

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 9

NOTE : Answer ALL Questions.

PART-I

1. (a) R is holding 2000 units of a equity-oriented scheme of a mutual fund and 1000 units of a debt scheme of a mutual fund. On 7th June, 2020 he is interested to redeem these units. Prevailing net asset value (NAV) of these units are as under :

Date	Net Asset Value (NAV)	
	Equity-oriented scheme (in ₹)	Debt scheme (in ₹)
6th June	45	35
7th June	46	34
8th June	47	33

He makes an application for redemption of above units on 7th June, 2020 at 2:30 pm. Based on given information answer the following :

- (i) What do you mean by cut-off time ? What are the cut-off time for equity-oriented & Debt funds (except liquid funds) ?
- (ii) What will be the applicable NAV in his case ?
- (iii) What will be applicable NAV if application for redemption is made at 3:15 pm ?

(3+1+1 marks)

- (b) “Audit committee may grant omnibus approval for related party transactions.” Elucidate the statement.

(5 marks)

: 2 :

- (c) You are the Company Secretary of Fortune India Limited, a listed company on the leading Stock Exchange. Your Managing Directors desires a list of yearly compliances under the listing regulations. Briefly list-out the yearly compliances.
(5 marks)
- (d) “An open offer for acquiring shares once made shall not be withdrawn.” Comment on the statement.
(5 marks)

Attempt all parts of either Q. No. 2 or Q. No. 2A

2. (a) Suzan Limited is in top 1000 listed companies. Referring to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of directors seeks your advice as a company secretary regarding the following two matters :
- (i) Quorum in Board meeting
(ii) Maximum number of directorship in a listed entity by a director.
(4 marks)
- (b) Briefly explain the procedures followed by the Depository Participants with regard to issuance of Delivery Instruction Slips (DIS) and verification of the same.
(4 marks)
- (c) Differentiate between “Direct Route for ESOP” and “Trust Route for ESOP”.
(4 marks)
- (d) “Trading plan is an exception to the general rule that an insider should not trade when in possession of unpublished price sensitive information”. In the light of this statement, explain the concept of trading plan and its essential elements.
(4 marks)

: 3 :

- (e) Under what circumstances and how the recovery officer will proceed to recover the amount of penalty etc. imposed by adjudicating officer under the SEBI Act, 1992 ?
(4 marks)

OR (Alternate question to Q. No. 2)

- 2A.** (i) SEBI (LODR) Regulations, 2015 as amended imposes an obligation on every listed company to constitute Nomination & Remuneration Committee and Risk Management Committee. Briefly explain the constitution and role of these committees.
(4 marks)
- (ii) SAARC Ltd., a company listed on nationwide two stock exchanges. It decided to delist its securities from both the stock exchanges. By complying all delisting regulations, the promoters have made an open offer to buy shares from public shareholders. Referring to the SEBI Delisting Regulations, advise the company with respect to the following matters :
- (a) How the payment of consideration will be made to the successful shareholders who have tendered their shares in an open offer ?
- (b) What are the rights of remaining shareholder who have not tendered their shares during open offer ?
(4 marks)
- (iii) What are the recognitions given to Company Secretary in Practice for providing various certifications/reports as required under SEBI (LODR) Regulations ? Explain briefly.
(4 marks)
- (iv) Referring to the SEBI Insider Trading Regulations, answer the following :
- (a) What is 'unpublished price sensitive information' ?
- (b) State with reasons whether the following information is price sensitive :
- (i) RBI has increased its Statutory Liquidity Ratio (SLR) by 15 basis points.
- (ii) The company is increasing its authorized share capital.
(4 marks)

: 4 :

(v) PQR Limited, a listed company, is intending to make buy-back of its equity shares. Referring to SEBI Buy-back Regulations, explain the following :

- (i) The manner of deposit of amount in Escrow account.
- (ii) How can an unregistered shareholder tender his shares for buy-back ?
- (iii) What is time limit for completing buy-back process ?

(4 marks)

3. (a) Actnow Edge Limited, an unlisted company, is in the process of expanding its business. For expansion, it needs funds of ₹ 200 crore. For raising ₹ 200 crore, company has decided to bring an initial public offer through book building mechanism. It has fixed a price band of ₹ 500 – ₹ 600. Referring to provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, advise the company on the following matters :

- (i) What should be minimum application value and minimum number of equity shares in one application ?
- (ii) What will be minimum sum payable on application ?
- (iii) What should be minimum time period for which issue should remain open for subscription ?

(5 marks)

(b) What do you mean by Enterprise value under SEBI Takeover code ? From the given information, calculate the Enterprise value of KRS Ltd. :

- Outstanding equity share capital ₹ 1,600 lakh (par value per share ₹ 2)
- Market price per share on closing date (equity share) : ₹ 125
- Reserves & Surplus ₹ 195 lakh, Minority interest ₹ 275 lakh, Preference share capital ₹ 4,200 lakh, Cash-in-hand ₹ 72 lakh, Cash equivalent ₹ 63 lakh, Other current assets ₹ 1,965 lakh.

(5 marks)

: 5 :

(c) Wadhvani Enterprises Limited, an unlisted company, has decided to bring an initial public offer and filed a draft offer document with SEBI. The company is not able to correctly interpret a circular issued by SEBI. The managing director of the Company wants to seek informal guidance under SEBI Informal Guidance Scheme. Ramesh, director of the company is of a view that since the company is not yet listed so company cannot seek informal guidance from SEBI. Being a company secretary, advise on the following matters :

(i) Who can apply for informal guidance ? Whether company can apply for informal guidance in the given situation ?

(ii) What are the matters on which informal guidance cannot be sought ?

(5 marks)

4. (a) Portable Marketing Ltd., a listed company on stock exchange, having paid up capital ₹ 500 crore consisting of 50 crore equity share of ₹ 10 each. The Board of directors of company has recommended issuing of sweat equity shares to its promoters/directors and employees as a part of their recognition for valuable contribution to the growth of company. The board meeting was held on 1st March, 2020 and extra-ordinary general meeting was held on 27th March, 2020 for approving the issue of sweat equity shares. The details of closing market price available on stock exchange are given below :

The average of the weekly high and low of closing prices of equity shares of the company during six months	preceding 31st January, 2020	₹ 540
	preceding 26th February, 2020	₹ 550
The average of the weekly high and low of the closing prices of equity shares of the company during the two weeks	preceding the 31st January, 2020	₹ 580
	preceding the 26th February, 2020	₹ 575
The closing price of equity share of the company	on 27th March, 2020	₹ 578

Referring to the provisions of Companies Act, 2013 and SEBI Regulations, answer the following :

- (i) What are the conditions to be fulfilled for issue of sweat equity shares ?
- (ii) Can sweat equity shares be issued to promoters ? If yes, what are the conditions to be fulfilled ?
- (iii) What is the relevant date in above case ?
- (iv) What should be the minimum price at which sweat equity shares should be issued ?

(8 marks)

- (b) Karuna Ltd. made an Initial Public Offer (IPO) of equity shares in March, 2020 and was granted listing on stock exchange. Soon, thereafter, the promoters of the company started contemplating a change in the objects clause mentioned in the offer document. To give effect to the same, the company convened an extra-ordinary general meeting of shareholders in April 2020. Though the requisite resolution was passed by the company, there were, nevertheless, the dissenting shareholders too. The promoters decided to provide an exit opportunity to the dissenting shareholders. In the light of the above, answer the following :

- (i) Who are the dissenting shareholders ?
- (ii) What is the eligibility of shareholders for availing the exit offer ?
- (iii) Enumerate the conditions required to be complied with to give effect to this recourse which was availed by the promoters.
- (iv) How the exit offer price will be determined ?

(7 marks)

: 7 :

PART-II

5. (a) Aruna Steel Ltd. issued Bonds with the following terms :

Issue price of the Bond : ₹ 1000

Coupon rate : 3%

Maturity : 5 years

Convertible into equity shares @ ₹ 500 per share

Ivan had purchased 20 bonds. At the time of maturity, the market price of the equity shares was ₹ 400.

What are the options available to Ivan on the maturity date and which option he should prefer ?

(5 marks)

- (b) Good Luck Finance Ltd., a listed company issued 20 lakh equity shares of ₹ 180 each. The Company provided Green Shoe Option and Nishan was nominated as Stabilising Agent. On the date of listing, Corona Virus threat spread across the globe. Consequently post listing, the share price of the company fall to ₹ 150.

From the above :

- (i) Compute the quantum of shares that can be bought by Nishan
(ii) State the provisions for balance of shares lying in the special account for Green Shoe Option.

(5 marks)

- (c) ABC Limited, a public company, has come with public issue of 15,00,000 equity shares through a book building process. The price band is ₹ 500- ₹ 600. The following table shows demand of securities at various price levels. What should be the cut-off price as per book building mechanism ?

: 8 :

Bid Price (₹)	Number of Investors	Demand (Number of Shares)
520	25	8,50,000
530	10	4,00,000
535	15	2,00,000
545	4	4,00,000
560	6	1,00,000
575	5	2,00,000
585	3	1,10,000
590	3	1,40,000
595	3	3,50,000
600	1	7,00,000
Total	75	34,50,000

(5 marks)

Attempt all parts of either Q. No. 6 or Q. No. 6A

6. Write short notes on the following :
- Key features of Preventive Surveillance
 - Debenture Trustee
 - Margins
 - Trading Mechanism
 - Foreign Portfolio Investor.

(3 marks each)

OR (Alternate question to Q. No. 6)

- 6A. (i) (a) What is future contract ?
- (b) Akshay buys 500 shares of PQR Limited @ ₹ 210 per share on the stock exchange platform. In order to hedge the position, he sells 300 futures of PQR Limited @ ₹ 195 each. Due to fall in the share and futures price by 5% and 3% respectively on next day, Akshay closes his position by counter transactions. Find out his profit or loss.
- (2+3 marks)*
- (ii) What is bulk deal ? State the difference between block deal and bulk deal ?
- (5 marks)*
- (iii) What is inflation index ? State the difference between wholesale price index (WPI) and consumer price index (CPI).
- (5 marks)*