

*Roll No. ....*

*Time allowed : 3 hours*

*Maximum marks : 100*

*Total number of questions : 6*

*Total number of printed pages : 12*

*NOTE : Answer ALL Questions.*

## **PART-I**

1. (a) Evergreen Infra Realty Limited was promoted by R [R and his family members] in the year 2008, to deal into infrastructure and real estate business. The company was incorporated in National Capital Region [NCR Region] with Registered Office at Gurgaon. The company grew well and soon became a well-known name in the field of infrastructure and real estate. It had its operations in various cities across North India. It came out with its public issue in 2015 and got listed on both the National Stock Exchange and the Bombay Stock Exchange.
- Being a listed entity, the Company is required to comply with various applicable SEBI Rules and Regulations. However, in the recent quarters, SEBI preliminary felt that some irregularities are there in the documents filed by Evergreen Infra Realty Limited. Therefore, SEBI has appointed an Investigating Authority to conduct an enquiry into its preliminary findings. The Investigating Authority conducted its enquiry and came across various irregularities like failing to properly disclose promoter group shareholding, not reporting changes in the shareholding pattern of the immediate relatives of the promoter. The primary issue was the misclassification of shares held by the promoter's relatives as public holdings, violating various SEBI regulations.

As this complaint was taken on a serious note by the Investigating Authority, hence their findings were recommended with strict action against the company. Therefore, SEBI left with no much options except to penalize them heavily for non-compliance of SEBI Regulations.

In the meanwhile, one of a renowned lawyer, L, of Supreme Court of India when come to know this fact, he called his old friend R to understand any help him in this case. While discussing the matter, R wanted to know from L—whether it is possible to file an appeal in the Civil Court in Delhi against this order of SEBI ?

However, finally the company and its directors/promoters, challenged against SEBI's orders in Securities Appellate Tribunal (SAT) arguing that the purported misclassification was due to strained personal relationships, particularly between R and his wife, which led to them living separately. Consequently, it was also submitted on behalf of the Company that the relatives of R's wife should not be considered as a part of the promoter group, since they both are not staying together. However, SEBI did not accept this justification and SEBI's contention in SAT was that the promoter group includes immediate relatives regardless of personal estrangement, as defined by SEBI (Issue of Capital and Disclosure Requirements) Regulations.

After having multiple hearings with SAT, now final order is awaited and will be issued soon. Under the given circumstances, considering the context of Securities and Exchange Board of India Act, 1992 and the various rules & regulations made thereunder, answer the following :

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- (i) What is the procedure R and his family, can follow to make an appeal with Securities Appellate Tribunal (SAT) ?
- (ii) What are the powers Securities Appellate Tribunal, may have in this case ?
- (iii) After discussion with L, is R eligible to make an appeal in the jurisdiction of any civil court to obtain an injunction order ?
- (iv) If R is aggrieved by the decision of Securities Appellate Tribunal, what option does he have ?
- (v) For speedy trial of offences under the SEBI Act, 1992, what are the provisions for establishing Special Courts ?

(5×2=10 marks)

- (b) Y, a young person, has completed his bachelor's degree from the school of business management and feels strongly that he has adequate knowledge of finance and economics. Inspired by one of his school days friends, he is also looking for a good career in IT industry. But, looking at his elder brother, who is working in the financial sector Y is also attracted towards him. Because, of the recent surge in capital market activities, fueled by mobile apps, technological advances and machine learning tools. After taking his family's advice, finally Y joined into a certification course in the technology related area, which he feels will help him in data analysis, trend analysis and related aspects. After all these qualification and subject knowledge, he finally decided to make his career in the financial and capital market related activities. But instead of taking employment and working under somebody else, he feels he has the potential and the dynamism to work on his own, build a clientele and make a good fortune.

His family has a strong financial background; hence he did not find any problem to finance his new venture. But he being a self-respected person he wanted to start everything new of his own, even with his own funding. For this purpose, he has already discussed loan proposals with some of his nearby bank branches. These bankers are happy to lend him loan, because they knew his family background. Then he remembers that you as his college days' friend and you are a qualified Company Secretary and doing your own practice. Therefore, he came to you for your guidance, particularly to know about the following :

- (i) Y wants to understand the major activities that a Stock Broker does in the securities market ?
- (ii) If Y starts his profession as a Stock Broker, then what specific roles and responsibilities he will have as per the SEBI (Stock Brokers) Regulations, 1992 ?
- (iii) What is the minimum net worth requirement that Y needs to have for starting the business of a stock broker as per the SEBI (Stock Brokers) Regulations, 1992 ?
- (iv) To become a Qualified Stock Broker, what parameters Y should have, so that, he may be designated so by SEBI ?
- (v) Y also wants to understand the difference between the role of a Portfolio Manager, and how it is different from that of a Stock Broker ?

(5×2=10 marks)

: 5 :

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

2. (a) Explain the Regulatory Framework of Secondary Market in India.
- (b) Shares with Differential Voting Rights (DVR), are an important element in the Indian capital market. However, all the entities are not permitted to do so. List down the companies which are not entitled to issue DVRs.
- (c) Serene Lifestyle Limited has been into the business of manufacturing wooden furniture. In order to expand its business operations, the company has decided to list its securities. Accordingly, it submitted a preliminary application with the Recognised Stock Exchange for listing of its forthcoming public issue. But the application has been refused by the respective Stock Exchange without stating any reason(s). One of the junior Board Director suggested, to make an appeal to the Central Government. You being the Company Secretary of Serene Lifestyle Limited, analyse the situation and elaborate, whether the suggested remedies are available for the Company, or not ?
- (d) In the last Board meeting of Express Limited, a listed company, one of the Board members suggested that she has heard “SEBI has been vested with the same power as are available to a Civil Court under the Code of Civil Procedures, 1908”. You being the Company Secretary, are advised by the Board to examine the facts.

*(5 marks each)*

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

- 2A.** (i) Elaborate the process of Second Review under the redressal system for a Complaint, as followed by the SEBI.

(5 marks)

- (ii) *“Cyber-attacks and threats attempt to compromise the Confidentiality, Integrity and Availability (CIA) of the computer systems, networks and databases. Cyber security framework includes measures, tools and processes that are intended to prevent cyber-attacks and improve cyber resilience”*. In the context of given statement(s), enumerate the measures each and every Depository Participant is required to undertake as part of SEBI’s Cyber Security and Cyber Resilience Framework.

(5 marks)

- (iii) New Age Limited, a listed company with National Stock Exchange, is in the process of appointing a “Custodian”. One of its Board members raised following questions in the meeting and suggest you to respond as their Company Secretary :

- (a) Define the term ‘Custodian’,
- (b) What are the specific responsibilities of a custodian ?
- (c) What is the minimum net worth requirement for any custodian ?
- (d) Custodian is governed under which regulation ?

(2+1+1+1=5 marks)

- (iv) Elaborate various Financial Product, being notified by the Central Government from time to time, under the International Financial Services Centres Authority Act, 2019 ?

(5 marks)

**PART-II**

3. (a) Agni Safety Solutions Limited is a public limited company incorporated on 27th February, 2018. It is into the business of manufacturing of different types of fire-fighting equipment. Its promoters, mainly constitute the Board of Directors of the company. The promoters now intend to enter into a new business of home appliances. But they do not have sufficient funds, to start any new business. They don't want to take bank loans, because one of existing banker has nominated their representative in Agni Safety Solutions Limited, has given a bitter experience to the promoters. In the last Board meeting, one of the senior Director suggested to explore the possibility of 'Offer for Sale'. You being their Company Secretary, advice to the Board regarding the additional conditions to be complied with under Regulation 8 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, with regards to the 'Offer for Sale'.

*(5 marks)*

- (b) Alpha Limited is a public limited company; it is one of the leaders in the business of manufacturing specialized automobile parts in the domestic market. In the last Board meeting, HR-Director suggested to issue Sweat Equity shares to the company's loyal and dedicated employees so that, other employees should also get motivated, and that will in turn help the company by having improved employees' productivity. Before the proposal got approved, one of newly inducted Director raised a question to the Company Secretary, to explain-what a Stock Appreciation Right (SAR) is, and how SAR price is defined ?

*(5 marks)*

- (c) Moon Light Limited is a Listed company, with National Stock Exchange. For last couple of quarters, due to blockage of its funds in strategic assets and investments, it is going through liquidity crunch. Recently, its newly joined Finance Director suggested to raise fund by issuing of Commercial Papers valued ₹ 37 crores. In the last Board meeting, Directors have approved this proposal and also suggested to get these Commercial Papers listed.

You being the Company Secretary, list the conditions prescribed in Chapter VI of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to be fulfilled by the company for getting these Commercial Papers listed.

*(5 marks)*

4. (a) Galaxy Limited is a listed company, with Bombay Stock Exchange. During last mid-November, 2025 its Company Secretary has resigned, and you have been appointed as their new Company Secretary. But, due to certain personal commitments, you are not in a position to join them before 1st January, 2026. In the meanwhile, to comply various regulatory requirements, Board has decided to appoint one of its senior Board members, A, as the Compliance Officer, till you formally join them. A is not only a Director of the Company, but he is also a qualified Company Secretary. During the Board meeting, legal officer suggested that since A is also a Director of the Company, hence he may have vested interest. Therefore, he cannot be appointed as Compliance Officer of the Company. Explain with reason whether A's appointment as the Compliance Officer of the Company, between November to December end, is valid or invalid ?

*(5 marks)*

- (b) Go Green Limited is a listed company, recently received a notice from a Regulatory Authority regarding violation of related party transaction. One of its newly inducted Board members wanted to know from you as its Company Secretary-which transactions, do not form part of related party transaction.

*(5 marks)*

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- (c) What information a listed company should maintain in its structured digital database as per Regulation 3(5) of the SEBI (Prohibition of Insider Trading) Regulation, 2015, in case the designated person is a fiduciary or intermediary ? Explain with suitable example.

(3+2=5 marks)

5. (a) In the last Board meeting of Blue Gems Limited, a listed company with National Stock Exchange, one of its Director suggested that under the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 certain acts/transactions are not considered as 'Fraud'. He suggested you, to elaborate.
- (b) Progressive Limited, is a listed company with Innovators Growth Platform. It is planning to go for its public issue in March, 2026. However, in the meanwhile, on 29th October, 2025, company has received a notice from the Regulatory Authority regarding certain non-compliances on delisting of its equity shares. During the Board meeting, one of the Director raised issue of negligence on the Company Secretary, and asked him to give a detailed explanation—whether this Regulation, is applicable to their company or not ?
- (c) Grow Well is a Collective Investment Management Company, registered with the Regulatory Authorities. It is planning to launch one of its Scheme to the public. Elaborate the disclosures it is required to make in the offer document.

(5 marks each)

: 10 :

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

6. Write short notes on the following :

- (a) Unpublished price sensitive information
- (b) Mule account and its restrictions
- (c) Public notice after Delisting Order under Regulation 32(5), by the recognized stock exchange.
- (d) Different forms of Escrow account
- (e) Structure of a Mutual Fund

(5×3=15 marks)

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

6A. (i) M/s Silver Sky Limited, a company listed with Innovators Growth Platform, incorporated on 14th April, 2022. As on 31st March, 2025, following are the elements of its capital structure :

- (a) Authorised equity shares capital : ₹ 1,000 crore
- (b) Issued and Paid-up equity share capital : ₹ 500 crore
- (c) Paid-up preference share capital : ₹ 100 crore
- (d) Free reserve and surplus : ₹ 100 crore, and
- (e) Bank funding [thru term loans] : ₹ 300 crores.

: 11 :

In the past, the Company has already issued Sweat Equity shares to the tune of ₹ 35 crore. And, during the last Board Meeting held on 5th October, 2025 the Board proposed to further issue Sweat Equity shares to the tune of ₹ 50 crore.

Determine to what extent, further issue of Sweat Equity shares is permissible under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ?

(5 marks)

- (ii) Financial statement of M/s Sun & Moon Limited as on 30th September 2025 is as follows :

Liabilities	₹ Crores	Assets	₹ Crores
Equity share capital	200	Fixed Assets	750
8% Debentures	125	Current Assets :	
14% Debentures	175	Stock-in-trade	120
Bank term loan	275	Debtors	80
Bank secured loan	250	Cash and Bank balance	75
Total	1,025	Total	1,025

Additional information, are as follows :

- (a) Stock-in-trade includes raw material in transit worth ₹ 20 crores,
- (b) Debtors includes ₹ 15 crores receivable from Group Companies, due for more than last 3 months,
- (c) Cash and Bank balance includes ₹ 18 crores invested in Fixed Deposits, and
- (d) Being a listed entity with National Stock Exchange, its market capitalization as on this day was ₹ 325 crores.

Determine the Enterprises Value as on 30th September, 2025

(5 marks)

- (iii) You have been recently appointed as the Company Secretary of M/s Diamond Teak Tree Plantation Limited. It is a Collective Investment Company, registered with SEBI. It has launched a collective investment management scheme valued at ₹ 25 crores, whereby the funds collected from investors will be invested in plantation of teak trees. One of your assistant Company Secretary wanted to know from you—is it possible that the fund collected in this scheme, can be deployed in any other scheme ? Explain with the relevant provisions of the SEBI (Collective Investment Schemes) Regulations, 1999, regarding investment and segregation of funds.

(5 marks)