



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.												
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End - Term Examinations – MAY 2025

Date: 23-05-2025

Time: 09:30 am – 12:30 pm

School: SOL	Program: BA/BBA/BCom LLB (Hons)	
Course Code: LAW4019	Course Name: Securities Law	
Semester: VIII	Max Marks: 100	Weightage: 50%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	12	4	14	19	51

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2 marks.

10Q x 2M=20M

1	Enumerate a few exchanges available in financial markets across different segments.	2 Marks	L1	CO1
2	Identify the main participants of the Indian financial system.	2 Marks	L1	CO2
3	Provide the legal framework for the depository in India.	2 Marks	L1	CO3
4	Define the term 'intermediaries' in a capital market.	2 Marks	L1	CO2
5	What is Nifty 50 or Sensex50?	2 Marks	L1	CO4
6	Name two recent IPO(s) in the Indian capital market.	2 Marks	L2	CO5
7	Present a hypothetical scenario of Insider Trading.	2 Marks	L2	CO5
8	"Information Asymmetry is the antithesis to investor trust in the financial markets" Evaluate the accuracy of the statement.	2 Marks	L3	CO5

9	State the penalty provided under section 15HB of the SEBI Act 1992.	2 Marks	L2	CO4
10	Differentiate between Right Issue and Bonus Issue.	2 Marks	L2	CO3

Part B

Answer the Questions

Total 80 Marks

11.	<p>XYZ Ltd., a listed company, is planning to make a public issue of equity shares to fund its expansion. However, it has defaulted on repayment of dues to a scheduled bank six months ago, and the default remains outstanding. The company still wishes to proceed with the public issue, arguing that it has sufficient assets to cover the liabilities.</p> <p>Advise XYZ Ltd. with reference to Regulation 6 of SEBI (ICDR) Regulations, 2018:</p> <p>(a) Whether it can proceed with the public issue in light of its default.</p> <p>(b) What are the general conditions under Regulation 6 that a company must fulfil before making a public issue?</p>	5+5=10 Marks	L3	CO5
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or

12.	Explain the applicability of SEBI (ICDR) Regulations 2018 on various types of fundraising (issues) in India.	10 Marks	L2	CO5
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13.	<p>GreenTech Solutions Ltd., a rapidly growing renewable energy company, plans to go public and raise ₹500 crore through an Initial Public Offering (IPO). The company has hired Alpha Investment Bankers, a leading merchant banking firm, to assist in the IPO process. The company intends to list on the Bombay Stock Exchange (BSE) and raise funds to expand its operations and invest in new technology.</p> <p>Questions:</p> <p>Explain the role of Alpha Investment Bankers in the IPO process of GreenTech Solutions Ltd along</p>	5+5=10 Marks	L4	CO3
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	<p>with the applicable legal framework for merchant bankers in India.</p> <p>Also, explain how the role of a merchant banker is different from a Registrar and Share Transfer Agent in the capital market.</p>			
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or

14.	<p>You are working at a financial advisory firm where you interact with clients to provide personalised investment strategies. A client approaches you seeking advice on allocating their funds between equity, debt, and alternative investments. After thoroughly analysing the client's financial situation and risk tolerance, you recommend a mix of investment products and provide detailed reports on the potential returns and risks.</p> <p>In this scenario, identify whether you are acting as an Investment Advisor or a Research Analyst.</p> <p>Discuss the specific roles and responsibilities that apply to the position you identify, including your obligations towards the client and adherence to the applicable legal regulations.</p>	<p>6+4=10 Marks</p>	L4	CO3
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15.	<p>Diplomatic Technologies Ltd. (DTL), a leading technology company, is planning to raise ₹100 crore to fund its expansion into new markets, upgrade its infrastructure, and invest in research and development for new products. The company has been operating for over 10 years and has a stable financial history. The management is considering various options to raise the required funds and is exploring both the most suitable market for the best possible funding source.</p> <p>The company is considering the following options:</p> <ol style="list-style-type: none"> Equity Financing – Issuing additional shares to the public or existing shareholders. 	<p>10 Marks</p>	L5	CO1
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		<p>a) DTL's current market price per share is ₹500.</p> <p>b) The company's current market capitalization is ₹2,500 crore, with 5 crore shares outstanding.</p> <p>2. Debt Financing – Issuing debentures or bonds to raise funds.</p> <p>a) The company is considering issuing either convertible or non-convertible debentures.</p> <p>b) The coupon rate for debentures would be 8% per annum with a tenure of 5 years.</p> <p>c) The face value of each debenture is ₹1,000, and DTL plans to issue 10 lakh debentures.</p> <p>3. Foreign Currency Convertible Bonds (FCCBs) – Raising funds from international investors.</p> <p>a) The company is considering an FCCB issuance to raise \$1 billion (100 crores), which would convert into equity in the future.</p> <p>b) The current exchange rate is ₹75 = \$1.</p> <p>c) The conversion price for the FCCB will be ₹550 per share.</p> <p>Considering the above facts, answer the following question:</p> <p>What is the best possible option(s) for DEL to raise the required money and substantiate it with relevant legal and commercial reasoning?</p>			
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Or

16.		Explain the meaning of financial markets and describe their major components with suitable examples, highlighting the major challenges it is facing owing to technological advancement.	6+4=10 Marks	L3	C01
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17.		ABC Ltd., a listed company, frequently delays disclosure of material events to the stock	5+10=15 Marks	L4	C05
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	<p>exchanges and often provides incomplete information to shareholders. The company claims that since no specific penalty has been imposed by the stock exchanges yet, they can continue following their internal discretion regarding disclosures.</p> <p>With reference to Regulation 4 of the SEBI (LODR) Regulations, 2015, examine: (a) Whether ABC Ltd.'s conduct is consistent with the principles laid down under SEBI LODR. (b) What are the fundamental disclosure obligations of listed entities under Regulation 4?</p>			
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Or

18.	Explain Materiality under Regulation 30 of the SEBI (LODR) Regulations. Explain the recent amendment to the materiality threshold under the said regulation.	15 Marks	L4	CO5
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19.	Explain the Power and Functions of the SEBI as the regulator of the Indian Securities Market under the SEBI Act 1992.	15 Marks	L2	CO4
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Or

20.	Explain the legal framework establishing the Securities Appellate Tribunal under the SEBI Act, especially highlighting the power, function, jurisdiction, etc.	15 Marks	L2	CO4
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21.	Mr. Rohan is the Chief Financial Officer (CFO) of Alpha Technologies Ltd., a listed company. Before the company's quarterly results are announced, he becomes aware that the company has suffered unexpected financial losses. Believing that the share price will fall, he advises his friend Mr. Sameer (who does not work at Alpha Technologies) to sell his existing shares in the company. Mr. Sameer sells all his shares two days	15+5=20 Marks	L5	CO5
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	<p>before the official announcement of the financial results.</p> <p>Subsequently, SEBI initiates an investigation based on suspicious trading activity.</p> <p>With reference to the SEBI (Prohibition of Insider Trading) Regulations, 2015:</p> <p>(a) Examine whether Mr. Rohan and Mr. Sameer have violated insider trading laws.</p> <p>(b) What are the possible penalties and regulatory actions they may face under the SEBI Act?</p>			
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Or

22.	<p>Critically evaluate the definition of 'Connected Person' under SEBI (Prevention of Insider Trading) Regulations 2015 with an appropriate example. Substantiate it by showing the utility of the concept of 'Connected Person' in defining Insider Trading under the Regulation.</p>	<p>10+10= 20 Marks</p>	L5	CO5
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