

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 5

- 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 **any four** of the following. In case of resolution, give reasons for passing the requisite resolution stating the authority who can pass it and also the type of resolution referring to the relevant section(s) of the Companies Act, 1956 :

- (i) Agreement with Vivek as the Managing Director of Grow Fast Ltd. for a period of 3 years at a remuneration of Rs.20 lakh per month with perquisites allowable under Schedule XIII to the Companies Act, 1956, but with no commission. The company is consistently earning profits and the remuneration will be subject to the provisions of sections 198 and 309. *(Only main body of the resolution is to be drafted containing the duties, responsibilities and powers of the appointee.)*
- (ii) Appropriate resolution to make investment of Rs.15 crore in preference shares of Sona Tractors Ltd., a company in trade dealing relationship with the investing company. The investing company has a paid-up equity capital of Rs.20 crore, a paid-up preference capital of Rs.5 crore and general reserve of Rs.4 crore. The company has no other investment or recoverable loan.
- (iii) Resolution recommending declaration of dividend to shareholders without providing for depreciation.
- (iv) Notice for book closure prior to payment of final dividend.
- (v) A compliance certificate without any qualification for a private limited company having a paid-up capital of Rs.2 crore in respect of the year ended on 31<sup>st</sup> March, 2009 embodying the substantive part of the report (*i.e.*, the task carried on and scope of the work) including only certification of maintenance of books and registers and filing of required returns/documents with appropriate authorities.

*(5 marks each)*

2. (a) State, with reasons in brief, whether the following statements are correct or incorrect :
- (i) A listed company cannot issue sweat equity shares to its promoters.
  - (ii) Since a producer company is an innovation, it does not need the words 'limited' at the end of its name.
  - (iii) E-Form 10 relates to registration of charges.
  - (iv) A company declared defunct under section 560 can never be included again in the register of companies maintained by the Registrar of Companies.

- (v) The Insider Trading Regulations promulgated by SEBI excludes the auditor of the company from the scope of the regulations.
- (vi) Under the UK Companies Act, 2006, a director of a public company can be removed before expiry of his term only by a special resolution.

*(2 marks each)*

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

- (i) \_\_\_\_\_ is the conclusive evidence in case of a company that the statutory requirements have been complied with.
- (ii) In case the minimum subscription is not received and refund is delayed, \_\_\_\_\_ % interest is to be paid by a company.
- (iii) \_\_\_\_\_ is a new form of legal entity recognised in India recently.
- (iv) Buy-back securities should be physically destroyed within \_\_\_\_\_ days.

*(1 mark each)*

- 3 (a) Choose the most appropriate answer from the given options in respect of the following :

- (i) A notice of disclosure of interest at the Board meeting is the requirement of section –
- (a) 295
- (b) 269
- (c) 297
- (d) 299.
- (ii) A director appointed by the Board to hold the office until the conclusion of next annual general meeting is known as --
- (a) Additional director
- (b) Nominee director
- (c) Alternate director
- (d) Director retiring by rotation.
- (iii) As per the provisions of the Companies Act, 1956, the form of proxy must be deposited with the company at least –
- (a) 24 Hours before the time of annual general meeting
- (b) 36 Hours before the time of annual general meeting
- (c) 48 Hours before the time of annual general meeting
- (d) 72 Hours before the time of annual general meeting.

- (iv) The applicant for availability of name of the proposed company can have option to give maximum –
- 3 Alternative names
  - 4 Alternative names
  - 5 Alternative names
  - 6 Alternative names.
- (v) A person who is a Company Secretary and director of a company is --
- Employee director
  - Non-executive director
  - Executive director
  - Independent director.
- (vi) A company in which 50.25% of shares are held by one State government while the rest of the shares are held by private sector companies and by retail shareholders, *i.e.*, members of public, is a –
- Government company
  - Public company
  - Corporation
  - Private sector company.

*(1 mark each)*

- (b) "Postal ballot system is an unmixed blessing." Comment.

*(6 marks)*

- (c) Briefly outline the provisions of the Companies Act, 1956 in regard to postal ballot.

*(4 marks)*

4. (a) A charge for Rs.3 crore was created and registered by Dada Films Ltd. in favour of State Bank of India. The same was fully repaid on 31<sup>st</sup> August, 2009, but the relevant 'E-Form' for registering the satisfaction of the charge was filed on 10<sup>th</sup> October, 2009. The company then realised that it has unintentionally delayed the filing and has attracted penal provision of the Companies Act, 1956 in this regard. The company has approached Chetan, a Practising Company Secretary for his advice as regards the possibility of any condonation of the offence. What would be the advice ?

*(4 marks)*

- (b) Discuss the various aspects of 'responsibility and accountability' of the Board in corporate culture.

*(4 marks)*

- (c) Explain the impact of speculative reports in media with price sensitive information quoting case law.

*(4 marks)*

- (d) What is 'management discussion and analysis report' (MDAR) ? State its contents.  
(4 marks)
5. As a Company Secretary of Smart Enterprises Ltd., how would you tackle the following situations :
- (i) Quorum was present at the beginning of a Board meeting. However, after one hour, one director had to leave for certain emergency and the presence of directors in the meeting fell below the minimum required for quorum. There were two matters remaining to be considered as per the agenda.
  - (ii) A director of the company remained absent, without notice, for 6 meetings during first quarter of 2009.
  - (iii) The Union Bank of India has given a loan of Rs.25 crore for the company's new project and as per one of the terms of sanction it wants to nominate its Chief Manager, Vijay on the Board.
  - (iv) A person informs you in writing that he is not a member of your company, yet he has received a notice for the annual general meeting as a member.  
(4 marks each)
6. (a) There are two executive directors in your company who are technocrats. The company is a public limited company. The company has incurred huge losses in the last two years. The company wants to enhance their remuneration to Rs.6 lakh per month from existing Rs.4 lakh. The data from the balance sheet of the last year indicates that the paid-up capital of the company is Rs.10 crore and accumulated losses of Rs.10.67 crore, term loan and other long-term borrowings are Rs.5 crore. Besides, the company holds a long-term investment of Rs.7 crore. The company's remuneration committee has recommended the proposal and the company is regular in repayment of its debts. As the Company Secretary, how would you deal with the matter ?  
(8 marks)
- (b) Bring out the salient aspects of the Companies (Director Identification Number) Rules, 2006 leading to the issue of Director Identification Number (DIN).  
(8 marks)
7. (a) Answer the following with reference to Secretarial Standard-7 on passing of Board resolution by circulation process :
- (i) Who is authorised to decide that certain resolutions (other than those specified in section 292) are to be taken up for consideration by circulation as against in a meeting ?

- (ii) What procedure is to be followed for passing a resolution by circulation ? Are interested directors eligible to receive the proposed resolution and related papers ?
- (iii) How is a proposed (circulated) resolution considered approved or not ?
- (iv) A notice accompanying the proposed resolution provides for 7 days to intimate directors' assent or dissent. On which date the resolution shall be deemed to be approved when assents from required majority have been received within 3 days of the circulation ?

*(2 marks each)*

- (b) State the matter along with relevant section(s) of the Companies Act, 1956 for which the following E-Forms are required to be filed :

- (i) E-Form 1B
- (ii) E-Form 20B
- (iii) E-Form 23B
- (iv) E-Form 25C.

*(1 mark each)*

- (c) State the requirement for audit of the financial accounting statements under the UK Companies Act, 2006.

*(4 marks)*

8. Distinguish between **any four** of the following with reference to the provisions of the Companies Act, 1956 :

- (i) 'Debenture' and 'deposit'.
- (ii) 'Reduction of share capital' and 'buy-back of shares'.
- (iii) 'Director' and 'deemed director'.
- (iv) 'Dividend' and 'bonus shares'.
- (v) Legal basis of 'issue of shares at a discount' and 'issue of shares at a premium'.

*(4 marks each)*

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