

6 MAY 2024

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination May — 2024

Semester: LL.M- II Semester (Corporate Law Honours)

Subject: Law of Project Finance

Time: Three Hours

Marks: 100

Instructions:

1. Attempt any four questions
2. Each question is of 25 marks
3. The question paper consists of two pages.

Q.1). SEBI shall consider certain qualifying criteria as a mandatory criterion for the purpose of granting a certificate to an application for registration of infrastructure investment trusts, in light of this. Describe the eligibility criteria with regard to the following:

- a) Sponsor (s)
- b) Trustee
- c) Investment Manager

(Marks 7+7+11= 25)

Q.2). State the conditions that must be met for a potential alternative investment fund application to be granted a registration certificate. Describe the procedures involved in opening an angel fund as well as the kinds of projects that it may decide to invest in. Also, explain whether an Angel Fund unit can be listed on a stock exchange.

(Marks 25)

Q.3). Ensuing its distinctions elucidate the following topics:

- a) Overdraft vs Cash Credit
- b) Finance Lease vs Operational Lease
- c) Bill Finance vs Hire Purchase

(Marks 8+8+9=25)

Q.4). Describe whether a public-private partnership (PPP) indicates that the government relinquishes complete responsibility for providing a public service; Explicate at least five types of PPP models and explain how the Hybrid Annuity Model differs from them.

(Marks 15+10=25)

Q.5). Greenfields Construction Company (hereafter referred to as "Greenfields") entered into a contract with Blue Sky Corporation (hereafter referred to as "Blue Sky") to construct a state-of-the-art office complex within a stipulated time frame of 18 months. However, during the construction period, unforeseen circumstances (Flood due to torrential rain) arose that were not anticipated by the parties and not stipulated in the contract, leading to delays and disputes between the parties.

In the initial stages of the project, Greenfields encountered difficulties in sourcing construction materials due to supply chain disruptions caused by such unforeseen circumstances. Despite efforts to mitigate the impact, including exploring alternative suppliers and expediting deliveries, the project timeline was significantly delayed. As a result, Greenfields requested an extension of the construction period from Blue Sky, citing force majeure events beyond their control.

Blue Sky, while sympathetic to the challenges faced by Greenfields, expressed concerns regarding the feasibility of granting an extension, citing contractual obligations and financial implications.

The parties are at an impasse, with Greenfields seeking relief from contractual obligations due to force majeure events, and Blue Sky questioning the applicability of the doctrine.

In light of the circumstances presented:

- a) Analyze the applicability of force majeure events to the contract between Greenfields and Blue Sky.
- b) Assess whether the doctrine of frustration is applicable in this case and its implications for the contractual obligations of the parties.
- c) Provide recommendations for resolution, considering the legal principles of force majeure and frustration, citing relevant case law.

(Marks 7.5+7.5+ 10= 25)

Q.6). Fake Co. Ltd. is a Mumbai-based global corporation engaged in the automotive and clean energy industries. It creates and produces solar panels, solar roof tiles, electric vehicles (electric cars and trucks), residential and grid-scale battery energy storage, and related goods and services. Fake was the name under which Ratan and Marc incorporated the business in July 2003. Raj became the company's largest shareholder in February 2004 after making a \$6.5 million investment. He assumed the position of CEO in 2008. He claims that the goal of Fake is to hasten the transition to sustainable energy and transportation, such as solar energy and electric vehicles. In 2008, the business started producing the Roadster sports car, which was its first vehicle model. This was followed by the Model S sedan in 2012, the Model X SUV in 2015, the Model 3 sedan in 2017, the Model Y crossover in 2020, and the fake Semi truck in 2022. The Cybertruck light-duty pickup truck will begin production in 2023, according to the manufacturer. The Model 3 became the first electric vehicle to sell 1 million units globally in June 2021. It is now the best-selling plug-in electric vehicle ever. As of August 2022, the company's cumulative sales of cars reached 3 million, a 40% increase over the previous year's deliveries of roughly 1.31 million vehicles. The Fake market cap grew to \$1 trillion in October 2021. Additionally, Tata Co. Ltd. provided all of the equipment used in this manufacturing and production. To create a fake premium electric automobile for corporate fleet services in the European and Asian areas, Athlon Automobile Lease Company formed an association with Fake Co. Ltd. in March 2012. Fake Co. is typically in charge of producing the essential components of an electric vehicle, including the battery, the charger, and the electric motor. The remainder is supplied by US, European, and Asian vendors. AGC Automotive and ZF Lenksysteme are the primary designers and suppliers.

Prepared a business model for Fake Co. Ltd. based on the provided data, which included the specification of the companies within the nine building blocks business model.

(Mark 25)