

**GUJARAT NATIONAL LAW UNIVERSITY  
GANDHINAGAR**

Course: Securities Law  
Semester-II (Batch: 2017-19)

LLM End Term Examination: April-May 2018

Date: 02<sup>nd</sup> May, 2018

Duration: 03 Hours

Max. Marks: 70

**Instructions:**

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write anything on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

**Answer any seven questions****Marks**

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|-----|---|------|
| Q.1 | “Insider trading is a term subject to many definitions and connotations and it encompasses both legal and prohibited activity. Insider trading takes place legally every day, when corporate insiders – officers, directors or employees – buy or sell stock in their own companies within the confines of company policy and the regulations governing this trading”. Discuss the statement in light of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the relevant case laws.  | (10) |
| Q.2 | Discuss in detail the concept of corporatisation and demutualisation of stock exchanges in India. Critically analyse the SEBI Exit Policy for De-recognized/ Non-operational Stock Exchanges. Substantiate your answer with the help of a leading case law and relevant provisions of applicable laws.  | (10) |
| Q.3 | Securities markets are very complex by nature. Complexities are further compounded by the fact that new and more complex kinds of securities are being introduced in the securities market and that too through technology aided trading platforms. It is never easy for the regulator of securities market to detect frauds in such a situation. However, the investor’s confidence will be shaken if fraudulent and unfair trade practices are not detected in a timely manner and the persons behind such practices are not penalised. Discuss the extent to which the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (FUTP) enables Securities and Exchange Board of India (SEBI) to cleanse securities market in India of such fraudulent and unfair trade practices. Substantiate your answer with the help of relevant case laws. | (10) |
| Q.4 | Explain listing of securities. Discuss in detail the procedure for delisting of securities in India in light of the SEBI (Delisting of Equity Shares) Regulations, 2009 and relevant provisions of the applicable laws. Do you think delisting of securities is a bane for the shareholders? Explain with reasons.  | (10) |
| Q.5 | Discuss in detail the concept of Trading Plan and Trading Window in light of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the relevant case laws. Do you agree with SEBI’s rigid approach pertaining to the Trading Plan? As a student of law,   | (10) |



- what changes would you like to point out in the SEBI (Prohibition of Insider Trading) Regulations, 2015? (10)
- Q.6 Collective Investment Schemes (CIS) have emerged as instrumentalities by deceitful entrepreneurs to dupe gullible investors of their hard earned money. After a lot of deliberation, the Government of India has decided to confer jurisdiction over them to Securities and Exchange Board of India (SEBI). Although judicial approach has been firm, the experience has not been very pleasant in this regard. Analyse the above-mentioned statement with the help of leading case laws.
- Q.7 Answer the following : (5+5=10)
- (a) 'Persons acting in concert' under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) 'Control' under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- Q.8 Answer the following questions and give reasons in support of your answer: (4+3+3=10)
1. What are Securities? Which securities are considered as Marketable Securities?
  2. Whether GDRs fall within the definition of Securities?
  3. Whether administrative orders such as circulars issued under Section 11(1) of the SEBI Act can be challenged in SAT?