

MEPL CLASSES
CS PROFESSIONAL – CORPORATE FINANCE
CHAP – 8

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(TIME ALLOTTED – 1 HOUR)

(MARKS ALLOTTED – 40 MARKS)

EACH QUESTION CARRIES 5 MARKS

Question 1.

Subham Ltd. issued 50 Lakh equity shares at a price of Rs. 200 per share. The company provided Green Shoe Option for stabilizing the post listing price of the shares. The issue was oversubscribed and it was decided that stabilizing agent would borrow maximum number of shares permitted by SEBI (ICDR) regulations. Due to rise in price during Green Shoe Option period, only 5 Lakh shares could be bought back at the price of Rs. 180.

You are required to:

- i. Calculate the number of shares that the stabilizing agent needs to borrow in this case at the time of allotment and explain the same with relevant provisions.
- ii. Explain the responsibility of Issuer Company in the above case with respect to shortfall while exercising Green Shoe Option.
- iii. Calculate the amount if any, to be transferred to Investor Protection and Education Fund.

Question 2.

Discuss briefly the eligibility criteria for making an IPO under SEBI (ICDR), Regulations, 2018?

Question 3.

What are the provisions required to be complied with by a company for issue shares on a rights basis under SEBI (ICDR), 2018?

Question 4.

What are the guidelines issued by SEBI for the return and resubmission of draft offer documents to ensure completeness for investors, provide greater clarity and consistency in disclosures, and

ensure timely processing under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) ?

Question 5.

X Ltd. is a listed company with a market capitalization of ₹ 1500 crores. The company has been consistently profitable for the past five years and has a strong track record of dividend payments. Due to expansion plans, X Ltd. decides to raise funds through a Follow-on Public Offer (FPO). X Ltd. wishes to avail the fast-track route for its FPO. Discuss the conditions that the company must fulfill to be eligible for the same.

Question 6.

Define and discuss the conditions for Preferential Issue. When an issuer becomes ineligible to make a such issue?

Question 7.

Write short notes on –

(a) Minimum subscription (b) Minimum promoters' contribution (c) Offer Document

Question 8.

Who is dissenting shareholders? Explain the manner of providing exit to dissenting shareholders under the SEBI (ICDR) Regulations, 2018.