

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 7

**NOTE :** Answer **ALL** Questions.

## PART — A

*Attempt all parts of either Q. No. 1 or Q. No. 1A*

1. (a) Mr. Alok Kumar, retired Chairman of South Bank Ltd., is recently appointed as Independent Director of Trans Power Limited, a Listed Company for the period of 3 years. While submitting the declaration under section 149 of the Companies Act, 2013, he asked about the requirements of Secretarial Audit, periodicity of the Secretarial Audit Report and its reporting requirements. Prepare the brief note.
- (b) You are recently appointed as Secretarial Auditor of Alloy Tools Limited, an unlisted public company for Secretarial Audit for financial year 2017-18. What are the specific events / actions having major bearing on the company's affairs in pursuance of the applicable laws, rules, regulations, guidelines, standards etc. are required to be reported while preparing Secretarial Audit Report.
- (c) During the Secretarial Audit, it was pointed out that Shri S.R. Upadhay, the shareholder of the Company, holds shares as nominee of Bhaumik & Co. LLP, a Limited Liability Partnership Firm. What are the check points to be observed to check the particulars of Beneficial Interest ?

: 2 :

- (d) How would you identify, check and verify the compliance of applicable statutory provisions adherence to good corporate governance during the Secretarial Audit of S.S. Telecom Company Ltd., an unlisted public company.
- (e) The Board of Directors of MCM Ltd. has appointed M/s Famine Supply Ltd. as contractor to supply the meal packages to its workers of the Steel Plant, through resolution passed by circulation. The accent of Directors was received within 3 days except Shri S. S. Singh, the non-executive Director. He has given some observations on this appointment. Being a Company Secretary, what would you do to record this resolution?

(5 marks each)

***OR (Alternative question to Q. No. 1)***

- 1A. (i) Shriram Power Limited has signed a Power Supply Agreement with Government of Maharashtra. While applying for Environment Clearance, the Ministry of Environment and Forest has issued the instruction to expend the fund for Corporate Social Responsibility (CSR). As a Company Secretary, write a brief note on applicability of provisions of CSR and also specify the eligibility criteria for carrying out the CSR activity by an entity.

(5 marks)

: 3 :

(ii) With respect to Secretarial Standards on General Meeting (SS 2), prepare the check points of Secretarial Audit for followings :

- (1) Withdrawal of Resolution
- (2) Rescinding of Resolution
- (3) Modifications to Resolution.

(5 marks)

(iii) While conducting Secretarial Audit, how would you verify that the constitution of Board of Directors is proper and well balanced ?

(5 marks)

(iv) The Board of Directors of ABC Ltd., an unlisted public company, has decided to issue and allot the 500000 Equity Shares of Rs. 10 each to XYZ Housing Finance Ltd. at a premium of Rs. 30/- each. What are the check points to be included in the explanatory statement to be annexed to the notice of General Meeting pursuant to section 102 of the Companies Act, 2013 ?

(5 marks)

(v) TMT Lab (India) Limited invested Rs. 240 Crore in various mutual funds. Though this investment was made through TMT CPF Trust and the investments are not hold in the name of the Company. Prepare the check list with respect to Register of Investments while conducting the secretarial audit of TMT Lab (India) Limited.

(5 marks)

**PART — B**

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

2. (a) Elaborate the environmental, economic and social factors, which are to be recognized while setting up an Industry. (5 marks)
- (b) List out the points to be checked in case of due diligence of delisting of Indian Depository Receipt. (5 marks)
- (c) All businesses have a duty to act lawfully, particularly compliance with Competition Law, is the most important aspect for growing economy. In light of this, explain the need for Competition Compliance Programme. (5 marks)

*OR (Alternate question to Q. No. 2)*

- 2A. (i) Super Product Agro Ltd. is proposed to be merged in Geetanjali Ayurved India Ltd. What are the check points to be observed in due diligence with respect to payment of consideration for merger and amalgamation. (5 marks)
- (ii) What are the documents / aspects to be looked into while carrying out legal due diligence with respect to followings :
- (1) IPR / Patent / R&D Details
  - (2) Material Contracts.
- (5 marks)

: 5 :

- (iii) What are the restrictions on allotment of securities under Regulation 86 of the SEBI (ICDR) Regulations, 2009.

(5 marks)

3. (a) The Equity Shares of Bharat Coal Ltd. are held by Central Government through its concerned ministry, Ministry of Coal. The Joint Secretary of coal, who is the Chairman of the Company also, while reviewing the financial data of the Company, has desired that Company may again declare the dividend even after critical changes in the economy. The Director (Finance) informed that due to inadequacy of profit during the period under consideration, the dividend would be given out of free reserves.

Study the following particulars and ascertain the amount that can be drawn towards dividend applying the Companies (Declaration of Dividend out of Reserves), Rules 2014 :

	<b>Amount in Rs.</b>
35,00,000 Equity Shares of Rs. 10/- each	3,50,00,000
87,500, 9% Preference Shares of Rs. 100/- each	87,50,000
Securities Premium	17,50,000
Profit and Loss Account	3,15,000
General Reserve	1,05,00,000
Net Profit for the year	17,85,000
Capital Reserve on revaluation of Factory Premises	17,50,000

The rate of dividend for last five years was Nil, 10%, Nil, 20% and 10% respectively.

(8 marks)

(b) Prepare a detailed note on Data Room and advantage of Virtual Data Room.

*(7 marks)*

4. (a) Define the Cultural Due Diligence. How would you address the cultural difference during the merger ?

*(4 marks)*

(b) “The objective of Compliance Programme Template is to help the secretarial auditor in evaluating the critical aspects of compliance management.” Explain.

*(6 marks)*

(c) Compliance under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 includes event bases/continual disclosures; and opening of an Escrow Account is one of important event. Explain the compliance required to be done for this purpose.

*(5 marks)*

5. (a) Write the short notes on following :

- (i) Need of Legal Due Diligence
- (ii) When Dominance gets abused
- (iii) Scheme of Sponsored ADRs/ GDRs.

*(3 marks each)*

(b) Define the following terms :

- (i) Corporate Culture
- (ii) SME Exchange.

*(3 marks each)*

: 7 :

6. (a) What are the areas to be avoided while setting up an industry as per guidelines issued by Ministry of Environment and Forest ?  
(5 marks)
- (b) What is the Search and Status Report. What are the points to be considered while finalizing the Search and Status Report ?  
(5 marks)
- (c) What information should be given in the Public announcement under regulation 15 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.  
(5 marks)

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