

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) Raj Mani Hadlooms Ltd., an unlisted Public Company, having paid-up Capital of Rs. 18 Crore, has seven Members. Shri Raj and Shri Mani are the Promoters of the company and their aggregate holding in the paid-up Capital is 95%. Now the promoters want to invest 2 Crore more in the paid-up capital. On 30th March, 2017, the Company has received Rs. 1 Crore each from promoters through RTGS as advance share capital money.
Discuss - Whether it is mandatory for the company to make a rights issue to implement the capital raising programme ? Can the company use the share capital advance prior to completing the allotment of shares ? State whether it is mandatory to determine fair price of shares if a preferential allotment were to be made to Promoters alone ?
- (b) As a Secretarial Auditor, design a check list for being applied to verify the compliance of applicable provisions of the Act with respect to the variation of rights of preference shareholders carried out by RAM Company Limited. Assume there is no clause in the Articles of Association of the Company with respect to variation and terms of issue does not prohibit variation of the terms.

: 2 :

- (c) While conducting a Secretarial Audit, what particulars and records have to be verified to audit the corporate guarantee given by Subse Mehanga Textile Garments Limited to Universal Textile Clothing Limited, if Universal Textile Clothing Limited is a wholly owned subsidiary of Subse Mehanga Textile Garments Limited.
- (d) What is meant by Board Process ? What are the major decisions to be taken as part of the Board Process leading to an in principle decision to go for an initial public offer ?
- (e) Next Annual General Meeting of Apolo Ltd., a BSE Listed Company, is scheduled to be held on 14th September, 2016. The Notice was sent to all the members, Stock Exchange, Directors and Auditors through email as well as by speed post on 12 August, 2016. The Notice was also uploaded on the website of the Company. You are the Company Secretary. In the evening of 13th September, 2016, Shri Manish Vaid, Managing Director instructed you to withdraw the Agenda item concerning the proposed issue of bonus shares to members. Explain in brief, what you would have done.

*(5 marks each)****OR (Alternate question to Q. No. 1)***

- 1A. (i) The Director (HR) of ABC Ltd. has desired for renovation and modernization of Admin Building situated at Bric Complex, New Delhi. There was special instruction for transfer/destroy of bulky records to facilitate more space. The Secretarial Department of the Company keeps and maintains all Secretarial Records permanently which has occupied huge space. As a Secretarial officer, prepare a check list for Preservation of Secretarial Records.
- (ii) SCP II a Mauritius body corporate intends to transfer all its shares in System Automation India Private Limited, Hyderabad to Orchard III, a body corporate having its registered office in Singapore. Please advise steps to be followed by the transferor, transferee and

(5 marks)

: 3 :

the Indian Company in carrying out the transaction under the Companies Act, 2013 and the Foreign Exchange Management Act, 1999 and rules and regulations therein.

(5 marks)

(iii) The object clause of Vikram Engineering Ltd. was changed in year 2016-17. The company had made an initial public offer in the year 2015-16. Enumerate the list of documents to be checked in this regard while conducting secretarial audit for 2016-17.

(5 marks)

(iv) Rohan Ltd., a public company is having a paid up capital Rs. 40 crore and a turnover of Rs. 490 crore. Advise whether the company is required to go for Internal Audit and briefly explain the areas that will come under within the scope of Internal Audit.

(5 marks)

(v) Say True *or* False :

(a) Issuing Foreign Currency Convertible Bonds (FCCBs) under Automatic Route with attached warrants is not permitted.

(b) For the purpose of issue of Depository Receipts, a special resolution passed under section 62 of the Companies Act, 2013 is not sufficient to satisfy the special resolution required to be passed under section 41 of the Companies Act, 2013.

(c) Unless the size of money invested by foreign investors through Global Depository Receipts exceeds the limits for Foreign Direct Investment under Automatic Route, no approval of Government of India is required as such investments are considered as Foreign Direct Investment.

(d) The proceeds of issue of ADRs/GDRs under a scheme of sponsored ADRs/GDRs need to be repatriated to India within a period of one year.

(e) Overseas Custodian Bank is a Indian Commercial bank established in the Public Sector by the Government of India.

(1 mark each)

PART — B

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

2. (a) Explain the Institutional Placement Programme. (5 marks)
- (b) Explain the persons who are qualified to act as debenture trustees for a series of non-convertible unsecured debentures proposed to be issued by Company going to be listed under SEBI (Issue and Listing of Debt Securities) Regulations, 2008. (5 marks)
- (c) Mention the important conditions to be followed by the Directors of the Target Company under Regulation 24 of the Securities and Exchange Board of India (Substantial Acquisitions and Take Overs) Regulations, 2011 ? (5 marks)

OR (Alternate question to Q. No. 2)

- 2A. (i) The Annual Financial Statements of Shri Ram Textiles Ltd. for the Financial Year 2015-16 were approved on 17th May, 2016. The Auditors' Report on Financial Statements was received on 14th June, 2016. The Annual General Meeting was held on 5th September, 2016. As quorum was not present, the meeting stood adjourned to 12th September, 2016. The Director (Finance) declared on 10th September, 2016 a final dividend. Actually there was no provision for proposed dividend in the Financial Statements. Can he do so in light of provision of the Act ? (5 marks)

: 5 :

(ii) Briefly explain 'reservation on competitive basis' under SEBI (ICDR) Regulations 2009. Mention the conditions subject to which the reservation on competitive basis could be made under the above Regulations.

(5 marks)

(iii) Sunlight Ltd. and Moonlight Ltd. have entered into a Joint Venture Agreement (JVA). Pursuant to provisions of JVA, a Joint Venture Company (JVC) shall be incorporated to run the Software Development Business in South Asia. Apart from Capital Investment, both the party will provide knowhow and intellectual assistance including business secrets to JVC. In this regard, Sunlight Ltd. and Moonlight Ltd. need to enter in a Non-Disclosure Agreement.

What are the points to be incorporated in Undertaking Clause and Exception Clause of Non-Disclosure Agreement ? Explain briefly.

(5 marks)

3. (a) OK Tyre Co. Ltd. is planning to set up a plant for manufacturing of Tyres in Singur at Hugli district, West Bengal. As a member of team of Senior Management, can you prepare a note on Environment Impact Assessment (EIA) and the basic factors that should be addressed by EIA, which would be forming part of Agenda to be put up in ensuing Board meeting.

(8 marks)

(b) Explain the role of the Board of Directors in doing their oversight function on the subject of Compliance Management. How Company Secretary of the Company could play a significant role in helping the Board in institutionalizing an adequate and effective Compliance Management System ?

(7 marks)

4. (a) Explain the points to be observed in relation to Liquid and Solid Wastes as per Environmental Management Plan (EMP).
(4 marks)
- (b) State the time limit under the SEBI (Listing Obligations and Disclosure Requirements) 2015 for submitting a statement to the stock exchanges showing holding of specified securities and shareholding pattern separately for each class of securities and guide the managing director of FY Industries Limited who are going for reclassification of some of their promoters.
(6 marks)
- (c) ADLAP Infra Project Ltd. is in process of Initial Public Offer of Rs. 450 Crore. M/s SPMG, is being appointed for due diligence in respect of Project of ADLAP. As the Company Secretary, prepare a Checklist for such due diligence to provide Project related information and records.
(5 marks)
5. (a) Write short notes on the following :
- (i) National Green Tribunal Act, 2010
 - (ii) Checklist for Compliance of Terms of Insurance in Due Diligence for Banks
 - (iii) Risk Management Committee.
- (3 marks each)
- (b) Define the following terms :
- (i) Wilful default
 - (ii) “Specified Securities” under SEBI (ICDR) Regulation, 2009.
- (3 marks each)

: 7 :

6. (a) Stable Ltd. is being merged in Growing Ltd. As a Practicing Company Secretary, what are the information required to check if there is cross holding of Directors of the Transferee and Transferor Companies ?
(5 marks)
- (b) Hindustan Zinc Ltd. has issued the tender for developing Compliance Software for the Company. Webscroll Co. Ltd. was the successful bidder giving lowest price bid. As a Compliance Solution provider, what are the approaches to be adopted by Webscroll Co. Ltd.
(5 marks)
- (c) The Competition Commission of India has received a complaint that the combination proposal of Tina Ltd. and Meena Ltd. is going to have an appreciable adverse effect on competition. Explain the factors to be considered to evaluate the effect of Combination under the Competition Act, 2002.
(5 marks)

————— o —————