

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 4

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

**PART – A**

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

1. (a) Examine and comment on the following :
- (i) Unpaid dividend should be transferred to Investor Education and Protection Fund.
  - (ii) The ultimate goal of the Secretarial Standards is to promote good corporate practices leading to better corporate governance.
  - (iii) Secretarial Standards on Board's Report seek to lay down certain additional disclosures.
- (5 marks each)*
- (b) You are assigned the secretarial audit of passing of resolution by circulation. Prepare a check-list of compliances in this regard.
- (5 marks)*
- (c) Prepare a check-list of compliances for filing of resolutions and agreements for the purpose of secretarial audit.
- (5 marks)*

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

- 1A. (i) New Age Fashions Ltd. is expecting to receive capital investments from non-resident entity/person resident outside India. As a Company Secretary, you are required to submit a brief note to the Chairman suggesting various routes to receive such investments.
- (5 marks)*
- (ii) What is the importance of common seal of a company ? Explain the standards prescribed by the Institute of Company Secretaries of India with respect to affixing of common seal (SS-8).
- (5 marks)*
- (iii) Explain the objects, scope and benefits of Secretarial Audit.
- (5 marks)*

: 2 :

- (iv) The Securities Contracts (Regulation) Act, 1956 is enacted to prevent undesirable transactions in securities. Comment.

(5 marks)

- (v) Divya is Managing Director of AB Ltd., a wholly owned subsidiary of PEE KAY Ltd., a listed company. AB Ltd. incurred a huge loss of ₹125 crore on 31<sup>st</sup> March, 2014. However, PEE KAY Ltd. informed this loss to stock exchange on 30<sup>th</sup> April, 2014. Divya's husband, Pradeep, who received information of this loss from Divya, sold 2,60,000 shares of PEE KAY Ltd. on 24<sup>th</sup> April, 2014. Examine and comment on the above as a Secretarial Auditor.

(5 marks)

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

2. (a) "Cultural clashes are likely to be more prominent in cross-national than domestic acquisitions." Discuss and also briefly enumerate the cultural due diligence process.  
(5 marks)
- (b) Mohan, a director of Delight Ltd. went abroad on 3<sup>rd</sup> March, 2014 for five months. The company appointed Kalinga as an alternate director in place of Mohan. The next Board meeting is scheduled on 24<sup>th</sup> June, 2014. The company has sought your advice today whether the notice of the Board meeting is required to be given to Kalinga.  
(5 marks)
- (c) The annual general meeting of Mridul Ltd. for a particular year was not held within stipulated time, as the accounts for the said year were not ready. Advise the company regarding compliances for filing of annual accounts with the Registrar of Companies.  
(5 marks)

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

- 2A. (i) Jyoti Ltd. made a public issue of its shares through prospectus. The prospectus contained certain mis-statements. Rupa bought 1,000 shares of the company in good faith through recognised stock exchange. Subsequently, the company was wound-up. Can Rupa sue the directors of Jyoti Ltd. for mis-statements in the prospectus ?

(5 marks)

: 3 :

(ii) A charge in favour of a public financial institution to secure a sum of ₹300 crore was not created by Dream House Construction Ltd. within the statutory period and the Company Law Board on an application made by the company, did not grant the extension of time. Is it possible to revive the said charge ?

*(5 marks)*

(iii) "Compliance with law and regulation must be managed as an integral part of any corporate strategy." Comment.

*(5 marks)*

3. (a) An unlisted public company incorporated in United Kingdom is desirous of accessing Indian securities market through depository receipts. Advise the company, keeping in view the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

*(5 marks)*

(b) Corporate culture has immense influence on the performance of an organisation. Comment.

*(5 marks)*

(c) Prepare a note for your Managing Director explaining the borrowing limits in compliance with section 293(1)(d) of the Companies Act, 1956.

*(5 marks)*

4. (a) Explain the importance of due diligence report for banks about borrowers' accounts, as prescribed by the Reserve Bank of India. Mention at least 8 points relating to due diligence report and methods of reporting non-compliances with respect to atleast 2 such points out of 8 points mentioned by you.

*(8 marks)*

(b) What are the areas required to be covered in establishing a compliance management framework ?

*(7 marks)*

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

(i) Public announcement

(ii) Requirement of data room for due diligence

(iii) ISO standards for environment.

*(3 marks each)*

(b) Distinguish between the following :

- (i) 'Book building' and 'reverse book building'.
- (ii) 'Environmental due diligence' and 'ethical due diligence'.

(3 marks each)

6. (a) The promoters of Anshul Developers Ltd., an unlisted company, are contemplating to go for an initial public offer (IPO). They seek your advice in respect of the following queries with reference to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 :

- (i) Requirement of net tangible assets;
- (ii) Need for past track record of distributable profits; and
- (iii) Need of operational profits.

(5 marks)

(b) Well Performer Ltd., incorporated in India, intends to raise finance from USA through the issue of global depository receipts (GDRs) and also proposes to list its securities on the US stock exchange. Guide the company about the requirement of Form 20F relating to report on material business activities.

(5 marks)

(c) Gopal Silk Ltd. (referred to as seller), manufacturer of sarees, entered into an agreement with a purchaser for the sale of products. The agreement, *inter alia*, includes the following clauses :

- (i) That the purchaser shall not deal with the goods, products, articles, by whatever name called, manufactured by any person other than the seller.
- (ii) That the purchaser shall sell the goods manufactured by the seller at the price as embossed on the price label of the sarees. However, the purchaser is allowed to sell the sarees at prices lower than those embossed on the price label.

Examine the validity of the above clauses with relevant provisions of the Competition Act, 2002.

(5 marks)