

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, 2013 unless stated otherwise.

1. (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) On filing of an e-form, the system generates and provides a _____ and e-form identified as informatory in nature are filed under _____.
 - (ii) Sunil, who has resigned as a director of Sprint Ltd., has to file e-form _____ while Sprint Ltd. should file e-form _____ with the Registrar of Companies.
 - (iii) Each member of a guarantee company undertakes to contribute to the assets of the company in the event of the company being _____ while he is a member or within _____ after he ceases to be a member for payment of debts and liabilities of the company.
 - (iv) In case of any change in the particulars of a director, such director is required to fill in e-form _____ within a period of _____ days of such change.
(2 marks each)
- (b) In relation to e-form no. INC 22, state the —
- (i) Reasons of filing the form
 - (ii) Particulars required to be filled in the form
 - (iii) Documents to be attached with the form
 - (iv) Person authorised to sign and certify the contents of the form.
(1 mark each)
- (c) State, with reasons in brief, whether the following statements are true or false :
- (i) An audit firm can be appointed as the auditors of a company by passing a resolution at the AGM of the company for 10 years at a time.
 - (ii) An amount of unrealised gains shown in a company's balance sheet shall not be treated as free reserve.
 - (iii) The memorandum of association of every company must state the main objects to be objects incidental or ancillary to the attainment of main objects and other objects of the company not included in the main objects.
 - (iv) A company can hold its annual general meeting on the day of Diwali which happens to be a public holiday in the State where the company's registered office is situated.
(1 mark each)

- (d) When shall a director of the company be treated as 'related party' in relation to a public company incorporated under the Companies Act, 2013 ? Explain.

(4 marks)

2. Attempt the following as indicated against each. Wherever drafting of resolution is required, also indicate the type of resolution and the body in the meeting whereof such resolution is required to be passed :

- (i) Excel Infrastructure Ltd. finds that the liquidity of its equity shares (face value ₹10 each) suffer due to high market price and therefore wants to split the equity shares to a face value of ₹2 each. Draft necessary resolution assuming relevant data.
- (ii) Mega Projects Ltd. had issued fully-paid redeemable preference shares for ₹1,000 crore (at a premium of 5%) which are due for redemption in the year 2015. Advise the company on the procedure to be followed to complete the redemption.
- (iii) Super Performers Ltd. came out with a public issue which was oversubscribed 25 times. Draft necessary resolution for allotment of shares, assuming necessary data.
- (iv) Samrat, who is proposed to be appointed as an independent director in Joy Ltd., is required to file a declaration as required under the provisions of the Companies Act, 2013. Draft a declaration to be given by Samrat to the company.

(4 marks each)

3. (a) Examining the provisions of the Companies Act, 2013, state the persons who shall be treated as 'officer who is in default' and shall be liable to penalties or imprisonment.
- (b) In what way does the provisions of the Companies Act, 2013 regulate the payment of remuneration to directors and the managing director of a company ? State the extent to which such remuneration can be paid by a company.
- (c) In what way does the Companies Act, 2013 regulate the granting of loan to another body corporate ? Explain. Also state whether prior approval of a public financial institution is required when the Board of directors of a company desires to grant a loan to any other body corporate.
- (d) Star Bank has extended a loan of ₹50 crore to Bright Ltd. against mortgage of their immovable assets. In spite of several follow-ups, the bank finds that Bright Ltd. has not filed the charge with the Registrar of Companies. Advise the bank on the further course of action.

(4 marks each)

: 3 :

4. (a) Explain the salient features of the Companies Act, 2006 of UK relating to the following :
- Minimum authorised capital required in case of a public company.
 - Minimum membership required for carrying on business by a company.
- (b) Explain the manner in which the auditors of a company are appointed under the Canada Business Corporations Act.
- (c) Explain the role played by a Company Secretary in relation to the following :
- Foreign collaboration and joint ventures abroad; and
 - The intellectual property rights and WTO.
- (d) Is compliance of secretarial standards mandatory for companies ? Discuss.
- (4 marks each)*
5. (a) Pious Ltd. wants to extend a housing loan of ₹50 lakh on an interest of 2% p.a. to Anil, a whole-time director of the company. The company has been extending this facility to all the employees as part of the conditions of service. Advise Pious Ltd. on the compliance required in respect of the housing loan to be extended to Anil.
- (b) Happy Ltd., though profit making company in the past, made a loss during the first two quarters of the current financial year due to poor market conditions and a significant dip in its turnover. However, the Board of directors of Happy Ltd. wants to declare an interim dividend. Advise the Board on the feasibility.
- (c) Rahul, the Chief Financial Officer of Booster Ltd. entered into forward dealing contracts on shares of Grow Ltd., which is an associate company of Booster Ltd. Is there any contravention of provisions of the law by Rahul ?
- (d) Assure Ltd. (paid-up share capital ₹10 crore) has entered into a contract with Brave (Pvt.) Ltd. for purchase of raw materials for an amount of ₹50 lakh at prices fixed in the earlier year (even though such price is higher than the prevailing market price). Shyam, who is the managing director of Assure Ltd. is also a director of Brave (Pvt.) Ltd. Advise Assure Ltd. on the requirement of approval of Central Government for the transaction.
- (4 marks each)*
6. (a) An independent director to be eligible for appointment as such to the Board of directors of a company must satisfy the elaborate provisions laid down under the Companies Act, 2013. Discuss.
- (b) Explain in what way does the Companies Act, 2013, regulate the issue of securities by a company through 'private placement'.
- (8 marks each)*

7. (i) Answer the following by examining the provisions of the Companies Act, 2013 :
- (a) State the period within which the first annual general meeting (AGM) and subsequent AGM must be held by a public company incorporated under the Act.
 - (b) What are the requirements of quorum for the general meeting of a public company incorporated under the Act ?
- (ii) State the purposes for which the amount to the credit of 'investor education and protection fund' can be utilised by a company. Also state the disclosure requirements relating to the said fund under the Companies Act, 2013.
- (iii) Roshan has been a supplier to Snow Ltd. for over 10 years and has an outstanding amount of ₹10 lakh receivable from the company towards material supplied in the past. However, the name of Snow Ltd. has been struck-off by the Registrar of Companies under section 560 of the Companies Act, 1956. Advise Roshan on the rights available to him in order to realise his receivables.
- (iv) Shine Ltd. with a paid-up share capital of ₹10 crore and free reserves of ₹6 crore, has acquired securities at a cost of ₹12 crore without any prior approval of the shareholders. The principal business of Shine Ltd. is the acquisition of shares and securities. Is there any violation of the provisions of the law by the company ?

(4 marks each)

8. Write notes on the following. Attempt *any four* :

- (i) Chinese wall
- (ii) Meetings of the nomination and remuneration committee under the provisions of the Companies Act, 2013
- (iii) National Financial Reporting Authority
- (iv) Incorporation of a non-profit making company under the Companies Act, 2013
- (v) One person company and small company.

(4 marks each)