

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) Based on the following information, determine the NAV of a regular income scheme on per unit basis :

	₹ In crore
Listed share at cost	12.00
Cash in hand	1.00
Bond and debenture at cost	4.30
Of these, bonds not listed and quoted	1.00
Other fixed interest securities at cost	4.50
Expenditure accrued	2.25
No. of units (₹ 10 face value)	20 lakh
The listed shares were purchased when—	
– Index was	15,000
– Present Index	20,000
Value of listed bonds and debenture at NAV date	10
There has been a diminution of 30% in unlisted bonds and debentures	
Other fixed interest securities are at cost	

(5 marks)

(b) Yaksha Motors Ltd. is a listed company. It had a turnover of ₹ 450 crore on standalone basis as per the latest audited financial statements. It also has only one subsidiary/ associate company – Yaksha Auto Components Ltd. whose standalone turnover as per the latest audited financial statements was ₹ 70 crore. Yaksha Motors Ltd. entered into transactions with related parties during the current financial year as follows :

- (i) Purchase of goods amounting to ₹ 60 crore
- (ii) Payment of royalty amounting to ₹ 30 crore
- (iii) Payment of ₹ 15 crore towards supply of services

Decide, whether the above related party transactions are material or not ?

(5 marks)

(e) Following information is given to you about Jaina Fashions Ltd., a listed company. In light of SEBI (Prohibition of Insider Trading) Regulations, 2015, briefly explain the concept of connected person and state with reasons whether the following persons are 'Insider' as on date, or not—

- (i) Ajay was the General Manager of the company, but he resigned 8 months ago.
- (ii) Rahul is working as a Senior Trainee in the office of Secretarial Auditor of the company.
- (iii) Jyoti is the spouse of an Executive Director of the Company.

(5 marks)

: 3 :

- (d) Due to outbreak of war between two countries, the stock prices of a listed IT company falls drastically. The management after due deliberations, decided to offer buy-back of its equity shares amounting to ₹ 200 crore. However, the company is not having immediate cash reserves but it is expecting a major deal for sale of surplus assets which will be materialized in near future and money will be available only at the time of final payment for buy-back offer. In light of SEBI (Buy-back of Securities) Regulations, 2018, state with reasons, whether the company is eligible for buy-back.

(5 marks)

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

2. (a) Mohan has been granted 200 options under ESOP scheme by a listed company. Mohan is in dire need of money; he intends to mortgage the options with the private moneylender to avail loan. Is intention of Mohan valid in law (answer with reason)?
- (b) An acquirer, along with persons acting in concert (PAC) may come up with an Open Offer for acquisition of shares of a listed entity either voluntarily or compulsorily. Differentiate between the two processes.

(4 marks)

(4 marks)

(c) State with reasons, the composition of directors in a listed company :

- (i) PQR Limited is a listed entity having one Executive woman Director on the Board. The Company is in the list of top 1000 listed entities. Whether the Company still requires appointment of another woman Director ?
- (ii) X is non-executive director of RST Limited. A, B and C are promoters of RST Limited. X is a Chairperson of the company and he is related to A. Suggest the requirement of independent directors of RST Limited.

(2+2=4 marks)

(d) With reference to the SEBI (ICDR), Regulations, 2018, answer in brief (with reasons) :

- (i) If a company did not receive minimum subscription of 90%, state the time period within which the amount should be refunded.
- (ii) Is there any mechanism for monitoring of utilization of IPO proceeds, if the issue size exceeds one hundred crore rupees.
- (iii) Lock-in of specified securities held by the promoters in case of Initial Public Offer.
- (iv) Cap on the price band.

(4 marks)

(e) Earlier the process for issue of duplicate share certificate was very cumbersome. Recently, SEBI has simplified the provisions for issue of duplicate share certificate for small investor. Explain in brief the revised procedure for issuance of duplicate share certificate.

(4 marks)

Contd. ....

: 5 :

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

- 2A. (i) An Investigating Authority was appointed by SEBI to investigate into the affairs of a listed entity. An employee of the entity fails to comply with the directions of the Investigating Authority. Discuss the consequences in this regard. (4 marks)
- (ii) With an aim to list startups, which are making intensive use of technology and intellectual property, SEBI had introduced 'Innovators Growth Platform' in the SEBI (ICDR) Regulations, 2018. Considering the statement, answer the followings :
- (a) What is Innovators Growth Platform ?
- (b) What are the conditions for such startups to be fulfilled for being listed on Innovators Growth Platform ? (1+3=4 marks)
- (iii) Answer the following questions with reference to SEBI (Buy-back of Securities), Regulations, 2018 :
- (a) Under what circumstances, SEBI may relax strict enforcement of Buy-back Regulations ?
- (b) Can an unregistered shareholder tender his shares for buy-back ? (4 marks)
- (iv) Excel Limited is a listed company having all committees constituted in compliance with the listing regulations. Its audit committee having 5 directors, out of which 4 directors are independent. In a meeting of the Audit Committee, 2 directors were present (one non-executive and one independent). Whether the quorum of meeting is valid ? (4 marks)

(v) ✓ SEBI has recently introduced the concept of Social Stock Exchange ? Define the Social Stock Exchange and nature of entity eligible for listing on the Social Stock Exchange platform.

(4 marks)

3. (a) ✗ Can a senior person, say a Company Secretary or Chief Financial Officer, who is not reporting to the Board, act as Compliance Officer and update the Board on the transactions related to insider Trading Quarterly. Can the company appoint more than one person as the Compliance Officer under the code ?

(5 marks)

(b) ✓ SEBI has necessitated the listed companies to have Stakeholders Relationship Committee as per SEBI (LODOR) Regulations, 2015. Briefly explain the composition and role of Stakeholders Relationship Committee.

(5 marks)

(c) ✓ For settlement of securities transactions in stock exchanges, the Clearing Corporation plays a major role for smooth functioning of capital market." Briefly explain the importance of Clearing Corporation.

(5 marks)

4. (a) ✓ The Board of Directors of Mystique Enterprises Ltd. wants to buy-back the shares of the company through Book Building procedure. Explain the offer procedure to be followed by the company.

(8 marks)

(b) ✓ Once a Collective Investment Scheme (CIS) is launched, it can also be wind-up upon happening of certain events. State these events and duties of trustee in this regard.

(7 marks)

: 7 :

## PART-II

5. (a) From the given data for the Option Contracts, you are required to compute profit or loss for each investor :

Type of Option	Exercise Price	Position of the Investor	Stock Price on Expiry Date	Option Date Premium
Call	100	Holder	115	5
Call	100	Writer	98	7
Put	200	Holder	205	18
Put	200	Writer	210	12
Call	500	Holder	505	27

(5 marks)

- (b) With the growing use of UPI transactions in India, SEBI has also allowed in public offers to make payment for the bid, blocking and release the amount during the offer process. In this context, briefly explain the use of UPI for all three steps in the public issue process ?

(5 marks)

- (c) "Investment in securities market involves a number of risks. An investor should analyze and assess the risks." Explain various risks involved in investing in securities market.

(5 marks)

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

6. Write short notes on the followings :

- (a) Book Closure and Record Date  
 (b) Responsibilities of Research Analysis  
 (c) Role of Stock Broker  
 (d) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)  
 (e) Post trade surveillance.

(3 marks each)

P.T.O.

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

- 6A. (i) Ram purchased a 3 month call option for 100 shares in XYZ Ltd. at a premium of ₹ 30 per share, with an exercise price of ₹ 550. He also purchased a 3 months put option for 100 shares of the same company at a premium of ₹ 5 per share with an exercise price of ₹ 450. The market price of the share on the date of purchase of option, is ₹ 500. Calculate the profit or loss that Ram would make assuming that the market falls to ₹ 350 at the end of 3 months. (5 marks)
- (ii) Every intermediary of securities market has to apply to SEBI for grant of certificate to act as intermediary. Describe various criteria on the basis of which SEBI can reject such application of the intermediary. (5 marks)
- (iii) "The Stock Exchanges have a vital role to play in development of a country in general, and industrial growth of companies in the private sector in particular, and helps the Government to raise internal resources for the implementation of various development programmes in the public sector." Describe the role of Stock Exchanges in the light of given statement. (5 marks)