

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 – A**

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

1. (a) What records and information a Company Secretary has to verify to check compliances regarding loans to directors and related party transactions of the company ?
- (b) Great Ltd. plans to appoint Kushal as an 'additional director'. As a Company Secretary, what are the checks you would make while appointing Kushal as an additional director ?
- (c) As a Company Secretary of Kairar Ltd., state the special points to be checked by you in the matter of issue of foreign currency convertible bonds by the company.
- (d) Quick Ltd. is a non-government company. Its Board of directors proposes to donate ₹70,000 to a political party. The average net profit worked out for the three immediately preceding financial years is ₹45,00,000. As a Company Secretary, examine whether the proposed donation of ₹70,000 is within powers of the Board of directors of Quick Ltd. under the Companies Act, 2013.
- (e) Adira Ltd. wants to issue preference shares. As a Company Secretary, what are the points you would examine for this purpose ? Explain briefly.

*(5 marks each)*

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

1A. (i) You are the Secretarial Auditor of Admire Ltd. State the matters to be considered by you while preparing the audit report.

(5 marks)

(ii) Guru Ltd. is a listed company. The articles of association have fixed payment of sitting fees for each meeting of directors at ₹30,000. The company wants to increase the sitting fee to ₹50,000 per meeting. You are required to advise the company as per the requirements of the Companies Act, 2013.

(5 marks)

(iii) Larsen, a foreign investor wants to make investment in the following businesses. Identify, giving reasons, whether such investments are under automatic route, government route or prohibited transactions under the Foreign Exchange Management Act, 1999 —

- (i) Investment in tea plantations
- (ii) 49% investment in insurance sector
- (iii) Investment in S.K. Tours & Travels
- (iv) Sikkim lottery investment
- (v) 49% investment in a trading company doing export activities.

(5 marks)

(iv) Buma Ltd. has some urgent items which could not be concluded in the Board meeting. The Board decides to pass the said items by way of resolution by circulation. As the Company Secretary, advise the company about the steps to be taken as laid down in the Companies Act, 2013 and applicable secretarial standard.

(5 marks)

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- (v) Peejay Ltd. is a listed company. It declared 10% dividend in the AGM held on 30<sup>th</sup> September, 2015 for the financial year 2014-15. Indicate the :
- (a) Time limit for payment of dividend; and
- (b) Circumstances when Peejay Ltd. will not be deemed to have committed any default even if it does not pay the dividend within prescribed period.

(5 marks)

**PART – B**

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

2. (a) Som Ltd. wants to make 'rights issue' of shares. As a Company Secretary, advise on the following issues —
- (i) The aggregate value of securities offered is ₹85 lakh.
- (ii) The record date for rights issue is 30<sup>th</sup> June, 2015. The company desires to withdraw rights issue on 2<sup>nd</sup> July, 2015.
- (iii) The rights issue is open for subscription from 30<sup>th</sup> June, 2015 to 10<sup>th</sup> July, 2015.
- (iv) The letter of offer is dispatched through courier to all existing shareholders on 29<sup>th</sup> June, 2015 when the issue is open for subscription on 30<sup>th</sup> June, 2015.
- (v) The record date is 30<sup>th</sup> June, 2015. On 2<sup>nd</sup> July, 2015, the issue price of shares is decided.
- (b) Mini Ltd., a listed company, comes out with issue of shares through ESOS. As a Company Secretary, how would you deal with the following issues —
- (i) Suresh is an employee on a contract basis. His contract is renewed every year. Can he participate in ESOS ?

(5 marks)

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- (ii) Lakshya, an employee, is granted option under ESOS by the company. He writes a letter to his friend Mukesh for transferring the offer. But he dies. With whom will the option vest ?
- (iii) Akhil, a director and his wife Beena together hold more than 15% of the equity shares of the company. Can the director Akhil participate in ESOS ?
- (iv) The ESOS in Mini Ltd. is a part of public issue and the shares are issued to employees at the same price as in the public issue. What is the duration of the lock-in-period to which these shares are subject to ?
- (v) Anil has acquired shares under ESOS in Simi Ltd. Now, Mini Ltd. acquires Simi Ltd. fully. Mini Ltd. allots shares to Anil in *lieu* of shares which he has under ESOS in Simi Ltd. In Simi Ltd., he has undergone 5 months of lock-in-period. How many minimum months of lock-in-period he has to undergo in Mini Ltd. ?
- (c) A cement company, having dominant position in domestic market, used discriminatory conditions in purchase and sale of goods and services. Explain the conditions in which there is abuse of dominant position.

(5 marks)

(5 marks)

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

- 2A.** (i) Bombay Stock Exchange delisted the shares of Legacy Ltd. Being the aggrieved company, Legacy Ltd. approaches you to seek a remedy. As a Company Secretary, advise Legacy Ltd., bearing in mind the provisions of the Securities Contracts (Regulations) Act, 1956.

(5 marks)

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(ii) Divi Ltd. is going in for public issue and listing of securitised debt instruments on Bombay Stock Exchange. Draft a note on compliances under the SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008.

*(5 marks)*

(iii) Describe the compliances under institutional placement programme to be furnished by a Company Secretary.

*(5 marks)*

3. (a) While carrying out environmental due diligence, what are the aspects you would take into consideration for preparation of risk analysis matrix ?

*(8 marks)*

(b) In the case of a tender floated by a public sector undertaking, there were allegations that some of the parties have indulged in anti-competitive bidding in the tender. As a practising Company Secretary, how would you check that the company you represent has not indulged in any anti-competitive bidding ?

*(7 marks)*

4. (a) Koyal Ltd. borrows money from a scheduled bank to expand its research section. As a Company Secretary, what are the check-lists available to you for utilization of the money advanced ?

*(5 marks)*

(b) Rajan is a director of Kangana Ltd. His wife Mrs. Lata has applied for loan in Kangana Ltd. for construction of house for an amount of ₹30 lakh. Advise the company on the grant of loan with reference to the provisions of the Companies Act, 2013. Explain the penal provisions, if any.

*(5 marks)*

- (c) "Legal due diligence provides complete picture of a company through a methodical investigative process." Elucidate.

*(5 marks)*

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

- (i) Preferential offer
- (ii) Global depository receipts
- (iii) Convertible debt instruments.

*(3 marks each)*

- (b) Distinguish between the following :

- (i) 'Operational due diligence' and 'strategic due diligence'.
- (ii) 'Financial due diligence' and 'tax due diligence'.

*(3 marks each)*

6. (a) The recognised stock exchange in your city wants to put restrictions on voting rights of its members to be exercised in a meeting and on their right to appoint a proxy.

You are required to state whether the restrictions on voting rights are permissible and on what matters ? Also state the role of Central Government in this regard.

*(5 marks)*

- (b) Ajit retired as a member of Competition Commission of India (CCI) on 31<sup>st</sup> October, 2014. He was offered the post of Chief Executive in Khetan Ltd. which was earlier a party in proceedings before CCI. Can Ajit join the company with effect

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from 1<sup>st</sup> November, 2015 ? There was one more offer to Ajit to join ONGC Ltd., a government company with effect from 4<sup>th</sup> April, 2015 and ONGC was also a party to the proceedings before CCI. Can Ajit take up this offer ? Give reasons.

*(5 marks)*

(c) Explain briefly the advantages as well as disadvantages of a virtual data room.

*(5 marks)*

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