

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-I**

1. (a) A Mutual fund has shown Net Asset Value (NAV) of ₹ 11.60 at the commencement of the year. At the end of the year NAV increases to ₹ 12.50. Meanwhile, the Fund distributes ₹ 0.75 as dividend and ₹ 0.85 as capital gains.
- (i) Calculate the fund's return during the year.
- (ii) Had these distributions been re-invested at an average NAV of ₹ 12.20, what is the return for 400 units ?
- (5 marks)
- (b) ST Ltd. applied for listing of instruments in a recognized stock exchange. However, permission was refused by the stock exchange. Can the company appeal to SAT against such refusal ? Explain.
- (5 marks)
- (c) After the Initial Public Offer, the equity capital of promoters group holding in a listed company is ₹ 140 crore. The post issue equity capital of the company is ₹ 600 crore. The promoters group holding includes (acquired during previous year) :
- (i) ₹ 20 crore equity capital allotted in consideration of transfer of Technical know-how by the promoters.
- (ii) ₹ 10 crore equity capital pledged with bank.
- Whether the promoters group is satisfying minimum promoters contribution requirement as per SEBI regulation ? Explain.

(5 marks)

: 2 :

- (d) Yale is a nominee director on the Board of a listed company. On the proposal of ESOP in the Board meeting, he objected about his exclusion from this scheme. State the prior conditions to be fulfilled for a nominee directors under the SEBI regulations for ESOP eligibility.

(5 marks)

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

2. (a) Neo Engineering Ltd. is in the list of top 1000 listed entity on the basis of market capitalization. Based on the changes made in SEBI LODR, what would be the composition of the Board as on 1st April, 2019 and 1st April, 2020 ? Explain.

(4 marks)

- (b) “A recognized stock exchange may frame rules/amend rules made by it to provide for all or any of the matters specified therein.” Describe them.

(4 marks)

- (c) Who can be a Compliance Officer under SEBI (PIT) Regulation, 2015 ? Will an Engineering graduate from a top engineering college with 5 years of experience working as Chief Technical Officer (CTO) be a Compliance Officer ? Discuss.

(4 marks)

- (d) SEBI Complaints Redress System (SCORES) has been established to resolve the grievances of the Investors. What is the procedure for redressal of investor grievances using SCORES platform ? State the revised features.

(4 marks)

: 3 :

- (e) Lalji, aggrieved by an order passed by SEBI is desirous of making an appeal before SAT. He requested you as a consultant to prepare a note to know the appeal procedure.

(4 marks)

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

- 2A. (i) Explain the various risks involved in investing in mutual funds.

(4 marks)

- (ii) A company is planning for Initial Public Offer of its equity shares. It has decided differential pricing for retail individual investors (RII) and QIBs and Non-Institutional Investors (NIIs). The proposed price for RII is ₹ 250 and for QIB and NII is ₹ 300. Examine the validity of proposal of the company in light of SEBI regulations. What will be your answer if company is proposing ₹ 280 to anchor investors in book building issue ? Explain.

(4 marks)

- (iii) An IPO is made by Rakesh Steel Ltd., which is a listed company on the stock exchange. The Managing Director of the company directs the Company Secretary to prepare details of half yearly compliance requirements as per the listing agreement. Explain the same.

(4 marks)

: 4 :

(iv) The Managing Director of AB Ltd., a listed company wishes to implement the procedure for voluntary delisting from a few stock exchanges subject to listing of at least one stock exchange having nation wide terminals. As a Company Secretary prepare a note on your Managing Director in the light of SEBI (Delisting of Equity Shares) Regulations, 2009.

(4 marks)

(v) What are the matters that cannot be considered as complaints under SCORES ? Specify details.

(4 marks)

3. (a) TechNoGrow Ltd. approved buy back proposal of 200000 Equity share capital in its Board meeting on 25th April, 2019. The record date was fixed on 25th June, 2019. The closing market price on NSE as on 25th April, 2019 and 25th June, 2019 was ₹ 2640.40 and ₹ 2514.05 respectively. Determine the number of equity shares which is eligible to be tendered by Small Shareholder Category (rounded off to lower whole number).

(5 marks)

(b) Nalin Estates Ltd. ("Target Company") is a listed company. The promoter group shareholding in the target company is 47%. It proposes to transfer of 2% shares held by one promoter group to another promoter group.

The target company sought your advise as a practicing Company Secretary on the applicability of exemption provided under SEBI (SAST) Regulations for making compulsory open offer.

(5 marks)

: 5 :

- (c) A company has implemented Employee Stock Option Scheme to retain the best talent in the company. After one year of implementation of the scheme, the company desires to increase the vesting period from 2 year to 3 year. Is it possible for the company to vary the terms and condition of the option after implementation of the scheme under SEBI regulation.

(5 marks)

4. (a) Visualsight Ltd. is a listed company. The promoters hold 61.50% paid up equity share capital as on 31st March, 2018. On November 2, 2018, some of the promoters who hold convertible warrants in the company converted 1500000 warrants into shares, as result of which the holding of promoters increased by 4.10%. Vihaan (“Transferor”), one of the promoters holds 18.50% of equity share capital in the company proposed to gift 1.20% equity shares of the company to immediate relative by way of Transferor. Taking into account SEBI (SAST) regulations, answer the following questions in detail :

- (i) Whether the proposed transfer trigger an obligation upon the Transferor for open offer ?
- (ii) Will the transaction covered under creeping acquisition ?
- (iii) Would the promoters be permitted to avail any exemption under the regulation ?

(4+2+2=8 marks)

- (b) RN Ltd., has equity share capital of 20,00,000 of face value of ₹ 10 each, listed in Bombay Stock Exchange. The company has proposed for buy-back of its shares up to 25%. As a Company Secretary explain the conditions for buy-back of shares.

(7 marks)

**PART-II**

5. (a) The stock market of a developing countries is normally attractive for the foreign investors. A foreign endowments fund is planning to invest in equity shares of Indian companies. State the category under which this Foreign Portfolio Investor (FPI) be covered. Will your answer be different if it is a central bank of a foreign country ?
- (b) What is Unified Payments Interface (UPI) ? How is public issue application using UPI different from public issue application using ASBA submitted with intermediaries ? Explain.
- (c) Z holding equity shares in PQR Ltd. made a request to the company to issue shares with differential voting rights. Enumerate the conditions if any to be satisfied by the PQR Ltd. for issue of shares with differential voting rights to Z.

*(5 marks each)*

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

6. Write short notes on the following :
- (a) Optionally Fully Convertible Debenture
- (b) Role of Portfolio Manager
- (c) Nifty
- (d) Angel Fund
- (e) Research Analysts.

*(3 marks each)*

: 7 :

*OR (Alternate question to Q. No. 6)*

- 6A.** (i) How does market surveillance try to ensure market integrity in the securities market ? Explain.
- (ii) What are the key risk management measures initiated by SEBI in the secondary market ? Describe.
- (iii) What is Pension Fund and Government Pension ? State the legislations governing pension in India.

*(5 marks each)*

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