

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 8

NOTE : Answer ALL Questions.

PART-I

1. (a) (i) Rakesh has invested ₹ 20,000 in PQR Mutual Fund with entry load 1%. Find out the Net Asset Value if the number of units purchased was 100.
- (ii) Pritam is holding SALORA Mutual Fund units. He sold all the units at a NAV of ₹ 120 with exit load of 1%. He received ₹ 52,000. Find the number of units sold by Pritam.

(2+3=5 marks)

- (b) X, a shareholder of a listed company holding 1,000 equity shares of ₹ 100 each on 1st January, 2019 in physical form, wants to transfer to another shareholder Y on 1st May, 2019. X is also holding Commercial Paper & Certificate of Deposits of ₹ 50,000 & ₹ 20,000 respectively. As a Company Secretary of the company, write a note on :

- (i) Whether X can transfer his shares to Y in physical form ?
- (ii) Are Commercial Paper & Certificate of Deposits available for dematerialisation at Depository ?

(3+2=5 marks)

: 2 :

(c) ABC Company Ltd. had issued 2000 equity shares of ₹ 80 each with attachable warrant on 20th June, 2018. The warrant can be exchanged in equity in the proportion of 1 : 1. S, a shareholder who was allotted 200 equity shares with attachable warrant on 20th June, 2018 wants to know the warrant premium if the market value of warrant is ₹ 18 and exercise price is ₹ 70.

- (i) Calculate the warrant premium for S.
- (ii) What are the conditions of eligibility of ABC Company Ltd to issue Warrant ?
- (iii) When ABC Company can forfeit the warrant ?

(2+2+1=5 marks)

(d) Answer the followings with reasons, with reference to SEBI Buyback Regulations, whether these buy-back are as per the provisions of the regulations ?

- (i) The company can directly or indirectly purchase its own shares through any subsidiary including its own subsidiaries.
- (ii) The company has made buy-back of shares out of the proceeds of an earlier issue of the same kind of shares.
- (iii) The Company Secretary of the company advised not to allow buy-back of shares unless the consequent reduction of share capital is affected.
- (iv) The company has prohibited from Buy-back whose default is remedied and a period of two years has lapsed after such default ceased to subsist.
- (v) The Board of directors has denied the offer of buy-back of shares for 16 percent of the paid up capital and free reserves to be made from the open market.

(1 mark each = 5 marks)

: 3 :

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

2. (a) Home Technology Ltd. has recently listed on the leading stock exchanges. Advise the company on the compliance of corporate governance regulation for holding of maximum number of directorship by a director of the company. If the company is having paid up capital and reserve & surplus ₹ 8 crore & ₹ 12 crore respectively, are there any exceptions in the compliances with the corporate governance under the SEBI Regulations ?
- (b) M/s. XYZ company Ltd. aggrieved by the decision of Adjudicating Officer under the SEBI Act, 1992 moved to civil court to contest the case. Is the action of the company correct in light of SEBI provisions ? Give your views and suggest to the management the action to be initiated by XYZ Ltd.
- (c) What do you understand by the word “Ponzi Scheme” ? Who regulate the Collective Investment Scheme ? List any four key aspects for launching a Collective Investment Scheme.
- (d) “In the proceedings before the Ombudsman under SEBI regulations, strict rules of evidence under the Indian Evidence Act shall apply”. Comment on the statement. Enumerate the particulars to be display by the company with regards to Ombudsman.
- (e) Explain the provisions of pricing, vesting period and consequence of failure to exercise Employee Stock Option Scheme (ESOS).

(4 marks each)

OR (Alternate question to Q. No. 2)

- 2A. (i) Pinki Ltd. being a listed company has not complied the requirements of listing agreement with the stock exchange. The stock exchange decided for compulsory delisting of the securities from its trading platform. Answer the following :
- (a) Whether once listed, stock exchange can go for compulsory delisting of securities of Pinki Ltd. ?
 - (b) What are the provisions for constitution of panel ?
 - (c) What time period will be given for representation to Pinki Ltd. ?
- (ii) “SEBI Share Based Employee Benefits Regulations shall apply to any company, whether listed or not on any recognised stock exchanges in India and has a scheme”. Comment on the statement. Discuss the scheme or purpose of the regulation.
- (iii) “While evaluating the performance of a mutual fund, one must not be led by the mutual fund return in isolation.” In this context, elucidate how performance of mutual fund is evaluated ?
- (iv) The stock exchange wants to transfer the duties and functions of a clearing house to a clearing corporation. Is it possible to do so ? Explain the purpose if any, it serves.
- (v) The term internal control is generally linked to controls mechanism for financial and non-financial processes of an entity. Is there any internal control process to prevent insider trading under SEBI regulations ? You, being a Company Secretary of the company, suggest your CEO about internal controls to ensure the compliance under the said regulation ?

(4 marks each)

: 5 :

3. (a) X is a Managing Director of ABC Ltd. and awarded title of best CEO of the country. Four leading listed companies invited him to join their Board as an Independent Director for sharing his knowledge. Can X join as an Independent Director on the offer made by four listed entities ? Give your answer with reason. After superannuation, X is planning to join as an Independent Director of ten listed companies. Do you agree with the planning of X ?
- (b) Sarvbhom Ltd. issued 2000 equity shares of ₹ 100 each on 1st May, 2019. The amount payable was ₹ 30 on application and ₹ 70 on allotment of shares. The company had received applications for 3000 equity shares and shares were allotted on pro-rata basis on 31st August, 2019. Dakshin, had applied for 120 shares on 15th May, 2019. The excess application money was refunded to him on 29th February, 2020.
- (i) Can Dakshin lodge the complaint to Ombudsman for interest on delayed refund of application money ?
- (ii) What is the procedure for filing a complaint ?
- (iii) What is the duration for making the complaint to Ombudsman ?
- (c) Ratina Ltd., a listed company has to submit the audit report to the Stock exchange under SEBI (Depositories and Participants) Regulations, 2018. You being a practicing company secretary narrate the activities to be covered in the Audit Report.

(5 marks each)

4. (a) Turnkey Ltd. is a listed company, manufacturing auto ancillary components. One of the director of the company is a fugitive offender. The company wants to bring Further Public Offer (FPO). You being the company secretary of the company, advise whether the company can issue FPO. State the general conditions and the eligibility requirements for FPO under SEBI Regulations.

(8 marks)

- (b) “The accounting treatment of an issue of sweat equity shares is different than the public offer of shares.” Elucidate briefly. Is there any requirement of Auditor’s certificate after issue of sweat equity shares ? When such shares are treated as part of managerial remuneration ?

(7 marks)

PART-II

5. (a) Suppose B. Co. Ltd. issues bonds with following terms :

Issue price of Bond ₹ 2000

Coupon rate 2% with maturity period of 2 years

Convertible into equity shares @ ₹ 100 per share

Y has subscribed for 5 bonds and made an investment of ₹ 10,000. On maturity date, investor will have an option to either claim full redemption amount or convert the Bonds into equity @ ₹ 100 per share. The quoted share price on maturity date

: 7 :

is ₹ 150. If he goes for conversion how many shares Y will get ? Will it be fair enough if he opts for redemption value ? Calculate which option is best suitable to Y ?

(5 marks)

(b) What is the option contract ? How the option contract is classified on the basis of party who exercise the option and time at which the option can be exercised ?

(5 marks)

(c) What do you mean by Unified Payments Interface (UPI) ? Whether use of UPI, as a payment mechanism in public issues is mandatory ? What is the limit one can apply for a public issue through UPI ?

(5 marks)

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

6. Write short notes on the following :

- (a) Leveraged Buyout (LBO)
- (b) Repo & Reverse Repo Rate
- (c) Characteristics of Bond
- (d) Inflation Index
- (e) Internal Audit of Intermediaries.

(3 marks each)

OR (Alternate question to Q. No. 6)

- 6A. (i) What do you mean by discretionary portfolio manager ? How portfolio manager plays a pivotal role in deciding the best investment plan for an individual ?
- (ii) What do you mean by FED policy ? Briefly state how change in US fed rate can impact India ?
- (iii) Venture Capital is one of the innovative financing resources for an enterprise. Explain briefly and indicate the areas of investment of Venture Capital.

(5 marks each)

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