

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

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

1. (a) XYZ Ltd., a listed company, seeks your advice, as the Secretarial Auditor of the company, on the inclusion of Extract Annual Return in the Board's Report for the financial year 2017-18.
- (5 marks)
- (b) XYZ Ltd., a listed company, adopted Electronic Bidding Mechanism for its proposed issue of Debt Securities to the tune of ₹ 450 crore. The Board of directors wants you, as company secretary of the company, to ensure the post bid procedural compliances. Prepare a report to be submitted to the Board.
- (5 marks)
- (c) Write short notes on :
- (i) Qualified and Unqualified Secretarial Audit Report
- (ii) Reliance of Secretarial Auditor on the reports of other designated auditors.

(5 marks)

: 2 :

(d) XYZ Ltd. wants to avail the enabling provisions of Section 135 of the Companies Act, 2013 in rendering its Corporate Social Responsibility (CSR) activities through any other entity in 2018-19. Enlighten XYZ Ltd. in this regard.

(5 marks)

(e) Does a company, incorporated in India, raising rupee denominated loan from a Non-resident Indian (NRI)/Person of Indian Origin (PIO) by way of Non-Convertible Debentures (NCDs) through a public offer get covered under the External Commercial Borrowings (ECB) framework ?

(5 marks)

OR (Alternative Question to Q. No. 1)

1A. (i) The Standard Rules and Regulations framed with ultimate knowledge and vision, for any discipline, act as a guide for ensuring integration, harmonization and compliance of the statutory and other requirements of that discipline. In this respect detail the procedure which shall be adopted by the Secretarial Standards Board for formulating and issuing Secretarial Standards.

(5 marks)

: 3 :

(ii) Assumed discipline without insistence is the virtue to be adopted by all professionals in their course of conduct of their professionalism. Explain the application of this concept in relation to Secretarial Audit Report.

(5 marks)

(iii) XYZ Ltd. received a written request from Sumithra, the widow of the company's deceased shareholder Vedic Sharma to transfer in her name the shares of the company held by her deceased husband and also to advise her regarding fulfilling the procedure for the same. The shares are held in physical form. The share transfers are done in-house. As the company secretary of the company advise Sumithra suitably.

(5 marks)

(iv) Is an employee who is also a promoter of a company eligible to obtain sweat equity shares and employee stock option ? Explain.

(5 marks)

(v) List out compliances under the Foreign Direct Investments (FDI) Regulations of the Foreign Exchange Management Act, 1999 on issue of shares against import of capital goods.

(5 marks)

PART — B

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

2. (a) Under the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, examine the following :
Company A Ltd. has a paid-up share capital of ₹ 10,000 (1,000 shares of ₹ 10 each) and shareholder A is holding 50 shares totalling to ₹ 500. In case an open offer is made for 26% of the share capital and the shares tendered are 300 which are in excess of the 26% shareholding, how the shares will be accepted by the acquirer on a proportionate basis ?

(5 marks)

- (b) A subsidiary to a listed company, irrespective of its registered status, to a large extent is treated as a listed company by the authorities. As the Secretarial advisor and auditor of XYZ Ltd., which is a Public Ltd. company and a subsidiary to a listed company ABC Ltd., how would you ensure the compliance of Corporate Governance requirements by XYZ Ltd., with reference to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ?

(5 marks)

: 5 :

- (c) As per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, what are the conditions for preferential issue of specified securities by a listed issuer ?

(5 marks)

OR (Alternate Question to Q. No. 2)

- 2A. (i) SAM Ltd. and MAS Ltd. intend to amalgamate. The enterprise created as a result of such amalgamation will have assets worth ₹ 600 crore and turnover of ₹ 2,000 crore. Examine whether the proposed amalgamation attracts the provisions of the Competition Act, 2002 ?

(5 marks)

- (ii) The intent of the law makers is to be carried out in letter and spirit in complying with the regulatory requirements of Corporate Governance in a corporate. Elaborate this statement with explanations.

(5 marks)

- (iii) Ranjit is director in 11 companies. He has got two DINs (Director Identification Number) allotted to him inadvertently. Out of the 11 directorships he holds 5 with the DIN allotted to him at first and the rest with the DIN allotted to him later.

He wants to surrender one of his DINs, but to keep all his 11 directorships. Advise him.

(5 marks)

3. (a) As per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, what are the conditions for offering specified securities at differential prices ?
(8 marks)
- (b) List out the key differences between Statutory Audit, Internal Audit and Due Diligence.
(7 marks)
4. (a) The process of preparing search/status report enables determination out of total borrowing power, the extent upto which the company has already borrowed money or created charges on its movable and immovable properties and also the balance limit to borrow. However, there are certain exceptions to the term 'borrowing of money'. Enumerate those exceptions i.e., the borrowings which are not included in determining the limit on borrowings.
(5 marks)
- (b) List out the procedural steps for conducting Legal Due Diligence.
(5 marks)
- (c) Explain the terms 'Diversion of funds' and 'Siphoning of funds' with regard to due diligence for banks.
(5 marks)

: 7 :

5. (a) Answer the following :

- (i) Under the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, how do you determine whether the shares of the target company are frequently traded or infrequently traded ?
- (ii) How is the offer price calculated in case shares are infrequently traded on the stock exchange ?
- (iii) XYZ Ltd. which has listed its Indian Depository Receipts, seeks your advice, as its Company Secretary, as to the list of documents to be provided to the Indian Depository Receipt holders on an annual basis.

(3 marks each)

(b) Write short notes on the following :

- (i) Time limit for filing the forms for charges requiring registration with the Registrar of Companies.
- (ii) Compliance Dash Board.

(3 marks each)

6. (a) Section 3(1) of the Competition Act, 2002 prohibits five types of agreements between companies. Briefly explain those agreements.

(5 marks)

- (b) Ragul, a director in XYZ Ltd., did not attend the Board meetings held for a period of 12 months after seeking leave of absence.

Though as per Section 167(1)(b) of the Companies Act, 2013 his office of directorship was vacated :

- (i) The Board of XYZ Ltd. wants to keep Ragul's directorship. Can it condone his absence for this purpose ?
- (ii) Ragul also wants to keep the directorship in XYZ Ltd.

As the Company Secretary of the company the Board seeks your advice on this issue.

(5 marks)

- (c) Highlight the regulatory framework governing environmental aspects in India.

(5 marks)

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