions or private arrangements. Sources: free reserves, securities premium, proceeds of a different class of securities.	TQ 1.5, PQ 1.14	PYQ 2019-Jun, 2024-Jun	L16, p. 447
1.3	A company may not buy back through a subsidiary or investment company, while in default of deposits, debentures, preference redemption or term loans, if it has not complied with ss. 92, 123, 127 and 129, from promoters through the open-market route, or in the year after a previous buy-back; no fresh issue of the same kind for one year after (except bonus and conversions).	TQ 1.2, PQ 1.6	PYQ 2026-Jun, 2022-Jun	L16, p. 448
1.4	The escrow account, opened before the offer opens, holds 25% of consideration up to ₹ 100 crore and 10% above, in cash, bank guarantee or securities with margin; it is released after completion. A CIS failing to collect its minimum subscription refunds all application money.	TQ 1.1, TQ 1.4, PQ 1.8	PYQ 2025-Dec, 2021-Aug, 2022-Dec	L16, p. 454
1.5	A small shareholder holds shares worth up to ₹ 2 lakh at the closing price on the record date; 15% of the tender offer, or their entitlement if higher, is reserved for them.	PQ 1.2, PQ 1.3, PQ 1.10	PYQ 2019-Dec, 2023-Jun	L16, pp. 452 – 453
1.6	An increase in voting rights caused by buy-back is exempt from the open offer if the shareholder reduces the holding below the threshold within 90 days, and the shareholder did not vote on the buy-back resolution (SAST, reg. 10(4)(c)).	TQ 1.3	PYQ 2020-Dec	L16, p. 445

Part B — Chapter 16 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 76% of ICSI appearances in this chapter.

Buy Back of Securities

#	One-liner	Weight	Part A ref
1	Limits: 10% (Board), 25% (SR); debt ≤ 2:1; one-year gap.	★★★	1.1
2	Methods: tender offer, open market — not negotiated deals.	★	1.2
3	Prohibitions on buy-back.	★	1.3
4	Escrow 25%/10%; small shareholders 15%.	★★★	1.4, 1.5
5	Voting-right increase on buy-back exempt within limits.	★	1.6

CHAPTER 17

Mutual Fund

60 Scanner questions · 22 one-liners · 11 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Mutual Fund

SM Lesson 17, pages 467 – 498

Topic 1 Structure and constituents

7 Scanner questions · ICSI appearances PYQ 7

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	A mutual fund is a trust: the sponsor sets it up and appoints trustees (board or trustee company) who hold the assets for unit holders; the AMC manages the schemes; the custodian holds securities; the RTA services investors. It pools retail savings for professional, diversified management at low cost.	TQ 1.6, TQ 1.16	PYQ 2025-Dec, 2014-Dec	L17, p. 485
1.2	The AMC, approved by SEBI, manages the funds of the schemes: at least 50% independent directors, net worth of ₹ 50 crore, no business other than permitted management and advisory services, and an audit committee and unit-holder protection committee.	TQ 1.2, TQ 1.3	PYQ 2023-Dec, 2024-Dec	L17, p. 487
1.3	Trustees ensure the AMC acts in unit holders' interest, review its transactions and compliance, and may remove it. A person is disqualified as trustee if he is an associate of, or a director or employee of, the sponsor or AMC (for independent trustees), is not of integrity, has been convicted of moral turpitude or economic offence, or is a trustee of another mutual fund (unless independent and approved).	TQ 1.18, TQ 1.7	PYQ 2015-Dec, 2026-Jun	L17, p. 487
1.4	The registrar and transfer agent maintains unit-holder records, processes purchases, redemptions and switches, issues statements, and handles investor service on behalf of the AMC.	TQ 1.1	PYQ 2023-Dec	L17, p. 475

Topic 2 Types of schemes and products

13 Scanner questions · ICSI appearances PYQ 13

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.1	Open-ended schemes issue and redeem units continuously at NAV, with no fixed maturity; close-ended schemes have a fixed term and are listed for exit. By objective: growth (equity), income (debt), balanced, money market, tax-saving and index schemes.	TQ 1.9, TQ 1.22	PYQ 2016-Dec, 2017-Dec	L17, pp. 472, 482

Ref	One-liner for the student	Scanner Q	Asked in	SM source
2.2	A direct plan is bought straight from the AMC without a distributor and has a lower expense ratio and higher NAV; a regular plan pays distributor commission from the scheme.	TQ 1.10	PYQ 2024-Jun	L17, p. 473
2.3	ETFs are index-tracking funds listed and traded on exchanges at market prices throughout the day — low cost, transparent and liquid; a fast-growing product class.	TQ 1.11, TQ 1.23	PYQ 2012-Dec, 2017-Dec	L17, p. 472
2.4	Hedge funds pool money from sophisticated investors and use leverage, short selling and derivatives for absolute returns — largely unregulated as such (Category III AIFs in India); leverage funds borrow to amplify returns. They resemble mutual funds in pooling but differ in regulation, investors and strategies.	TQ 1.8, TQ 1.12, TQ 1.24	PYQ 2013-Dec, 2012-Dec, 2018-Jun	L17, p. 472
2.5	An infrastructure debt fund scheme is a close-ended mutual fund scheme investing mainly in debt of infrastructure companies; the mutual fund needs a sponsor or AMC with infrastructure finance experience, minimum investment of ₹ 1 crore per investor and at least five investors.	TQ 1.14, TQ 1.17	PYQ 2013-Dec, 2015-Jun	L17, p. 473
2.6	A real estate mutual fund scheme invests in real estate directly or through real estate securities, valued by approved valuers, with at least 35% in physical real estate.	TQ 1.20	PYQ 2017-Jun	L17, p. 467
2.7	Pure instruments are plain equity or debt; hybrid instruments combine features (convertibles, preference shares with participation). Mezzanine financing is a hybrid of debt and equity — subordinated debt or preference capital with conversion rights — used for expansion and buyouts.	TQ 1.31, TQ 1.13	PYQ 2013-Dec	L17, p. 472

Topic 3 Regulation of mutual funds

9 Scanner questions · ICSI appearances PYQ 10

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.1	Code of conduct for mutual funds: act in unit holders' interest, disclose all material information, avoid conflicts, maintain high standards of integrity, ensure fair valuation and avoid misleading advertisements.	TQ 1.4	PYQ 2024-Dec	L17, p. 467
3.2	Advertisement code: truthful, fair, not misleading, with the standard warning ('Mutual fund investments are subject to market risks…'); performance shown only as prescribed; celebrities may be used only in industry-wide awareness campaigns, not for promoting a particular scheme or AMC.	TQ 1.5, TQ 1.19, TQ 1.26, PQ 1.23	PYQ 2025-Jun, 2016-Jun, 2015-Dec, 2019-Jun, 2024-Jun	L17, p. 489

Ref	One-liner for the student	Scanner Q	Asked in	SM source
3.3	AMC and trustee employees' personal trading: pre-clearance, holding periods, and disclosures under SEBI's code; designated employees must invest a part of their remuneration in units of schemes they manage (skin in the game).	TQ 1.29	PYQ 2023-Jun	L17, p. 496
3.4	Investment restrictions (Seventh Schedule): a scheme may not hold more than 10% of a company's paid-up capital carrying voting rights or invest more than 10% of its NAV in one company's equity (sector and index exceptions); transactions through associate brokers are capped at 5% of a quarter's business; repeated breaches attract penalties — SEBI may also cancel registration.	PQ 1.1, PQ 1.10, TQ 1.15	PYQ 2013-Dec, 2017-Jun, 2014-Dec	L17, pp. 486, 492

Topic 4 Costs, NAV and returns

31 Scanner questions · ICSI appearances PYQ 31

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.1	Costs: initial issue expenses and recurring expenses (management fee, trustee fee, custodian, RTA, marketing, audit), capped as a total expense ratio on daily net assets by slab; any change in TER is disclosed on the website at least three working days before it takes effect, with notice to unit holders for increases.	TQ 1.21, TQ 1.25, TQ 1.30, PQ 1.19	PYQ 2017-Jun, 2018-Dec, 2025-Jun, 2022-Jun	L17, p. 492
4.2	NAV per unit = (market value of investments + other assets including accrued income and cash − liabilities and accrued expenses) ÷ units outstanding.	PQ 1.11, PQ 1.15, PQ 1.21, PQ 1.25, PQ 1.28	PYQ 2018-Jun, 2020-Dec, 2023-Dec, 2024-Dec, 2026-Jun	L17, p. 478
4.3	Loads: offer price = NAV × (1 + entry load) or NAV ÷ (1 − entry load); redemption price = NAV × (1 − exit load); load % = difference ÷ NAV. Entry loads are no longer charged on mutual funds.	PQ 1.2, PQ 1.4, PQ 1.8, PQ 1.17, PQ 1.18	PYQ 2014-Jun, 2015-Jun, 2017-Jun, 2021-Dec	L17, p. 481
4.4	Value of a right = (number of rights shares ÷ shares held) × (ex-rights price − rights offer price); or market price less theoretical ex-rights price.	PQ 1.3, PQ 1.5, PQ 1.6, PQ 1.9	PYQ 2014-Dec, 2015-Jun, 2015-Dec, 2017-Jun	L17, p. 486
4.5	Holding period return = (closing NAV − opening NAV + distributions) ÷ opening NAV; SIPs average cost through rupee-cost averaging; returns are judged against benchmarks and risk (Sharpe, Treynor, standard deviation), costs and consistency — not in isolation.	PQ 1.7, PQ 1.12, PQ 1.13, PQ 1.14, PQ 1.20, PQ 1.22, PQ 1.24, PQ 1.26, PQ 1.27, TQ 1.28	PYQ 2016-Dec, 2018-Dec, 2019-Jun, 2019-Dec, 2023-Jun, 2023-Dec, 2024-Jun, 2024-Dec, 2025-Jun, 2021-Dec	L17, pp. 481 – 482
4.6	Applicable NAV depends on the cut-off time (3 p.m. for most schemes): applications received before it get the same day's NAV (for equity, after funds are realised); after it, the next business day's NAV.	PQ 1.16	PYQ 2021-Aug	L17, p. 479

Ref	One-liner for the student	Scanner Q	Asked in	SM source
4.7	Risks in mutual funds: market, interest-rate, credit, liquidity, reinvestment, concentration, inflation, regulatory and operational risks; over-diversification dilutes returns.	TQ 1.27, PQ 1.29	PYQ 2019-Dec, 2026-Jun	L17, p. 483

Part B — Chapter 17 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 67% of ICSI appearances in this chapter.

Mutual Fund

#	One-liner	Weight	Part A ref
1	Structure: sponsor, trustees, AMC, custodian, RTA.	★★	1.1, 1.4
2	AMC: 50% independent, ₹ 50 crore net worth.	★	1.2
3	Trustees' role and disqualifications.	★	1.3
4	Open v. close-ended; objectives; regular v. direct plans.	★★	2.1, 2.2
5	ETFs; hedge and leverage funds; IDF and real estate schemes; pure v. hybrid; mezzanine.	★★★	2.3, 2.4, 2.5, 2.6, 2.7
6	Code of conduct; advertisement code; celebrities only in awareness campaigns.	★★★	3.1, 3.2
7	Employee trading; investment restrictions; associate brokers.	★★	3.3, 3.4
8	TER and disclosure of changes.	★★	4.1
9	NAV computation; loads; value of rights.	★★★	4.2, 4.3, 4.4
10	Holding period return; SIP; performance evaluation; cut-off time.	★★★	4.5, 4.6
11	Risks in mutual funds.	★	4.7

CHAPTER 18

Collective Investment Schemes

18 Scanner questions · 7 one-liners · 4 revision pointers

Part A — One-liners mapped to Scanner questions and Study Material

Collective Investment Schemes

SM Lesson 18, pages 499 – 533

Topic 1 Collective Investment Schemes

18 Scanner questions · ICSI appearances PYQ 18

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.1	A CIS (SEBI Act, s. 11AA): contributions pooled for a scheme with the property managed on investors' behalf, investors having no day-to-day control, with profits or produce shared — any pooling of ₹ 100 crore or more is deemed a CIS; excluded are cooperative societies, deposits, insurance, chit funds, nidhis, mutual funds and others notified. A scheme meeting the tests (e.g. land and plot schemes) without SEBI registration is illegal; SEBI orders refunds and bars the promoters.	TQ 1.12, TQ 1.4, TQ 1.5, TQ 1.6, PQ 1.1, PQ 1.2, PQ 1.3	PYQ 2012-Dec, 2014-Jun, 2015-Jun, 2016-Jun, 2022-Jun, 2023-Dec	L18, p. 500
1.2	A collective investment management company may not undertake any other business, act as trustee, lend or borrow from schemes, or launch schemes guaranteeing returns; it must be registered with SEBI with net worth of ₹ 3 crore at registration, rising to ₹ 5 crore within three years.	TQ 1.3, TQ 1.7	PYQ 2013-Dec, 2016-Dec	L18, p. 506
1.3	The CIMC makes quarterly disclosures of scheme performance and holdings, half-yearly unaudited and annual audited accounts, and continual disclosures of material events to investors and the trustee; on winding up it reports to SEBI within 30 days.	TQ 1.1, TQ 1.2, PQ 1.4	PYQ 2024-Jun, 2026-Jun, 2024-Dec	L18, p. 518
1.4	A CIS is wound up on expiry of its duration, on trustees deciding it is in investors' interest, on investors holding three-fourths of units resolving so, or on SEBI's direction; the trustee realises assets and distributes the proceeds.	TQ 1.8	PYQ 2017-Jun	L18, p. 516
1.5	The trustee supervises the CIMC — obtaining reports, ensuring compliance with the offer document and regulations, reviewing transactions and protecting investors.	TQ 1.9	PYQ 2020-Dec	L18, p. 510
1.6	A Ponzi scheme pays existing investors from new investors' money instead of profits; CIS are regulated by SEBI, and a CIS must be registered, appraised, rated and close-ended, with no assured returns.	TQ 1.10	PYQ 2021-Dec	L18, p. 524

Ref	One-liner for the student	Scanner Q	Asked in	SM source
1.7	A CIS may be open for subscription for 15 days, extendable by 15 by public notice (and never beyond 90 days); on closure it must have at least ₹ 20 crore from at least 20 investors, no investor holding over 25%; otherwise the money is refunded. Funds are used only for the project in the offer document.	TQ 1.11, PQ 1.5, PQ 1.6	PYQ 2025-Dec, 2026-Jun	L18, pp. 512, 515

Part B — Chapter 18 One-liner Revision Sheet

Deduplicated and in Study Material order. Click a 'Part A ref' to jump to the Part A row(s) carrying the full wording, the Scanner questions and the SM page. Refs read Topic.Row. Weight: ★★★ asked 6 or more times · ★★ 3 – 5 times · ★ once or twice, counting ICSI examinations. The ★★★ lines alone cover about 78% of ICSI appearances in this chapter.

Collective Investment Schemes

#	One-liner	Weight	Part A ref
1	CIS definition (s. 11AA); ₹ 100 crore deemed CIS; exclusions.	★★★	1.1
2	CIMC restrictions; disclosures; winding up; trustee's role.	★★★	1.2, 1.3, 1.4, 1.5
3	Ponzi schemes; no assured returns.	★	1.6
4	Subscription: 15 + 15 days; ₹ 20 crore and 20 investors or refund.	★★	1.7