

G 4238

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Reg. No.....

Name.....

**FIVE YEAR B.A., LL.B. (HONOURS)/B.Com., LL.B. (HONOURS)/B.B.A., LL.B.  
(HONS.) DEGREE EXAMINATION, AUGUST 2023**

**Ninth Semester**

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

**(2018 Admissions—Regular)**

Time : Three Hours

Maximum : 75 Marks

**Part A**

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

*Each question carries 3 marks.*

1. Role of a 'Depository Participant'.
2. Commodity Derivative.
3. Difference between primary and secondary market.
4. Dematerialization.
5. Initial Public Offering (IPO).
6. Merchant banker.

(5 × 3 = 15 marks)

**Part B**

*Answer any three of the following problems.*

*Each question carries 10 marks.*

7. PQR Ltd. is planning to make public issue of Non-convertible Redeemable Preference Shares. Advise the company as to the conditions under which Non-convertible Redeemable Preference Shares can be issued to the public.
8. ABC Ltd., a company incorporated under the Companies Act, was listed on Delhi Stock Exchange ("DSE") for the last fifteen years. However, post de-recognition of DSE by SEBI, the Company was listed with the Metropolitan Stock Exchange of India Limited ("MSEI"). The date of listing of the Company on MSEI is February 13, 2017. The Company has been listed on MSEI since then and is not listed on any other stock exchange. The promoters of the Company are now exploring the possibility to voluntarily delist the Company under the SEBI (Delisting of Equity Shares) Regulations, 2009. Advise them.

Turn over

9. XYZ Ltd. collected Rs. 500 crores from general public under its novel scheme, "Relaxing Holiday". The scheme provides monthly instalments and upon completion of instalment tenure, the investor can opt for holiday with all facilities or a return of corpus with interest. Will this scheme come under the SEBI Regulations ? Examine.
10. Mrs. 'X' is Managing Director of ABC Ltd., a wholly owned subsidiary of PQR Ltd., a listed company. ABC Ltd. incurred a huge loss of Rs. 125 crores on 31<sup>st</sup> March, 2017. However, PQR Ltd. informed this loss to Stock Exchange on 30th April, 2017. X's husband Mr. 'Y', who received information of this loss from Mrs. 'X', sold 2,50,000 shares of PQR Ltd. on 24<sup>th</sup> April, 2017. Examine the relevant provisions and decide whether Mrs. 'X' is liable for insider trading.

(3 × 10 = 30 marks)

### Part C

*Answer any two of the following questions.*

*Each question carries 15 marks.*

11. What are Depository Receipts ? Distinguish between ADR, GDR and IDR. What are the conditions for issue of Depository Receipts under the Companies (Issue of Global Depository Receipts) Rules, 2014 ? What are the advantages and disadvantages of Depository Receipts ? Explain in detail.
12. Discuss the various powers and functions of the Securities and Exchange Board of India (SEBI) and critically evaluate the role played by SEBI in strengthening regulatory framework and fostering investor confidence.
13. What is a Collective Investment Scheme (CIS) ? Which are the schemes not treated as CIS ? What are the restrictions imposed on and obligations of a Collective Investment Management Company under the SEBI (Collective Investment Scheme) Regulations, 1999? State the provisions relating to allotments of units and refund of money under the SEBI Regulations regarding CIS.

(2 × 15 = 30 marks)