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Test - 4
CS - Executive

Capital market & securities Laws

Chapter - 4 SEBI

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Start your Answer with a brief introduction about the topic, in this case brief introduction can be given about SEBI

More points required like Regulating mutual funds, prohibiting insider trading, prohibition unfair trade practices

Q1) The SEBI performs various functions. The duties entrusted by C.A. are as follows.

- i) The SEBI regulates the securities market.
- ii) SEBI prohibits investment in securities.

ii) SEBI prohibits the investors dealing in securities.

Q2) The SEBI has various powers as noted below.

- i) SEBI is vested with same power as civil court.

- ii) SEBI can produce & discovery of books of accounts & other document.

- iii) SEBI can summon, enforce to the attendance & examine on oath.

- iv) SEBI can inspect, inquire the books registers & document.

power to issue order, Power over collective investment schemes

④ v) issue commissions for the examination witness or documents.

vi) SEBI has power to issue direction

vii) SEBI has power to regulate CIS

viii) SEBI has power to regulate or prohibit the issue of prospectus, offer document or Advertisement soliciting the advance money.

ix) Has the power to levy penalty.

③ The SEBI has various Functions as follows

a) Regulating & registering DP, Depository, Broker, sub-broker, underwriter, CIS, venture capital etc.

b) Promoting the investors & self regulatory organization.

c) Prohibiting the unfair trade practice, insider trading.

d) Levy Fees.

e) to call for information of intermediaries Agency, Authorities etc.

f) to regulating sec. market. Business of stock exchange & substantial acquisition of shares & take over etc.

you have covered all the required by points in this answer

→ 1) The section 12A of the SEBI Act, 1992 which is of Intermediaries, prohibits & in relation to securities trading are as follows:

- a) The person shall not;
- i) employ any device to manipulate the trading
 - ii) employ any device / scheme / article to purchase / sell / issue of securities in securities market.
 - iii) engage in insider trading / unfair trade practices.
 - iv) violating any insider trading regulation / any take over code or regulation / Rule or Act.

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→ 1) securities Appellate Tribunal (SAT) under the SEBI Act have the following powers.

please refer to suggested Answers

- a) The SAT is not bound to follow the civil code 1908.
- b) The securities Appellate Tribunal follows the procedure of Limitation Act 1963 & the natural justice.
- c) If the SAT is an opinion of or the appeal is made against SEBI / Intermediary The SAT can modify / set-aside or

confirm the order of SEBI

d) The appellant can be CS, CA, Accountant or lawyer

e) The order should be pass as expeditious as possible.

f) The copy of order should give to SEBI & parties involved.

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- 1) SCORES (SEBI Complaints Redress system) is a platform where the aggrieved investor lodge the complaints against the listed company, Intermediaries or MII's.
- 2) SCORES is an online platform for resolving complaints made by investors.
- 3) SCORES help investors in many ways as its ~~sim~~ features are as follows:
- a) It's an online platform so investors can make complaints anytime, anywhere.
 - b) It has online ~~moment~~ moment of transferring complaints to listed company/intermediaries or MII.
 - c) It has 24x7 access.
 - d) It can generate instant email & the complainant get the unique registration number for the future references.
 - e) The listed companies/intermediaries can upload online the action taken report.
 - f) The investor/complainant can track the current status of complaint.

4) the complainants can make complaint ^{it} to the listed company / intermediaries etc & if not resolved the put it on SCORES or can directly make complaint through the SCORES. ✓

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→ ~~The SEBI should consider the following factors to arrive at the settlement terms:~~

- a) ~~the amount of loss ^{to th} caused to the investor~~
- b) ~~The amount of Disproportionate~~

→ 1) The SEBI should consider the ^{some} factors to arrive at the settlement.

2) The application filing against the person been initiated or to be initiated. the SEBI consider following Factors.

- a) The nature of the fraud/default ✓
- b) ~~if~~ the gravity of the same. ✓
- c) The agree to proposal for settlement
- d) any other terms determined by SEBI ✓

3) ~~at the~~ the procedure of settlement proceedings no appeal shall made. the settlement money should credit to the consolidated funds of India. ✓

more points required, please refer to suggested Answer