

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) Anil Kumar, Practicing Company Secretary of ABC Ltd. while conducting the Secretarial Audit of the Company, has found that a fraud involving ₹ 2 crore has been committed against the company by one of its officers. The said officer has made dummy account identity in the SAP while making entries. Enumerate the procedure for reporting of fraud by Secretarial Auditor.
- (b) Vivek Goel, one of the Shareholders of J.K. & Company Ltd., an unlisted public company, holds 100 Equity Shares in the Company bearing Share Certificate No. 17 having distinctive number from 1101 to 1200. During the settlement of financial claim in the family, it was decided that these shares will be transferred to his younger brothers Animesh Goel and Sudhesh Goel equally. The fair market value of the Share is ₹ 156 each share. Draft the checklist for Secretarial department of J.K. & Company Ltd. while ensuring the approval of this transfer.
- (c) M/s Sagar Tripathi & Co., Company Secretaries, a Practicing Company Secretary Firm, is selected by NFSL Transportation Ltd. (BSE Listed Company) on basis of giving lowest bid in the Express of Interest. One of the Partners, Mrs. Neha S. Agrawal, while conducting Secretarial Audit for Financial Year 2017-18, gone through various Registers maintained under Companies Act, 2013. She also checked the non-statutory, but statistical in nature, Registers. List out these types of any 3 Registers which may require the comments of the Secretarial Auditors, though giving qualification for non-compliance may be at her discretion.

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- (d) SAI Shradha Technology Ltd. called its 51st Annual General Meeting on 8th August, 2017. Total Members of the Company were 213. The Shareholders present in the Annual General Meeting were 7 out of which 4 were proxies. The Chairman adjourned the Meeting wants of quorum. All shareholders present objected the decision of the Chairman. As a Company Secretary, list out the checklist for adjournment of meeting as per Secretarial Standard 2.
- (e) Shrandhanjali Hotels (India) Ltd., a NSE Listed Company, wants to raise the fund of USD 800 Million for spreading its business in all over India. Arnave Sodi, Chairman of the Company, suggested for External Commercial Borrowing. The Company Secretary has opined that the same requires the Approval of the RBI under Approval Route. Describe, whether the fund can be raised under Automatic Route or not ? Also enumerate the Check point for arrangement of the fund through External Commercial Borrowing in this case.

(5 marks each)

OR (Alternate question to Q. No. 1)

- 1A.** (i) Vishesh Sewa Aayog, a NGO for promoting professionalism in India invites you to make a presentation on objectives and functions of Secretarial Standard Board (SSB). Prepare a brief note on captioned topic.
- (5 marks)
- (ii) You are appointed as a Secretarial Auditor of Vikram Coal & Gas Ltd., a BSE Listed Company, for conducting Secretarial Audit for Financial Year 2017-18. During the Audit, you find that few resolutions were passed through postal ballot. What is the Website disclosures requirement under the Companies Act, 2013 in such case ?
- (5 marks)
- (iii) The dynamic demand of business environment necessitates the changes in the contents of basis and internal charters of the Company, the Articles of Association and the Memorandum of Association. When there is such a change, indicate the documents to be checked by the Secretarial Auditor in this regard.

(5 marks)

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- (iv) As a gesture of democratic management concept, the shareholders have a right to remove a director from his office. If done so by the shareholders, enumerate the steps to be undertaken by a Company Secretary to check the removal of a Director.

(5 marks)

- (v) The Chairman of the Board of Directors of AQR Ltd. has desired to call a Board Meeting in the next week. Accordingly, the Notice and Agenda Notes were sent to all Directors 9 days prior to the date of the Board Meeting. The Company Secretary, in the morning when the Board Meeting is scheduled, informed the Chairman that due to serious accident, he is unable to attend the Board Meeting. KS Das, the Dy. Company Secretary, who recently joined, is asked to conduct the Board Meeting. KS Das has successfully conducted the Board Meeting. The Company Secretary joins the office 32 days after the Board Meeting. Till date, KS Das has finalized the Minutes.

List out the check points to be observed in the Minutes by Company Secretary as per Secretarial Standard 1 with respect to following :

- (a) Contents
 (b) Recording in the Minutes
 (c) Finalization
 (d) Entry
 (e) Signing and dating

(5 marks)

PART — B

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

2. (a) List out any 5 (five) features of Depository Receipts Scheme, 2014.

(5 marks)

- (b) The funds collected through public issue cannot be kept in Bank Account forever, without intended allotment. Comment.

(5 marks)

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(c) M/s S.Core Advisory Services Pvt. Ltd. has submitted its bid invited through International Bidding Process by RE Textiles & Yarns Ltd. Being a lowest bid, the letter of award was issued in favour of M/s S.Core Advisory Services Pvt. Ltd. for providing consultancy services to set up a Knitting Fabric Plant at Maharashtra. M/s S.Core Advisory Services Pvt. Ltd. is already providing consultancy services to various organizations in India and outside India. RE Textiles & Yarns Ltd. asks M/s S.Core Advisory Services Pvt. Ltd. to enter into a Non Disclosure Agreement. The Agreement is proposed to be signed at Mumbai. The Management of RE Textiles & Yarns Ltd. wants to include the following clauses in the Agreement :

- (1) No Title to Use
- (2) No Obligation to Disclose, No Representations

Prepare a brief note on above two clauses required to be included in the Non-Disclosure Agreement.

(5 marks)

OR (Alternate question to Q. No. 2)

2A. (i) The SEBI (ICDR) Regulations, 2009 have various provisions on the aspects and activities of a Public Issue by a Company. As a Secretarial Auditor, how will you verify the Time Limits followed by the Company in regard to opening the issue to the Public.

(5 marks)

(ii) The scope of Due Diligence Process is wider than a Financial Audit Process. Elucidate.

(5 marks)

(iii) In the process of issue of the Indian Depository Receipts (IDRs), various Agencies are required to be engaged. Prepare a brief note.

(5 marks)

3. (a) UB Power Inc., a Company registered in United Kingdom, through its Indian Subsidiary, is proposing to set up a Thermal based Power Plant at Angul, in state of Odisha. The local people are protesting the proposed plant which may be injurious to their health

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and Environment. The Company engaged various professionals to submit the Draft Feasibility Report. In this report, the Risk Analysis is one of the important aspects. Prepare a Risk Analysis Matrix for the project.

(8 marks)

- (b) The Report of the Official Liquidator in a Scheme of Amalgamation is the route map in any Amalgamation process, which requires ample information from the parties involved in a Corporate Amalgamation. Provide the list of information to be furnished by them respectively to Auditor appointment by the Official Liquidator.

(7 marks)

4. (a) You are engaged by a Bank for conducting the due diligence on behalf of the bank and submission of Diligence Report. What are the check points to be observed which may be concluded as Suggested alerts.

(4 marks)

- (b) The significant of the Competition Law lies in aiming at promoting competition rather than focusing on curbing monopolies. Explain.

(6 marks)

- (c) Competition is one of the major factors for merging of business besides to sustain and excel, though such merger is not free from its own negatives with reference to competition. Highlight the factors to be considered while evaluating the appreciable adverse effect on competition of Combination of Business.

(5 marks)

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

- (i) Breaking legal due diligence hurdles
- (ii) Charges requiring Registration
- (iii) Compliance Risk

(3 marks each)

(b) Define the following terms :

(i) Level I ADRs

(ii) Corporate Compliance Committee

(3 marks each)

6. (a) Merger and Amalgamation aims at stability, development and expansion of business prospects, the decision being based on a prudent Due Diligence process. Draft a Due Diligence Process in a tabular form involving buyer and seller.

(5 marks)

(b) What are the Auditing Limited Review to be disclosed by a Listed Entity who has listed its Indian Depository Receipts as per Part B of Schedule IV of SEBI (LODR) Regulations, 2015 ?

(5 marks)

(c) X Ltd. received a quotation from the brokers contemplating for ₹ 10 Crore of Commission to procure a subscription for its public issue of Equity Shares with a nominal value of ₹ 100 Crore at an issue price of ₹ 150 Crore. The Articles of Association of X Ltd. permits to pay only 4% commission for the same. As a Company Secretary, advise on the issue. Would your answer differ, if the issue price is ₹ 250 Crore ?

(5 marks)

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