

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 5

NOTE : Answer ALL Questions.

PART-A

1. (a) On the basis of following information, calculate the limit for Letter of Credit (LC) for the Financial Year 2019-20 of M/s Madhukar Enterprises :

(i)	Estimated Raw Material purchase for the FY 2019-20	₹ 172.64 Crore
(ii)	Estimated purchase under Letter of Credit for FY 2019-20 (LC)	₹ 69.41 Crore
(iii)	Lead time i.e. time from order placement to shipment	10 days
(iv)	Transit Time	20 days
(v)	Credit (Usance) Period available	3 months

- (b) Following data relates to M/s ABC Pvt. Ltd. :

	Amount (₹ in lakh)		Amount (₹ in lakh)
Creditors for purchases	200	Raw Material	380
Other Current Liabilities	100	Work in Process	40
		Finished Goods	180
		Receivables	110
		Other Current Assets	30

Calculate the Maximum Permissible Bank Finance (MPBF) as per the Tandon Committee Recommendations using the norm of a current ratio of 1.33.

- (c) Explain the eligibility criteria for listing on Innovators Listing Growth Platform.

(5 marks each)

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

2. (a) Shaurya Ltd. a company dealing with glass molding and peripherals has plans to go public and raise ₹ 1,000 crores. They appoint CFQ Financial Services as their lead managers. The company's directors having no knowledge of rules and regulations argue with the lead managers that 40% of shares are to be allotted to public, 40% to QIBs, 10% to HNI clients and balance to be taken by underwriters. As a Company Secretary, explain to the directors the Regulations 40 & 136 of underwriting.
- (b) As per SEBI Regulations, explain the eligibility criteria for the Public offer of Securitized Debt Instruments.
- (c) Discuss the measures taken by Government and Regulators to develop a vibrant Corporate Bond Market in India.

(5 marks each)

OR (Alternate question to Q. No. 2)

2A. Distinguish between the following :

- (i) Bills Finance and Project Finance
- (ii) Private Placement and Preferential Allotment
- (iii) Commercial Paper and Inter Corporate Deposit.

(5 marks each)

3. (a) An established company maintaining power projects in India, raised ₹ 11,000 crores from Indian Stock market with an issue price of ₹ 450 (FV of ₹ 10 per share) on 15th January, 2008. Anticipating a huge returns on the share price, the issue was subscribed 27.5 times and a huge response received to the company's IPO. The company at the time of listing only owned a land for its six power projects which

: 3 :

were to be developed for generation of electricity, and there was no revenue income at the time of listing. On 15th February, 2008 the company listed its shares but due to the stock market meltdown, the stock fell to ₹ 320 per share, i.e. a discount of ₹ 130 from its issue price of ₹ 450. Facing huge criticism from its investors, the company decided to issue bonus shares in the ratio of 3 shares for 5 shares held. A Public Interest Litigation was filed challenging the issuance of bonus shares without any revenue income. The case was rejected and dismissed.

Discuss the merits of the case and also the conditions for issue of bonus shares.

(5 marks)

(b) Explain the circumstances under which an Investment Manager of an Infrastructure Investment Trust (InVIT) can apply to SEBI and the designated Stock Exchange for delisting of its units.

(5 marks)

(c) State the procedure laid out for issuance of ADRs/GDRs.

(5 marks)

4. (a) “Achieving a prosperous, inclusive, resilient and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty” — Justify the mission of Asia Development Bank in your own words.

(b) Explain the term ‘Strategic Investor’ with reference to the public issue of REITs and InVITs.

(c) Explain the categories of Private Equity Investment.

(d) Explain the relevant applicable requirements as specified by SEBI for an issuer proposing to issue Non-Convertible Redeemable Preference Shares to the public through the online system of the stock exchange.

(e) Explain the conditions under which a bank can grant non-funded facilities to customers (not availing fund based facility from any bank in India).

(3 marks each)

PART-B

5. (a) Explain the relevant SEBI Regulation regarding prior intimations to Stock Exchanges, which are required for Board Meetings, where certain proposals, e.g. financial results and fund raising, are to be considered.
- (b) Explain briefly the Professional Securities Market and the provisions relating to listing of Depository Receipts thereon.
- (c) “If going public is a complex process, being public is all the more complex as it assumes tremendous responsibilities on the managements and promoters of the company once listed” — Comment on the statement and the responsibilities it imposes on the management in terms of procedures and compliances.
- (d) Explain the benefits to a company from listing its security on an international stock exchange.

(5 marks each)

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

6. (a) Explain the manner in which a listed entity, before issuing securities, shall obtain an ‘in-principle’ approval from recognised stock exchange(s).
- (b) Explain the Regulatory Framework for an IPO and Scope of Due Diligence.
- (c) Explain the requirements and process for listing of Shares/GDRs on the Euro MTF.
- (d) For listing and trading on SME-Initial Public Offer (IPO), what are the documents to be submitted BEFORE T+4 days ?

(5 marks each)

: 5 :

OR (Alternate question to Q. No. 6)

- 6A.** (i) Bring out the differences between Bourse de Luxembourg (BdL market) and Euro MTF Market.
- (ii) Give the list of documents and information required to be submitted to holders of Non-Convertible Preference Shares.
- (iii) ABC is a company intending to issue Preferential Shares to Rakesh Bansal. List out the Pre-Issue Formalities for this Preferential Issue.
- (iv) Explain the role of “Nomads”.

(5 marks each)

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