

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

NOTE : Answer SIX questions including Question No.1 which is compulsory.

1. Examine and comment on the following. Attempt **any five** :

- (i) Compliance of law and regulation must be managed as an integral part of any corporate strategy.
- (ii) It is ethical for a Company Secretary in Practice to communicate about his appointment as a secretarial auditor with his predecessor.
- (iii) Companies are required to keep at their registered office, the register of charges for inspection.
- (iv) Services of experts are hired for carrying out due diligence exercise so that the buyer receives reliable guidance.
- (v) Depository receipts are negotiable securities issued outside India by a depository bank on behalf of an Indian company.
- (vi) Objective of internal audit of depository operations is to ascertain accuracy in transactions and compliances.

(4 marks each)

2. (a) Following figures have been extracted from the accounts of Ganga Ltd. for the last three financial years :

Year ending 31 st March	Net tangible assets (₹ in lakh)	Net worth (₹ in lakh)
2015	300	100
2014	250	75
2013	200	60

The company is planning to go to the public for raising funds through initial public offer route. You are required to state the conditions to be fulfilled by the company in this regard.

(6 marks)

- (b) Ravi is a shareholder in Peacock Ltd. His friend, Frank is interested to enter into business relationship with the company. In this connection, Frank wants to inspect the register of charges of the company to find out its borrowing position and credit worthiness. So, being friends, both Ravi and Frank requested the company for inspection of its register of charges. With reference to the provisions of the Companies Act, 2013, answer whether such inspection is permissible. Give reasons.
(6 marks)
- (c) Explain the procedural aspects of removal of a director of a company.
(4 marks)
3. (a) Soft Polymers Ltd. and Hard Polymers Ltd. are contemplating to join together to increase the size and area of business operations. You are approached to provide services as an expert in the field. Explaining the meaning of 'amalgamation', state the information required for drafting the scheme of amalgamation.
(8 marks)
- (b) Explain briefly the reasons for entering into a joint venture arrangement by business houses.
(4 marks)
- (c) Explain the role of Company Secretary as a Compliance Officer under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
(4 marks)
4. (a) Prepare a checklist for compliances for release of money from the escrow account that is deposited with the bank in cash as per the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
(8 marks)
- (b) "A data room is essential for effective due diligence." Comment.
(4 marks)
- (c) Fairy Ltd. plans to go for a major initial public offer. Prepare a check-list under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the allotment procedure and basis of allotment.
(4 marks)

5. (a) Write notes on the following. Attempt *any two* :
- (i) Conditions for issue of Indian depository receipts
 - (ii) Legal due diligence process
 - (iii) Due diligence of corporate social responsibility compliances. (4 marks each)
- (b) Distinguish between the following :
- (i) 'Intellectual property due diligence' and 'technology due diligence'.
 - (ii) 'Reverse merger' and 'triangular merger'. (4 marks each)
6. (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) As per Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the class of other public companies having paid-up share capital of _____ has to appoint at least one woman director.
 - (ii) _____ provides for damages to victims of an accident which occurs as a result of handling any hazardous substance.
 - (iii) The escrow amount for consideration payable under the public offer on the first ₹500 crore shall be _____ of the consideration.
 - (iv) The issue size for issue of IDR shall not be less than ₹ _____ .
 - (v) Nomination and Remuneration Committee comprises of majority of _____.
 - (vi) The findings mentioned in the _____ can be very significant in as much as the deal is concerned. (1 mark each)
- (b) Hi-Fi Ltd., a public company is having an annual turnover of ₹300 crore and paid-up share capital of ₹40 crore during the financial year 2014-15. Examine the requirements of conduct of secretarial audit and its relevance in Board's report of the company as per the Companies Act, 2013. (6 marks)
- (c) Explain the impact of due diligence on valuation. (4 marks)

7. (a) After submission of the secretarial audit report for the year 2014-15, it was noticed by the authorities that certain false statements had been made in the report and prosecution proceedings were initiated against the secretarial auditor. Discuss the penal provisions in this regard under the Companies Act, 2013.
(4 marks)
- (b) How would you deal with the cultural difference during a merger ?
(4 marks)
- (c) "Foreign investments in India are allowed in different sectors subject to the prescribed regulations." Discuss briefly the policy of the Government of India in this regard.
(4 marks)
- (d) State the penal provisions regarding non-compliances relating to Indian depository receipts under the Foreign Exchange Management Act, 1999.
(4 marks)
8. Critically examine and comment on the following. Attempt *any four* :
- (i) Corporate compliance management can add substantial business value only if compliance is done with due diligence.
- (ii) There are certain items that are required to be transacted only at the meeting of the Board.
- (iii) In corporate world, there are so many issues, *i.e.*, multiple financial statements, regulatory files, labour files, bundles of agreements, *etc.*, in order to decide whether to proceed with the acquisition deal.
- (iv) A company intending to accept public deposits must adhere to certain prescribed rules on repayment of deposits.
- (v) MCA-21 offers the facility to view documents and also search and other facilities of public documents.
(4 marks each)