

**FIVE YEAR B.A., LL.B. (HONOURS)/B.Com., LL.B. (HONOURS)/  
B.B.A., LL.B. (HONS.) DEGREE EXAMINATION, FEBRUARY 2025**

**Ninth Semester**

**F.L. 30—INVESTMENT LAW (SECURITIES)**

(2020 Admissions—Regular/2018 and 2019 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

**Part A**

*Write short notes on any five of the following.*

*Each question carries 3 marks.*

1. Difference between Depository and Custodian.
2. Global Depository Receipts.
3. Listing of securities with Stock Exchanges.
4. Fungible securities.
5. Employee Stock Purchase Plan.
6. Insider trading.

(5 × 3 = 15 marks)

**Part B**

*Answer any three of the following problems.*

*Each question carries 10 marks.*

7. Industrial Finance Corporation of India (IFCI), established under the Industrial Finance Corporation Act, 1948 having its registered office at Mumbai issued 8% Redeemable Bonds redeemable after 7 years. These bonds were issued directly to the members of the public and not through the mechanism of stock exchanges. Examine, with reference to the provisions of the Securities Contracts (Regulation) Act, 1956, whether such direct issue of bonds by the IFCI is violative of the provisions of the said Act ?
8. XYZ Ltd., a merchant banker, while conducting due diligence of his client company, shared the information to a real estate company, ABC Ltd., another client of the merchant banker. Examine the case in the light of SEBI (Merchant Bankers), Regulations 1992. What are the consequences which XYZ Ltd. may face ? Explain.

**Turn over**

9. Mr. 'X' is a shareholder of ABC Ltd. He obtains an order against the company for redressal of his grievances against the company. But the company fails to redress the grievances of 'X' within the time fixed by the SEBI. The SEBI thereafter imposed a penalty upon the company u/s 15C of the SEBI Act, 1992. ABC Ltd. seeks advice on whether it has any remedy against the order of SEBI. Advise the company.
10. XYZ Ltd., a listed company, has issued partly convertible debentures in the past. Now it is planning for roll over of non-convertible portion of these debentures. Advise XYZ Ltd. about the conditions to be fulfilled in this regard.

(3 × 10 = 30 marks)

### Part C

*Answer any two of the following questions.*

*Each question carries 15 marks.*

11. What is dematerialization of securities ? Explain the procedure of conversion of securities from material form to demat form. What is the role and function of Depository Participant in the process of dematerialization ?
12. "SEBI has been established with the objective of protecting the interest of investors and to promote the development of and to regulate the securities market (SEBI Act, 1992)". Discuss its composition and initiatives taken by SEBI for development and regulation of securities market. Has SEBI been able to fulfill its obligations as a watchdog ? Examine in light of judicial decisions.
13. Compare and contrast the different types of collective investment schemes available in India highlighting their unique features, benefits, and risks. To what extent the regulatory framework governing collective investment schemes in India is effective in ensuring investor protection and market stability ?

(2 × 15 = 30 marks)