

NATIONAL LAW UNIVERSITY DELHI

LL.M. (Professional), Semester-II (LBSNAA Students-Batch of 2020)

End Semester Assessment (Online), September-2022

Paper: Securities & Investment Laws

Time: 6:00 hrs.

Total Marks: 100

Instructions:

1. Attempt any five questions.
2. No clarification shall be sought on the question paper.
3. Support your answers with relevant case law.
4. Strictly adhere to the noted word limit and keep the responses brief and to the point.

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- Q.1) “In its role as the regulator of the Indian Securities Market, SEBI performs the triple functions of quasi- legislative, quasi-executive and quasi-judicial power.” Justify the statement in the light of latest developments/reforms in the securities market regulations and support your answer with relevant case law. **(Marks 20) (Approx. 1800-2000 words)**
- Q.2) Answer the following questions: **(Marks 2*10=20) (Approx. 900-1000 words each)**
- i) What reforms have been institutionalized in the securities market after the ruling of the Supreme Court in the landmark case of Sahara India Real Estate Corporate Ltd. V. SEBI (2012) in context of issue of securities by the companies?
 - ii) Write a critical note on the role, contribution and liability of the promoters of the company in case the company makes an IPO.
- Q.3) Answer the following questions: **(Marks 2*10=20) (Approx. 900-1000 words each)**
- i) The shares of ABCD Ltd are listed on NSE since 2015 and on BSE since 2017. Due to the adverse market conditions, the promoters of the company intend to go private and delist the shares from both the stock exchanges. Notably, ABCD Ltd had acquired and taken over the control of XYZ Ltd in August 2022. The promoters of ABCD announce the delisting of the shares of XYZ Ltd also within a month of taking over the control of its target. Discuss whether and how delisting of shares is allowed in both the situations? How are the rights of the public shareholders to be protected in both the situations?
 - ii) “Indian legal regime towards insider trading is based on a strict and rigorous approach of parity of information.” In the light of the above statement, write a critical note on the circumstances under which an act may or may not be considered as an act of insider trading and the institutional mechanism built up to curtail insider trading practices in the Indian securities market.
- Q.4) Foreign Investment is often regarded as crucial for development of any nation. With the view of encouraging such investments nations construct elaborate frameworks, a crucial part of which are the international investment agreements. Yet such agreements are required to undertake the fine balancing act between providing adequate incentives to foreign investors while protecting regulatory sphere of the State. To what extent is the India’s Model BIT 2016 able to achieve this balance. Critically comment.
(Marks 20) (Approx. 1800-2000 words each)

- Q.5) The City of Agura, Mexico (CoA) has long been plagued with acute waste management concerns. The concerns are compounded owing to an aging and primitive waste management systems. In order to resolve these concerns, the CoA granted a long-term contract (Concessions Agreement) for provision of waste disposal services to a consortium of foreign investors led by the French investor, Cosco Zosen Corporation (CZC). Among other services under the concessions agreement, CZC undertook to develop, maintain and operate a permanent state of the art municipal and industrial waste landfill. Under the terms of the agreement, City of Agura was to extend all support including acquisition of land whereupon CZC could construct and operate its facilities including the landfill. The parties agreed the CZC's operations would at all times comply with the applicable laws and regulations. CoA identified an appropriate site for the landfill on the outskirts of the city and initiated process to acquire the same. Upon announcement of such acquisition, the local population staged massive protests at the proposed site including causing damage to CZC constructions trucks and equipment. CZC immediately wrote to the Mayor of Agura, requesting increased security, in response to which CoA posted 50 police personnel at the CZC facility. Around the same time, a petition challenging grant of such agreement to CZC was filed before the Superior Court of Agura, which appointed a commission to look into matter. The Commission completed its enquiry in 5 days, during which no party was heard and returned a finding that the grant had been illegal as many crucial regulations had been violated or ignored. As a result, the Superior Court issued an order cancelling the grant. Immediately after the pronouncement of the decision, a massive crowd broke into and caused extensive damage to the CZC facilities. The police personnel were unable to prevent such incursion. From the facts above, ascertain whether actions of City of Agura violates the Full Protection and Security (FPS) treatment. (Note: France and Mexico have a BIT in operation, which contains the same phrasing of FPS as that found in the India Australia BIT). **(Marks 20) (Approx. 1800-2000 words)**
- Q.6) Honeywell International Inc is interested in investing in India under the Make in India initiative, particularly in the sectors of aerospace, atomic energy, ecommerce and print media. While it broadly understands the international law aspect of it, it requires your assistance in understanding the domestic investment regulatory framework. Draw up a note clearly noting the legal requirements (who is eligible to invest, applicable entry routes, caps and conditions) for each of the noted sectors. **(Marks 4*5 = 20, approx. 400-500 each)**