

NATIONAL LAW UNIVERSITY DELHI

LL.M. (Professional), Semester-II (Regular Students-Batch of 2021)

End Semester Assessment (Online), September-2022

Paper: Securities & Investment Laws

Time: 6:00 hrs

Total Marks: 70

Instructions:

1. Answer 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.

Q.1) Answer the following questions: (Marks 2*7=14) (Approx. 700-800 words each)

- i) ABCD Ltd in order to raise further capital issued Fully convertible debentures with face value 450/- per unit and convertible into 2 shares at a price of Rs. 225/- per share to all the shareholders of the company. It was alleged that it was neither a Rights Issue, nor a private placement under which the FCDs were issued. Determine the issues involved and liability to be imposed in this situation.
- 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.2) Answer the following questions: (Marks 2*7=14) (Approx. 700-800 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. Support your answer with relevant case law.

Q.3) “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 14) (Approx. 1300-1400 words)

Q.4) Chad is a developing nation with substantial natural resources. As part of an accelerated development programme launched by the newly elected government, the Government of Chad is keen on entering into investment agreements and comprehensive economic cooperation agreements with various countries. It has approached you, an international investment law expert, to provide recommendations in the drafting of two specific clauses for its model IIA, namely the - (a) Fair and Equitable Treatment; and (b) Most Favoured Nation. Draft the two clauses, and provide clear and appropriate justification for the specific framing that is being recommended.

(Marks 2*7=14) (Approx. 700-800 words each)

Q.5) 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 identifying the legal requirements (who is eligible to invest, applicable entry routes, caps, and conditions) for each of the noted sectors. **(Marks 14) (Approx. 1300-1400 words)**

Q.6) Write short notes on any two: **(Marks 2*7=14) (Approx. 700-800 words each)**

- a. Foreign Investor and Foreign Investment
- b. Full Protection and Security
- c. Expropriation