

# 331

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. Critically examine any four of the following statements/ propositions :

- (i) A shareholder of a company is a part-owner of the assets of the company.
- (ii) Copy of a petition submitted to the Company Law Board has only to be sent to the respondent.
- (iii) In the competitive economy, as is the case now in India, exemption allowed to the government companies from various provisions of the Companies Act, 1956 needs to be withdrawn.
- (iv) On winding-up, a company ceases to be a legal entity.
- (v) A receiver is an agent of the company.

(5 marks each)

2. (a) "The Company Law Board, as it exists now as an independent organ, was brought into existence in 1991 to exercise judicial and non-judicial functions under the Companies Act, 1956 only." Comment.

(4 marks)

- (b) Discuss the consequences arising from non-furnishing of information or statistics called for by the Central Government.

(4 marks)

(c) A company, which has changed its registered office from Chennai to Bangalore on 10<sup>th</sup> January, 2006, has decided to submit a petition for winding-up. Discuss the jurisdictional position to be kept in view while making the petition.

(4 marks)

(d) Comment upon 'one person company'.

(4 marks)

3. Comment on the following :

(i) Transparency of operations through proper disclosures to the investors imposes the responsibility of diligence on the directors.

(6 marks)

(ii) The expenses of an investigation ordered by the Central Government are necessarily met by the Central Government.

(5 marks)

(iii) A company cannot appoint a person as its manager who is already the manager of two other companies.

(5 marks)

4. (a) Draft the 'objects clause' of the memorandum of association of a public company limited by shares, which is to engage itself in the business of agricultural products. Mention at least 8 objects under the main objects, ancillary/incidental objects and other objects.

(10 marks)

(b) A scheme of arrangement has been made and the Registrar of Court has issued summons which come up for hearing. List out the matters in respect of which the judge will issue directions.

(6 marks)

5. (a) Info Com Ltd. receives a notice at its registered office from the Company Law Board through a local courier and the company refuses to accept the same objecting on the ground that the notice had not been sent in a proper manner. Discuss.

(4 marks)

- (b) What are the principal points of difference between the effects of insolvency of an individual and effects of winding-up of a company ?

(4 marks)

- (c) Does adoption of a special resolution by members of the company and submission of an application to the court automatically lead to its winding-up ?

(4 marks)

- (d) State the matters that can be brought for condonation of delay to the Central Government.

(4 marks)

6. (a) The Company Law Board has *inter alia* the power to order the purchase of shares or interests of any members of the company by other members thereof or by the company under section 402.

Since section 77A deals with the matter of buy-back of the company's own shares, do you think that the implementation of the order of the Company Law Board requiring the company to buy shares of certain members of the company, will need compliance with the requirements of section 77A. Substantiate your answer.

(8 marks)

- (b) What are the documents required to be attached to a petition under section 397/398 ?

(8 marks)

7. (a) Under what circumstances would you consider the structure of the Board of directors of a company to be balanced ?

(6 marks)

- (b) Giveth Ltd. supplies material to Taketh Ltd. and the latter fails to pay. Hence, Giveth Ltd. files a petition for winding-up of Taketh Ltd. and serves a notice quoting purchase order and invoice which Taketh Ltd. denies. Can Giveth Ltd. enforce the winding-up ?

(5 marks)

- (c) Discuss the recommendations made by King's Committee on Corporate Governance in respect of financial reporting, internal control, accounting standards, auditor's independence and auditor's liability.

(5 marks)

8. Write short notes on *any four* of the following :

- (i) Digital signature certificate
- (ii) Limited liability partnership
- (iii) Contributories in winding-up of an unregistered company
- (iv) Nomination committee
- (v) Remuneration committee.

(4 marks each)

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