

Company Secretarial Practice

371

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

- NOTE :** 1. Answer SIX questions including Question No.1 which is compulsory.
2. All references to sections relate to the Companies Act, 1956 unless stated otherwise.

1. Draft Board resolutions for a listed company for **any five** of the following businesses :
- A resolution of Aditya Ltd. for providing guarantee for ₹89 lakh in respect of a loan to be obtained by Mrs. Shankari, a director thereof from a housing finance company for construction of a residential house for her own use.
 - A resolution for filing of declaration of solvency in voluntary winding-up.
 - A resolution for approval of annual accounts and recommendation of dividend.
 - A resolution for vacation of office by director for contravening section 299.
 - A resolution for appointment of the compliance officer of the company.
 - A resolution for obtaining a certificate of commencement of business under section 149(3).
- (4 marks each)
2. Explain **any four** of the following pair of terms to bring out their distinctions :
- 'Voidable allotment' and 'void allotment'.
 - 'Registrar of Companies' and 'Regional Director' of Ministry of Corporate Affairs.
 - 'Reduction of share capital' and 'buy-back of shares'.
 - 'Corporate Governance' and 'corporate social responsibility'.
 - 'Section 25 company' and 'producer company'.
- (4 marks each)
3. (a) Your company has total 12 directors as under :
- | | |
|------------------------|---|
| Non-retiring directors | 3 |
| Retiring directors | 5 |
| Additional directors | 4 |
- State the number of directors liable to retire by rotation at the annual general meeting (AGM) and the total number of directors who shall vacate the office at the AGM.
- (4 marks)
- (b) In regard to e-form 25C, state —
- The purpose;
 - Attachment(s) required;
 - Contents of the certificate required; and
 - Declaration required.

(1 mark each)

- (c) State, with reasons in brief, whether the following statements are true or false :
- Auditors of a government company are appointed by the Central Government.
 - Private limited companies shall be excluded in reckoning the maximum number of companies that the statutory auditor can hold at any point of time.
 - A special resolution is required for removal of a nominee director.
 - It is mandatory to constitute an audit committee in all public limited companies.

(2 marks each)

4. (a) The Board of directors of Ujwal Pvt. Ltd. having a paid-up share capital of ₹1 crore consists of two directors, one of them, viz., Bimal, possesses membership of the Institute of Company Secretaries of India. The company desires to appoint him as a Company Secretary also. Would the provisions of section 314 come into effect ? State the legal position.

(4 marks)

- (b) Indicate any eight items of business necessarily required to be transacted through postal ballot. Also indicate the type of resolution to be passed — ordinary or special for these items.

(4 marks)

- (c) Write the most appropriate answer from the given options in respect of the following :

- In terms of section 179 in respect of a public company limited by shares, demand for poll can be made by —
 - Members present in person or by proxy and holding paid-up shares of ₹50,000 or more
 - Any two members having a right to vote on the resolution
 - Any director present at the meeting
 - Members present in person or by proxy and holding 20% or more voting power in respect of the resolution.
- Annual return of a company not having share capital is to be filed with Registrar of Companies in e-form —
 - 20B
 - 21A
 - 66
 - 23AC.
- Application form for DIN is available on MCA portal on the link —
 - DIN Application Site
 - MCA-SRN
 - Apply For DIN
 - DIN-1 Form.

: 3 :

(iv) In respect of half-yearly certification of listed debt securities, the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 authorises —

- (a) The managing director of the company
- (b) Company Secretary in whole-time employment with the company
- (c) A Practising Company Secretary
- (d) None of the above.

to make the certification.

(1 mark each)

(d) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) Where impracticability for holding extra-ordinary general meeting arises in a company having just two members, one of whom is not available as his whereabouts have become unknown, the remaining one member is _____ to call extra-ordinary general meeting under section 186.
- (ii) E-form _____ has to be filed with Registrar of Companies for extension of period for holding annual general meeting by two months.
- (iii) Without the authorisation from the articles of association, the Board of directors _____ approve/recommend payment of interim dividend inspite of provisions of section 205(1A).
- (iv) The declaration of bonus issue in lieu of _____ is not permitted.

(1 mark each)

5. (a) Draft a report of the scrutineers to the Chairman on conduct of poll in annual general meeting.

(8 marks)

(b) Explain the effects of change of name of a company.

(4 marks)

(c) What are the advantages for companies for adopting the secretarial standards issued by The Institute of Company Secretaries of India ?

(4 marks)

6. (a) XYZ Ltd. proposes to acquire 12.5% of shares of Progressive (P) Ltd. for ₹20 lakh, which have a face value of ₹15 lakh. XYZ Ltd. has an outstanding loan of ₹10 lakh payable to a public financial institution covered under section 4A. The investing company (XYZ Ltd.) has not defaulted in payment of the loan instalments stipulated in the loan agreement.

Based on the following data, advise XYZ Ltd. about the legal position in this respect and allowability of the proposed investment :

	<i>XYZ Ltd.</i> (₹)	<i>Progressive (P) Ltd.</i> (₹)
Authorised capital	50 lakh	2 crore
Issued, subscribed and paid-up capital	25 lakh	1.2 crore
Free reserves	5 lakh	1.5 crore

As on the date of proposed acquisition, XYZ Ltd. does not hold any shares of Progressive (P) Ltd. or any other company.

(8 marks)

(b) What type of information shall mandatorily be reviewed by the audit committee ?
(4 marks)

(c) State the requirements under the UK Companies Act, 2006 for audited accounts and the duties of an auditor.
(4 marks)

7. (a) Give broad outline of Employees' Stock Option Scheme with elaboration on objectives of the scheme.
(8 marks)

(b) Mention any four grounds for rejection of application for Director Identification Number (DIN).
(4 marks)

(c) There is a condition that a private limited company should always adhere to the conditions laid down in section 3(1)(iii). Comment on the consequences of non-compliance of the same. Is there any relief available for the default ?
(4 marks)

8. (a) Give a comparison between the requirements on audit committee under the provisions of the Companies Act, 1956 and under the listing agreement given in clause 49, insofar as meeting of the audit committee and powers of the audit committee are concerned.
(8 marks)

(b) What is meant by 'price sensitive information' ? What is the duty cast upon listed companies in this regard ?
(4 marks)

(c) Susodiya Textiles Ltd. is having a foreign subsidiary company. The said Indian holding company failed to furnish particulars of its foreign subsidiary company in its balance sheet. Decide the liability of Susodiya Textiles Ltd. under the Companies Act, 1956.
(4 marks)