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**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: **Securities and Investment Law**
Semester-IX (Batch: 2012-17)

End Semester Examination: October-2016

Date: 27th October, 2016

Duration: 3 hours

Max. Marks: 50

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 any thing 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.

Attempt **any five** of the following questions

Marks

- Q.1 “He did his schooling from Modern School in Delhi. He lost both his parents during his teens. He was ranked 15th in Indian Institute of Technology Joint Entrance Examination (IIT-JEE). He received a Bachelor of Technology degree in Mechanical Engineering from the Indian Institute of Technology, Delhi in 1971. He declined a lucrative job offer from ITC Limited. He received an MBA from Harvard Business School (HBS) in 1973. He joined McKinsey & Company in 1973 as one of the earliest Indian-Americans. In 1994, he was elected the firm's first Managing Director born outside of the US, and then re-elected twice in 1997 and 2000. He was widely regarded as one of the first Indians to successfully break through the glass ceiling, as the first Indian-born CEO of a multinational corporation.” (10)
- Analyse from legal viewpoint how such an inspirational career landed up in jail. Do you think his jail term means an end to his career and has he lost the battle finally?
- Q.2 “The task of protecting investors in Collective investment schemes (CIS) has proved to be a continuous botheration for Government of India. Regulations regarding CIS were drafted after prolonged and detailed considerations. Unscrupulous people have tried hard to stay out of the ambit of these regulations. However, vigilant and active judicial intervention goes a long way in deterring such people from duping investors of their hard earned money.” (10)
- How far do you agree with the above-mentioned statement? Justify your answer by citing relevant judgments.
- Q.3 Following table shows transactions in securities of ABC Ltd. which is doing business in healthcare. BSE and NSE are upbeat showing rising trend. ABC Ltd. is a mid-cap company and like other mid-cap companies its securities are showing upward trend in the markets. Mr.Mohan Kumar, along with four other entities controlled by him, is involved in the following transactions – (10)

Date	Name of the Exchange	Name of the Broker	Time	Qty.	Order No.	Rate (Rs.)	LTP (Last Traded Price) (Rs.)	Change In Price (Rs.)
26/10/16	NSE	SCL	10.19.37	25000	10160	950	945	5
26/10/16	NSE	SCL	10.20.44	25000	10161	955	950	5
26/10/16	NSE	SCL	10.21.47	25000	10162	960	955	5
26/10/16	NSE	SCL	10.22.24	25000	10166	960.1	960	0.1
26/10/16	NSE	SCL	10.22.35	25000	10167	960.2	960.1	0.1
26/10/16	NSE	SCL	10.23.01	25000	10169	960.25	960.2	0.05

Previous day closing price was Rs. 941.

Whether the above-mentioned transactions indicate manipulation of market under Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003? Give cogent reasons in support of your answer.

- Q.4 Insider trading is one of the most serious threats to the fairness of Securities Market. Regulators, the world over, have adopted strict approach in this regard. Securities and Exchange Board of India (SEBI) is no exception. Insider trading regulation has undergone changes on many occasions. Discuss the judicial approach regarding requirement of *mens rea* in cases involving inside trading. How far it is relevant under the recent insider trading regulation made by SEBI. (10)
- Q.5 Write short notes on the following: (5+5=10)
 (a) Rights or interests in securities
 (b) Hybrid securities
- Q.6 "Life in jail can be painful and lonely" but "Fortunately, God has blessed me with the ability of keeping stress away at all times... My judicial custody in *Tihar* jail and being confined to a prison cell with just the basic amenities definitely came as a rude shock... I, like any other human in confinement, could not contain my thoughts and at times felt an emotional outrage, '*why me?*' *what have I done wrong to deserve this?*'... Thoughts such as these often raced through my mind." (10)
- As a student of law, do you think judgments of Indian Supreme Court have given justified answers to the questions posed by Mr. Subrata Roy Sahara. Analyse its approach in the entire matter.
