

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

**Course: Securities Law
Semester- II (Batch: 2020-21)**

End Semester Online Examination: June 2021 (LLM)

Date: 22nd June, 2021

Duration: 8 hours

Max. Marks: 50

Instructions:

- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.
- Word Limit: 700-750 Words

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- | | Marks |
|---|--------------|
| Q.1 There is a vast range of unconventional investments that have fallen within the ambit of the securities laws due to the broad statutory definition of 'Securities'. The broadly drafted statutory definition has given scope to the courts for expansive language and interpretations. Elucidate the afore-stated statement with a thorough examination of the definition of 'Securities' in Indian Law. | (10) |
| Q.2 Transparency and accountability holds the key to the confidence of the investors in securities market. Any manipulation can have devastating impact on the morale of the investor. At the same time, it can have adverse effect on the economy as well. Further, it is not only about the powers conferred upon the regulator but also about how those powers are actually exercised. In this regard, judicial approach too plays an instrumental role. The need for the regulator to constantly learn from one's experience particularly in the context of the securities market cannot be underscored.

How far do you agree with the above-mentioned observation in the light of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. Substantiate your views with suitable justification. | (10) |
| Q.3 Collective Investment Schemes (CIS) has posed its own kind of challenges for the Indian Government. Government too has positively responded to the challenges by putting in place the legal framework for the purpose of regulating them. Accordingly, SEBI has exercised its powers directing the promoters to return the money to the investors. However, it is not unusual for the aggrieved promoters to appeal to the higher authorities. Judiciary too has been firm in deciding such appeals and in appropriate cases have discouraged such practice. However, time lost due to filing of such appeals has become a cause of further delay in the task of protection of investors of such schemes.

Analyse the above-mentioned observation in the light of SEBI's role and the judicial response thereto. | (10) |

- Q.4 The agenda of investor protection is ambitious. It comes with numerous challenges which are complex in nature and involves multiple stakeholders. The development of Securities Market depends on how the balance between the competing interests of the stakeholders is struck within the regulatory space. Regulator needs adequate powers to discharge its role. Over-regulation or under-regulation can adversely impact the sentiment of the investor thereby defeating its very purpose. (10)

Analyse the above-mentioned observation in the context of settlement mechanism developed by SEBI. Substantiate your analysis with suitable instances of acceptance as well as rejection of the proposal of settlement.

- Q.5 "No insider should gain undue benefit by trading with the benefit of possessing unpublished price sensitive information which the rest of the market does not have and therefore, gain an advantage over the market". Critically analyse this statement and explain how the SEBI (Prohibition of Insider Trading) Regulations, 2015 has justified the concept of *level-playing field* and *parity of information*? Substantiate your answer with the help of leading case laws. (10)
