

Roll No. ....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 5

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

**PART-A**

1. Attempt the following questions :

(a) XB Bank Ltd. formed a SPV and issued ₹ 1,00,000 secured debt instruments redeemable after 10 years. However, the SPV failed to redeem some secured debt instruments. 2 investors holding ₹ 5,000 and ₹ 7,000 secured debt instruments were of the opinion to take action against such default. Discuss the legal recourse available to them and the kind of remedy available. Does it make any difference of opinion if the holding is ₹ 3,000 and ₹ 7,000 ?

(b) Consider the following data of Sunshine India Mutual Fund :

Value of investments	: ₹ 2,757 crores
Receivables	: ₹ 221 crores
Other current assets	: ₹ 643 crores
Liabilities	: ₹ 390 crores
Accrued expenses	: ₹ 87 crores

If the number of outstanding units is 155 crore and sales charge is 2.20% on the NAV, what would be the public offering price ?

(c) “Ownership of a concern is also an important part of credit watch.” Explain the term “credit watch” and relation of ownership with credit watch.

(5 marks each)

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

2. Explain the following :

- (a) Mezzanine Financing
- (b) Participants in Electronic Book Mechanism
- (c) Placement Memorandum for Angel Fund
- (d) Level Pay Floating Rate Notes
- (e) Jobber.

*(3 marks each)*

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

2A. (i) Define Treasury Bills. Find out the maturity period, auction day and notified amount in the following type of Treasury Bills :

- (a) 91 days T Bill
  - (b) 182 days T Bill
  - (c) 364 days T Bill.
- (ii) Sigma Ltd. is an unlisted company and is having 2,00,000 equity shares. The company does not have any past experience of any kind of initial public offer. However, the management wants to launch an IPO of 5,000 convertible debt instruments each convertible into 2 equity shares. Can the company launch its IPO without having prior public issue ? Discuss.
- (iii) What is Depository System ? What are the features of Depository System in India ?

*(5 marks each)*

: 3 :

3. (a) Roshni Ltd. is presently an unlisted company and is proposed to be listed on BSE. The management is of the view to allot 50,000 equity shares on qualified institutional placement basis to a foreign depository. The floor price of shares has come down at ₹ 80 per share under ICDR regulations. However, the management is of the view to issue same class of shares @ ₹ 60.

As a Company Secretary of the company, you are required to comment on the validity of the pricing.

Will your answer be same, if the preferential allotment being made at ₹ 70 per share ?

- (b) X has surplus cash of ₹ 100 crores to be deployed in a project. However, it does not require the funds at a time, but need at different intervals stated below :

Funds available as on 1<sup>st</sup> Feb., 2021 ₹ 100 crores

Deployment in a project ₹ 100 crores

*As per the requirements :*

On 7<sup>th</sup> Feb., 2021 ₹ 25 crores

On 14<sup>th</sup> Feb., 2021 ₹ 10 crores

On 3<sup>rd</sup> March, 2021 ₹ 15 crores

On 9<sup>th</sup> March, 2021 ₹ 50 crores

Out of the above funds and the requirement schedule, X has mutually exclusive options for effective cash management of funds.

Option – 1 : Invest the cash not required within 15 days in bank deposits.

Option – 2 : Invest in Treasury Bills of various maturities depending on the fund requirements.

State clearly the implications of the two options.

- (c) “Auto delivery facility is not applicable to all kinds of transactions.” Discuss the statement with a view of applicability as well as non-applicability.

(5 marks each)

: 4 :

4. (a) “SEBI shall not consider an application for the grant of approval as designated depository participant unless the applicant satisfies certain conditions.” List out such conditions. (8 marks)
- (b) In what cases InviT shall refund money ? What are the various provisions relating to issue of units and allotment in case InviT raises funds by way of public issue ? (7 marks)

## PART-B

5. Critically examine the following :
- (a) The Securities Contracts (Regulation) Act, 1956 (SCRA) provides powers to recognised stock exchanges to make rules restricting voting rights etc.
- (b) Negative net worth is not the sole criteria to delist the securities by a recognised stock exchange.
- (c) Detailed information in Annual Report by stock exchanges may be submitted for activities during calendar year.
- (d) A Company may request some recognised stock exchange to delist any security, but certain conditions have to be complied in case no exit opportunity is given.
- (e) There is no mandatory provision for disclosure by issuer to its shareholder in case of preferential issue. (4 marks each)

*Attempt all parts of either Q. No. 6 or Q. No. 6A*

6. (a) Prisma Ltd. is a listed company on NSE. The Board of directors is planning to float a subsidiary company. The management requests you to prepare a detailed representation regarding corporate governance requirements with respect to subsidiaries of a listed entity. (5 marks)

: 5 :

(b) Pax Ltd. is presently an unlisted company and is planning to get listed on BSE only. Presently Board of directors consist 8 directors. The management requested you to advise on the composition of Board of directors for a listed company with specific respect to listing regulation 17(1) ?

(5 marks)

(c) Fox Star Ltd., a listed entity on Delhi Stock exchange, proposed to delist themselves from stock exchange. A board meeting is scheduled to be held on 28<sup>th</sup> March, 2020 for approval of the delisting.

You as a company secretary are required to advise on the matters with reference to SEBI (Delisting of Equity shares) Regulations, 2009, which Board of directors should deal with before granting approval for delisting.

(5 marks)

(d) Can an NBFC function as a Merchant Banker ? Under what circumstances a merchant banker shall be deemed to be an associate of the issuer ?

(5 marks)

**OR (Alternate question to Q. No. 6)**

**6A.** Write notes on the following :

- (i) Compensation of Research Analysts.
- (ii) Principles and procedures of Fair Disclosure.
- (iii) Grievance redressal mechanism of stock exchange.
- (iv) Persons exempted from registration as investment advisor.
- (v) Eligible issuers on the Institutional Trading Platform.

(4 marks each)

————— o —————