

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 6

NOTE : Answer ALL Questions.

## PART — A

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

1. (a) In the course of Secretarial Audit, you discovered that the shareholders of Rajesh Agro Ltd. removed one director X in the Extra-ordinary General meeting held on 27th February, 2018 and the Board of directors of the company also forfeited his one share of ₹ 1,000 fully paid up and removed his name from the register of members. Whether the forfeiture of the said share is in accordance with law and legally tenable ?  
(5 marks)
- (b) You are a practicing Company Secretary, have been awarded an assignment of Secretarial Audit by NMR Ltd. List out the check points to be taken care with regard to 'Register of Contracts' maintained by the company.  
(5 marks)
- (c) Z, one of the director of Shyam International Ltd. leaked an insider information in the market for personal benefit. Ram, Secretarial auditor of the company, in the course of performance of his duties find out this offence which involved the amount of ₹ 2.40 crore. As a Secretarial Auditor of the company how would Ram report about this ? Also state the consequences of non-compliance by the Auditor under the Companies Act, 2013.

(5 marks)

: 2 :

- (d) List out the check points to be observed by Company Secretary while conducting Secretarial Audit with regard to quorum in the meetings of the Board of directors under Secretarial Standard-1.

(5 marks)

- (e) You are appointed as the Secretarial Auditor of Shakti Foods Ltd., a NSE listed company for conducting Secretarial Audit for the financial year 2018-19. During the audit you found that the satisfaction of charges has not been done. Advise the company as to the filing of form for satisfaction of charge and the fees payable for delayed filing of the said form.

(5 marks)

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

- 1A. (i) Jain & Jain Company Ltd., a listed company wants to issue shares under Employees Stock Option under the Companies Act, 2013. For that purpose, the company has to pass a special resolution as required under section 62(1)(b) of the Companies Act, 2013.

Discuss what are the disclosures that are to be made in the Explanatory Statement annexed to the notice for passing special resolution ?

(5 marks)

- (ii) PQR Ltd. wants to declare interim dividend during the financial year 2019-20. The company incurred losses for the first quarter ended 30th June, 2019 of the current year. Can the company declare interim dividend ? What are the check points you should keep in mind as Secretarial Auditor in respect of declaration of dividend ?

(5 marks)

: 3 :

(iii) Comment on the following :

(1) A practicing Company Secretary can act as a Registered Valuer under the provisions of the Companies Act, 2013 and other applicable laws for the time being in force.

(3 marks)

(2) Limits prescribed by ICSI for the issue of Secretarial Audit Report.

(1 mark)

(3) The Secretarial Auditor is a tenure based appointment.

(1 mark)

(iv) The Companies (Restriction of Number of Layers) Rules, 2017 imposes restrictions on number of layers for certain classes of holding companies. Which are the companies exempted from such restrictions ?

(5 marks)

(v) Pika Industries Ltd. appointed you as Company Secretary. The company is engaged in the activities covered under FDI. You are requested to list out the prohibited activities/sector(s) as provided under FDI Policy. Which type of instruments can be issued to a person resident outside India ?

(5 marks)

**PART — B**

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

2. (a) You are a Company Secretary in XYZ Ltd. and also the Corporate Compliance officer of the said company. The Chairman of the company directed you to prepare a report on the compliance activities under compliance management. What are the activities to be included in the report ?

(5 marks)

: 4 :

- (b) Industries are required to be located, striking a balance between economic and environmental considerations. What are the factors that must be recognized in such a selected site under the environmental guidelines issued by Ministry of Environment ?  
(5 marks)
- (c) GHI Ltd. wants to acquire RST Ltd., the target company. Prepare a check list to undertake a preliminary study on the target company before taking over.  
(5 marks)

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

- 2A. (i) As a Company Secretary, what are the corporate governance process to be kept in mind with respect to related party transactions under the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ?  
(5 marks)
- (ii) MNR International Ltd. wants to raise funds through issue of Foreign Currency Convertible Bonds (FCCBs) through automatic route. As a Compliance Officer of the company answer the following :
- (a) Ceiling for issue of FCCB in any one financial year.
  - (b) The maturity period of FCCB.
  - (c) Allowable limit of expenses for the issue of FCCB.
  - (d) Usage of FCCB proceeds.
  - (e) Furnishing of report to Reserve Bank of India on completion of the issue.
- (1×5=5 marks)

: 5 :

(iii) What are Anti-competitive agreements ? What are the various types of Anti-competitive agreements ?

(5 marks)

3. (a) Pace Power Corporation Ltd. proposed to be amalgamated with Universal Power Ltd., for which a scheme of amalgamation is to be prepared. Detail out the points which should be covered in the Scheme of amalgamation.

(8 marks)

(b) What are the possible legal hurdles in carrying out a legal due diligence of the target company and what are the actions to be taken to break the said hurdles in due diligence ?

(7 marks)

4. (a) The All-India Financial Institution while granting term loans to companies insist on certain formalities to be completed by a company availing such loan. These include furnishing of certificates by the Company Secretaries in practice. What are the certificates and their contents ?

(b) As a practicing Company Secretary briefly describe the procedure for conducting the meeting of creditors of the transferor and transferee companies in a merger.

(c) Define 'SME Exchange'. What are the exemptions available for securities listed at SME Exchange ?

(5 marks each)

5. (a) Write short notes on the following :
- (i) Two-way fungibility of GDRs;
  - (ii) Relevant market under Competition Act, 2002; and
  - (iii) Elements of ISO 14001 Standard for Environment.
- (3 marks each)*
- (b) (i) The funds borrowed from banks/financial institutions must be used by the company for the purpose for which they were borrowed. Briefly explain the term 'Diversion and siphoning of funds'.
- (3 marks)*
- (ii) For what purposes the following forms are required to be filed under the Companies Act, 2013 :
- (a) FC – 4;
  - (b) MBP – 3;
  - (c) PAS – 6.
- (1×3=3 marks)*
6. (a) Discuss the accounting principles to be used in preparation and disclosure of financial reports under SEBI (LODR) Regulations, 2015 by HDB Bank Ltd., a foreign listed entity, which has listed its Indian Depository Receipts.
- (b) Due diligence exercise these days is carried out through creation of Virtual Data Room in the form of internet site where all the confidential/material business information is stored. What are the steps involved in creation of a Virtual Data Room ?
- (c) What are the directions placed by the Supreme Court in 'M.C. Mehta Vs. Union of India', AIR 1115, 1988, SCR (2) 530 to the Government to create awareness of environment among people ?
- (5 marks each)*