

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 8

NOTE : Answer ALL Questions.

PART-A

1. (a) From the latest CMA data of Vancouver Ltd., the projected figures are as under :

— Sales : ₹ 10 crore

— Total current assets : ₹ 7 crore

— Current liabilities : ₹ 3 crore

You are required to calculate the working capital requirement under turnover method and maximum permissible banking finance method (method 1).

(b) As per Regulations 16 and 115 of SEBI (ICDR) certain number of pre-issue securities of promoters is not transferrable for a certain period of time. By referring to the above regulations, state the minimum lock-in period in following cases :

(i) If the majority of the issue proceeds invested in purchase of plant and machinery.

(ii) Promoter's holding 40% of post-issue capital.

(c) Nischal Finance Ltd. floated IPO for 10 crore equity shares. Due to impending war like situation. Secondary market started falling due to weak market sentiment. As a result IPO was subscribed only to the extent of 80% on the closure date (i.e. 20/06/2023). The Company has refunded the application money on 28.06.2023. Based on the SEBI regulation, is company action of refunding application money is justifiable ?

(5 marks each)

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

2. (a) XYZ Factoring Ltd. has agreed to finance receivable of IFK Ltd. on a term of advances 80% of the receivables with 10% p.a. interest and 2% commission as factoring. Based on the below information, find the net amount to be remitted by XYZ Factoring Ltd.
- Annual credit sales = ₹ 1 crore
 - Average collection period = 60 days
 - Saving in administration cost = ₹ 1,00,000
 - Bad debts = Nil.
- * **Assume 365 days in a year for calculation purpose.**
- (5 marks)
- (b) Harish is an Independent director of a listed company. In the Board Meeting, an agenda for formulation of policy for Sweat Equity Shares has been discussed. Harish objected on a clause, which made him ineligible for availing Sweat Equity Shares. Is Harish eligible for the sweat equity shares ?
- Will your answer be different, if it was for an Employee Stock Option Scheme ?
- (5 marks)
- (c) (i) Define Special Situation Fund.
- (1 mark)
- (ii) What are the conditions of an investment by special situation fund ?
- (4 marks)

OR (Alternate question to Q. No. 2)

- 2A. (i) Dollar LLC from Singapore wants to invest in an AIF fund in India and have approached you to understand how investment in AIF works in India ? Can they invest in an AIF in India ?
- (5 marks)

: 3 :

- (ii) Explain in brief about Strategic Investor and participation by the Strategic Investor in the public issues of REITs.

(5 marks)

- (iii) (a) Explain Fund Based and Non-Fund Based Credit Facilities.

(2 marks)

- (b) Calculate the amount of fund based and non-fund based credit facilities availed by Yamuna Ltd. from Bank from the following details :

(3 marks)

Sr. No.	Credit Facilities provided by Bank	Rupees in Lakhs
1.	Standby Letter of Credit	2.50
2.	Clean Overdraft	9.80
3.	Bank Guarantee	12.50
4.	Car Loan	60.95
5.	Letter of Credit	22.50
6.	Key Cash Credit	35.50
7.	Post Shipment Packing Credit	80.40
8.	Suppliers Credit	30.50
	Total Credit Facilities	254.65

3. (a) Securitization is a technique used to convert illiquid assets/claims into tradable securities.

Explain the process along with examples of assets that can be securitized.

(5 marks)

: 4 :

- (b) Your promoters want to issue Non-Convertible Redeemable Preference Shares (NCRPS) and wish to list the same on a Recognized Stock Exchange. With respect to the proposed issue explain the call option and put option available to them of the right to recall or redeem prior to maturity pursuant to the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

(5 marks)

- (c) (i) A Real Estate Investment Trust (REIT) is having ₹ 600 crore assets in its portfolio. The asset mixes are as under :

- (a) Completed project : ₹ 300 crore
(ii) Property on rent : ₹ 100 crore
(iii) Government securities : ₹ 150 crore
(iv) Money market instrument : ₹ 50 crore.

By referring the SEBI regulations, advise the company on the asset mix and suggest any changes, if required.

(3 marks)

- (ii) Give answer with reasons with reference to SEBI regulations on minimum application size for listing in SME and Innovators Growth Platform.

(2 marks)

4. (a) Anil is a retired from the Central Government Job in 2023. He is planning to invest ₹ 10 lakh in Fixed deposit and ₹ 25 lakh in mutual funds schemes. As these are the retirement fund, he is very cautious about the safety of investment.

Is there any scheme of the Govt. for protection cover against losses in case of failure of bank/Asset Management Company ?

(3 marks)

: 5 :

(b) Jewel Ltd. needs funds for running its business operations. Mr. Sona one of the shareholders of Jewel Limited is ready to provide Loan to Jewel Ltd. The Board is skeptical on availing loan from a shareholder. One of the Directors of the Company is of the view that such loan will be treated as a deposit.

What is considered as deposit pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder. Can the company accept deposit from its member ? Do you agree with the view of the Director ?

(3 marks)

(c) A listed company has granted Employee Stock Options of 1000 shares under the scheme to Niraj. He is in need of funds. Therefore against the mortgage options, he took the loan from Quick Finance Ltd., a NBFC.

Is the action of employee is legally valid as per Regulation 9 of SEBI Regulations 2021 ?

(3 marks)

(d) Josh Ltd. a Listed Company in the process of implementing SEBI (Share Based Employee Benefits) (SBEB) for its employees :

(i) Can Mr. Louis an employee working outside India avail the benefit of the scheme ?

(ii) Can Mr. Ayaan, CEO and a member of the Promoter Group apply for the benefit of the scheme ?

(iii) Can Mr. Sunder, a director in the Subsidiary Company of Josh Ltd. and holding 25% shares in Josh Limited apply for scheme ?

(3 marks)

(e) What are the investment conditions for a Foreign Venture Capital Investors (FVCI) ?

(3 marks)

PART-B

5. (a) In the amended (Amended vide its notification dated November 09, 2021) provisions of the SEBI (LODR) Regulations, 2015, some of the related party transactions (RPT) have been specifically excluded from the ambit of related party transactions subject to certain conditions.

State the transactions which shall not be related party transactions.

- (b) Mr. Jihan an Independent Director in Gulab Limited wants to resign due to his advancing age and you being a Company Secretary requested to advice on disclosures that the Company should make to Stock Exchanges pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (c) Elaborate the Procedure and the estimated listing timelines for listing on NASDAQ.
- (d) Prepare a checklist of documents required for a preferential allotment of shares.

(5 marks each)

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

6. (a) Mihir, a shareholder of Blue Chip Company lost the physical share certificates. Due to the substantial increase of price of shares, he wanted to sell the shares. As only dematerialized shares are allowed to transact in the secondary market, you being a practicing company secretary, Mihir approach you to advise on the revised procedure for issue of duplicate share certificate.

Explain briefly the procedure for issue of Duplicate Share Certificates.

(5 marks)

: 7 :

(b) Maxwell Ltd. has floated IPO for equity shares. It received more than 90% of subscription. You being a company secretary of the company asked by the management for the list of documents to be submitted for determination of basis of allotment. Prepare a list documents to be submitted to SEBI/ROC.

(5 marks)

(c) ABC Ltd. has 10 directors, 3 Executive Directors and promoters of the Company and one of the executive directors Mr. Prahlad is also the Chairman of the Company, 2 Non-Executive Women Directors related to Executive Directors and 5 Independent Directors. Mr. Ajay an Independent Director wants to resign from the Company due to personal reasons.

(i) In the given case is it mandatory for the Company to appoint another Independent Director ?

(3 marks)

(ii) Since Mr. Ajay was also a member of Nomination and Remuneration Committee, can the Company appoint Mr. Prahlad in place of Mr. Ajay in the Committee ?

(2 marks)

(d) Nyaay Ltd. (listed entity) appointed Rishi as Independent director of the company by way of resolution passed in the meeting of the Board of Directors on 01.04.2023. The last AGM of the company was held on 30.09.2022.

Whether such appointment requires approval of shareholders (give your answer with reason) ?

(5 marks)

OR (Alternate question to Q. No. 6)

- 6A. (i) A listed company has achieved turnover of ₹ 250 crore as per latest audited financial statement. The Board of Directors of the company is viewing that as per Regulation 17(1) (a) of the SEBI (LODR) Regulations, 2015 there is no requirement to appoint one woman director on the Board. Do you agree ? What would be your opinion ?
- Will your opinion would differ, if it is an unlisted company with turnover of ₹ 350 crore ?
- (ii) Every listed company are required to disclose certain information in public domain by way of disclosing the information on the Website of the company.
- State the disclosure requirement of financial information and management policies by the listed company.
- (iii) Prepare a checklist for basis of allotment of SME IPO.
- (iv) What are the steps taken by SEBI to strengthen the credit rating process and how does Credit rating agencies play a vital role in the process ?

(5 marks each)

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