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# Preface to the Fifth Edition

Like the earlier editions, the focus of this thoroughly revised edition of our highly successful reference-cum-textbook **Financial Services** is on presenting to the readers the current status of the financial services sector/industry in the country reflecting/updating the notable policy and operational developments since its publication in 2007. It comprehensively covers the significant developments till end-August 2009.

## New Features

The distinct features of the new edition relate to major content changes in terms of additional chapters, recaptioning of a chapter, chapter-wise additions/deletions of contents and additional reading materials on the accompanying website.

**Addition of New Chapters** The most outstanding feature of the revision is the inclusion of two new chapters: **Chapter 11** (*Banking Products and Services*) and **Chapter 12** (*Mutual Fund Services and Products*) to broaden the coverage of the book of two significant components of the financial services sector.

**Recaptioning of Chapter** To reflect the thrust of its contents, **Chapter 17** of the fifth edition has been recaptioned as Stock Broking, Depositories, Custodial Services and Short Selling and Securities Lending and Borrowing.

**Chapter-Wise Structure** In view of the addition of the two chapters, the serial numbers of the existing chapters included in the new edition have changed as listed below.

<i>Chapter</i>	<i>Fourth Edition</i>	<i>Fifth Edition</i>
1–10	Same	Same
11	Issue Management: Intermediaries	Banking Services and Products
12	Issue Management: Activities/Procedures	Mutual Fund Products/Services
13	Issue Management: Pre-Issue and Post-Issue Obligations and Other Requirements	Issue Management: Intermediaries
14	Corporate Restructuring	Issue Management: Activities/Procedures
15	Stock Broking, Depositories, Custodial Services and Securities Lending Scheme	Issue Management: Pre- and Post-Issue Obligations and Other Requirements
16	Credit Rating	Corporate Restructuring
17	—	Stock Broking, Depositories, Custodial Services and Short Selling and Securities Lending and Borrowing
18	—	Credit Rating

**Updated Chapter Contents** The chapter-wise content updates of the new edition are listed below.

Chapter	Addition/Inclusion/Rewriting	Deletion
1	Section 5 on Auditors Report Direction (Rewritten)	
8	Section 13 on Regulatory Framework for Mortgage Guarantee Companies, 2009 (Addition)	
10	Appendix 10-C and 10-D (Addition)	
14	Section 1 on Eligibility Norms: Fast Track Issues (new) Section 4 on Indian Depository Receipts (Rewritten) Section 12 on Qualified Institutional Placement (Rewritten) Section 14 on Issue and Listing of Debt Securities Regulation, 2008 (New)	Section 6 on Issue of Debt Instruments
16	Section 1 on Stock Broking: Trading and Clearing Members of Currency Derivative Segment (New) Section 4 on Short Selling and Securities Lending and Borrowing (Addition)	

**Website Material** Additional reading material listed below is available on the website.

The website address is: <http://www.mhhe.com/khanfs5e>

*Appendix (Chapter)*

1-A	(1)	A Maturity Profile-Liquidity
1-B		Interest Rate Sensitivity
1-C		Statement of Structural Liquidity
1-D		Statement of Interest rate Sensitivity
1-E		Statement of Short-term Liquidity
2-A	(2)	Leasing and Hire-purchase Glossary
3-A	(3)	Sale and Lease-back Transactions that Result in Operating Leases
5-C	(5)	Summary of Provisions of Hire-purchase Act
8-A	(8)	Guidelines on Fair Practices Code for Housing Finance Companies
8-B		Securitisation of Standard Assets (NHB Guidelines)
9-A	(9)	Financial Statements of Life Insurance Companies
9-B		Financial Statements of General Insurance Companies
9-C		Auditors Report
9-D		Contract Between Issuer, Principal/Chief/Special Agents)
10-A	(10)	Application for Grant of Certificate of Registration on Venture Capital
10-B		Summary of Report of Chandrashekhar Committee on Venture Capital
10-C		List of Venture Capital Funds Registered with the SEBI (18.2.2009)
10-D		List of Foreign Venture Capital Investors Registered with the SEBI (18.2.2009)
12-A	(12)	Annual Report
12-B		SEBI Mutual Fund Guidelines
13-A	(13)	Model Code of Conduct for Prevention of Insider Trading
13-B		Code of Corporate Disclosure Practices for Prevention of Insider Trading
14-A	(14)	Contents of Offer Document
14-B		Matters to be specified in Prospectus
14-C		Contents of the Abridged Prospectus (IDR Issues)
14-D		Clarificatory Examples
14-E		Book Building-Model Time Frame
14-F		Disclosures
14-G		Due Diligence Certificate

14-H		Due Diligence Certificate by the Debenture Trustees
14-I		Format of Issue Advertisement
14-J		Disclosure in Placement Document
15-A	(15)	Memorandum of Understanding Between the Lead Merchant Banker to the Issue and the Issuer Company
15-B		Inter se Allocation of Responsibilities
15-C		Format of Due Diligence Certificate to be Given by Lead Merchant Banker(s) Along with Draft Offer Document
15-C-A		Format of Due Diligence Certificate to be Given by the Debenture Trustee Before Opening of the Issue
15-D		Format for Due Diligence Certificate at the Time of Filing of the Offer Document with the ROC
15-E		Format for Due Diligence Certificate at the Time of Opening of the Issue
15-F		Format for Due Diligence Certificate After the Issue has been Opened but Before Closing for Subscription
15-F-A		Additional Confirmations/Certifications to be Included in Due Diligence Certificate for Fast Track Issues
15-G		Post-Issue Monitoring Reports
15-H		Format of the Report to be Submitted by the Monitoring Agency
15-I		Application Form for Issue of No Objection Certificate for Release of One Per Cent Deposit Placed with the Regional Stock Exchange (To be submitted to the SEBI on the Issuer Company's Letter Head)
15-J		Additional Information for Renewal of Registration as Merchant Banker
15-K		Format for Half Yearly Report to be Submitted by Merchant Bankers
18-A	(18)	Application for Grant of Certificate of Registration of a Rating Agency
18-B		CRISIL Advisory Research and Information, Index and Training Services
18-C		ICRA Information, Advisory and Grading Services
18-D		Information to be Submitted by Client for Rating Assignment (Manufacturing Companies)
18-E		Information to be Submitted by Client for Rating Assignment (Financial Services Companies)

## Pedagogical Features

The new edition retains the following reader-friendly pedagogical features of the fourth edition.

**Learning Objectives** Every chapter begins with a number of learning objectives to ensure broad understanding of the chapter-contents.

**Flow Chart Exhibits** At the beginning of each chapter, these provide to the readers an overview of the contents.

**Margin Notes** Throughout the text, margin notes in shaded bars define the important concepts and key terms when they are first introduced in the text. They would enable the readers to reinforce their learning.

**Recapitulation** The chapter-end comprehensive summaries would provide to the readers a bird's eyeview of the main points by way of recapitulation.

**Review Questions** The review questions would help the readers to test their understanding of the concepts, theories, techniques and procedures.

**Cases** The mini/comprehensive cases can be used by the readers to synthesise and apply the related concepts, theories, techniques and procedures.

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Suggestions from readers for improvement are welcome.

**M Y KHAN**