

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 7

- NOTE :** 1. Answer *SIX* questions including *Question No.1* which is compulsory.
2. All references to sections relate to the *Companies Act, 2013* unless stated otherwise.

1. Attempt *any four* of the following :

- (i) XYZ Ltd. discloses the following financial information relating to the accounting year 2013-14 :

	₹(in crores)
Profits earned on sale of fixed assets	600
Profits on revaluation of fixed assets	550
Premium on issue of shares/debentures/bonds	120
Profits on re-issue of forfeited shares	240
Balance to the credit of capital redemption reserve account	50

The Board of directors decided to declare and pay dividend out of all the above sources of funds. Decide whether the decision of the Board is justified.

(5 marks)

- (ii) Referring to the provisions of the *Companies Act, 2013*, state the purposes for which the balance to the credit of 'Investor Education and Protection Fund' can be utilised.

(5 marks)

- (iii) Due to urgency of the matters to be transacted, the Board of directors of Ragini Ltd. has decided to hold its meeting at a shorter notice. Certain directors of the company objected to the Board's above decision on the ground that it is violative of the provisions of the *Companies Act, 2013*. Examine the validity of Board's decision.

(5 marks)

- (iv) The Board of directors of Raja Ltd. has more than one year's financial statements pending for adoption at the company's annual general meeting. Board of the company decides to place the financial statements of the current year as well as of the previous years before the annual general meeting of the current year. Being the Secretary of the company, examine the validity of the Board's decision.

(5 marks)

- (v) Certain shareholders of Vir Ltd. serve upon the company a notice for removal of a director of the company. Accordingly, the Board of directors calls its meeting and serves upon the director, proposed by the shareholders to be removed, a special notice requiring the said director to be present at the meeting. The director, in order to avoid his removal, did not attend the meeting, resulting into non-presence of a 'valid quorum'. State the remedies available to the company in the given situation.

(5 marks)

2. (a) State, with reasons in brief, whether the following statements are true or false :

- (i) A company is an association of both natural and artificial persons incorporated under the existing law of a country.
- (ii) All companies incorporated in India need not have minimum paid-up share capital.
- (iii) A government company shall be considered a department of the Government when all its shares are held by the President of India or the Governor of a State or certain nominated office of the Government.
- (iv) One witness can attest the signatures of all the subscribers to the memorandum of association of a company incorporated under the Companies Act, 2013.
- (v) A partnership firm in its own name can be registered as a member of a company incorporated under the Companies Act, 2013.

(2 marks each)

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

- (i) Under section 165, appointment of a person holding office of a director, at the same time, is prohibited for more than —
 - (a) 2 Companies
 - (b) 10 Companies
 - (c) 15 Companies
 - (d) 20 Companies.

: 3 :

- (ii) From the date of incorporation, a producer company shall hold its first general meeting within —
- (a) 30 Days
 - (b) 60 Days
 - (c) 90 Days
 - (d) 120 Days.
- (iii) Penalty for failure to maintain the register of members as required under the provisions of the Companies Act, 2013 is —
- (a) Upto ₹100 per day
 - (b) Upto ₹500 per day
 - (c) Upto ₹1,000 per day
 - (d) Not less than ₹50,000.
- (iv) Under the provisions of the Companies Act, 2013, every company is required to constitute a CSR Committee of the Board, if the company's net profits are —
- (a) ₹10 crore
 - (b) ₹4 crore
 - (c) ₹3 crore
 - (d) ₹1 crore.
- (v) Under the provisions of Companies Act, 2013 a person can be appointed as a director in a public company, against a casual vacancy, by the —
- (a) Annual general meeting
 - (b) Extra-ordinary general meeting
 - (c) Board of directors at a meeting
 - (d) Managing director.
- (vi) Maximum amount of sitting fee to be paid to a director of a company attending the meetings of Board or of the committees thereof —
- (a) ₹20,000 per meeting
 - (b) ₹50,000 per meeting
 - (c) ₹75,000 per meeting
 - (d) ₹1,00,000 per meeting.

(1 mark each)

3. (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) Change of place of registered office from the jurisdiction of one Registrar of Companies to another Registrar of Companies within the same State requires confirmation from the _____.
 - (ii) Return of allotment in Form No. _____ is to be filed for allotment of shares by a company.
 - (iii) Each transaction under e-filing is uniquely identified by a _____.
 - (iv) A _____ is a second vote exercised by the Chairman of a meeting in addition to his own vote as a member of the company.
 - (v) Acts done by a company beyond the scope of the memorandum of association are absolutely *void* and _____ and cannot be ratified even by unanimous vote of all the members of the company.
 - (vi) Every unlisted public company having a paid-up share capital of _____ or more is required to employ a key managerial personnel (KMP) under the provisions of the Companies Act, 2013.
 - (vii) A promoter of a company occupies a _____ position in relation to the company.
 - (viii) The auditor of a government company is appointed by _____.
- (1 mark each)*
- (b) Explain the legal provisions of Companies Act, 2013 with relation to nomination and remuneration committee and stakeholders' relationship committee.
- (4 marks)*
- (c) Explain legal provisions relating to contributions made to political parties under the Companies Act, 2013.
- (4 marks)*

: 5 :

4. Distinguish between the following. Attempt *any four* :

- (i) 'Preference shares' and 'equity shares'.
- (ii) 'Fully convertible debentures' and 'optionally convertible debentures'.
- (iii) 'Limited liability partnership' and 'private limited company'.
- (iv) 'Special business' and 'ordinary business' to be transacted at the general meeting of a company.
- (v) 'Executive director' and 'independent director'.

(4 marks each)

5. (a) What are the provisions with respect to signing of financial statements under the Companies Act, 2013 ?

(4 marks)

(b) At the annual general meeting of Vinay Ltd., in order to avoid duplication of the resolutions, a single resolution was passed to appoint four directors on the company's Board. Certain shareholders of the company objected to the resolution on the ground that it is violative of the provisions of the Companies Act, 2013. Examine whether the contention of the shareholders is tenable.

(4 marks)

(c) State the circumstances under which a member of a society registered under the Societies Registration Act, 1860 is subject to prosecution and punishment as a stranger for committing an offence.

(4 marks)

(d) Before granting permission to a company to carry out business in banking, the Reserve Bank of India under the provisions of the Banking Regulation Act, 1949, requires that company to fulfill certain conditions. State those conditions.

(4 marks)

6. Write short notes on the following. Attempt *any four* :

- (i) Resolution by circulation
- (ii) Annual return
- (iii) Corporate social responsibility
- (iv) Postal ballot
- (v) Appointment of additional, alternate and nominee director.

(4 marks each)

7. (a) Explain the procedure as prescribed under the Companies Act, 2013 for shifting of registered office from one State to another State.

(4 marks)

(b) Explain the provisions of the Companies Act, 2013 for incorporation of one person company, small company and dormant company.

(4 marks)

(c) A body corporate is not a living person who can sign. In such a situation, state the manner in which a company can sign on important documents. What shall be your advice to the company on the official signatures while entering into contracts with third parties ?

(4 marks)

(d) State the charges required to be registered with the Registrar of Companies under the provisions of the Companies Act, 2013 (mention any four such charges). What consequences shall follow, in case the required charges are not registered ?

(4 marks)

8. (a) During the financial year 2013-14, Mist Ltd., a company incorporated in India, has borrowed ₹500 crore from a lender in violation of the authority conferred on it by the articles of association. Examine the validity of the borrowing and state the remedies available to the lender.

(4 marks)

: 7 :

- (b) Explain the provisions under the Companies Act, 2013 and rules framed thereunder with respect to appointment of internal auditor.

(4 marks)

- (c) A group of shareholders of Rhythm Ltd. has made a claim for a statutory right of inspection of books of account of the company. The Company Secretary allowed the group to have access to all books of account as sought for by the shareholders. Examine the validity of the Company Secretary's action in this regard.

(4 marks)

- (d) Adam Ltd. has one Managing Director, two whole-time directors and five non-executive directors including independent directors on its Board. The company proposes to pay remuneration to its non-executive directors by way of an annual payment of not less than 5% of its net profits. Referring to the provisions of the Companies Act, 2013, examine the validity of the company's proposal to pay such remuneration and commission.

(4 marks)

—————0—————