1. Attempt any four of the following:
   (i) “Some definite criteria will have to be fulfilled to identify a corporation as State within the meaning of Article 12 of the Constitution of India.” Comment.
   (ii) “Diminution of share capital is not always regarded as reduction of capital.” Comment.
   (iii) “A limited company will have to get certain resolutions passed only through postal ballot instead of transacting the business in the general meeting of the company.” Discuss.
   (iv) “Oppression need not be continuous.” Discuss.
   (v) “Common seal of a company will have to be affixed on all the letters and documents of the company.” Discuss.

2. (a) Choose the most appropriate answer from the given options in respect of the following:
   (i) Out of the following statements, which one is correct with regard to listing of securities —
      (a) The shares and debentures of a public company may be quoted on a stock exchange
      (b) The shares and debentures of a private company may be quoted on a stock exchange
      (c) Only the shares and not the debentures of a public company may be quoted on a stock exchange
      (d) Only the shares and not the debentures of a private company may be quoted on a stock exchange.
   (ii) Sweat equity shares issued to employees or directors of a company shall be locked-in for a period of —
      (a) Three years from the date of allotment
      (b) Two years from the date of allotment
      (c) Five years from the date of allotment
      (d) Twelve months from the date of allotment.
(iii) The companies which need not have their own articles of association are —
(a) Unlimited companies
(b) Companies limited by guarantee
(c) Private companies limited by shares
(d) Public companies limited by shares.

(iv) According to the SEBI Guidelines, the issue of bonus shares should be made within a period of —
(a) Three months from the date of approval of the Board of directors
(b) Six months from the date of approval of the Board of directors
(c) Twelve months from the date of approval of the Board of directors
(d) Thirty days from the date of approval of the Board of directors.

(v) Out of the following statements, which one is incorrect as regard to the Director Identification Number (DIN) —
(a) DIN is a unique identification number and once obtained is valid throughout the lifetime of a director
(b) DIN is mandatory for all directors of Indian companies whether they are citizens of India or not
(c) DIN is mandatory for directors of foreign company having branch offices in India
(d) A single DIN is required for an individual irrespective of number of directorships held by him.

(1 mark each)

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

(i) In case of listed companies, where the shares are transferable through electronic mode, transfers are made through _______ instead of physical transfers.

(ii) The voting power of a guarantee company having share capital is determined by the _______ and not by the guarantee.

(iii) _______ is the total of the called-up capital remaining unpaid.

(iv) No person shall hold office at the same time as small shareholders’ director in more than _______ companies.

(v) _______ includes a reorganisation of share capital of company by consolidation of shares of different classes or division of shares into shares of different classes or by both these methods.

(1 mark each)

(vi) State the salient features of a ‘limited liability partnership’ (LLP).

(6 marks)
3. Distinguish between any four of the following:
   (i) ‘Reserve capital’ and ‘capital reserve’.
   (ii) ‘Sweat equity’ and ‘issue of capital on preferential basis’.
   (iii) ‘ESOS’ and ‘ESPS’.
   (iv) ‘Motion’ and ‘resolution’.
   (v) ‘Shelf prospectus’ and ‘red-herring prospectus’.

   (4 marks each)

4. (a) Define ‘prospectus’. What are the ingredients to constitute a prospectus?
   (6 marks)
   (b) What are the documents required to be attached with the draft red-herring prospectus to be filed with the Registrar of Companies?
   (6 marks)
   (c) Registrar of Companies can refuse registration of prospectus. Explain.
   (4 marks)

5. (a) State, with reasons in brief, whether the following statements are correct or incorrect:
   (i) A company, being a body corporate, can sue and be sued in its own name.
   (ii) A government company is neither a government department nor a government establishment.
   (iii) Under section 14, the memorandum of association of a company may be in any form.
   (iv) A director is liable for acts of his co-directors.
   (v) Every shareholder has the right of nomination of shares.

   (2 marks each)
   (b) Tuff Ltd. is a public limited company, which was registered in the year 1991 under the Companies Act, 1956. After eighteen years of existence as a public company, the said company now wants to convert itself into a private limited company. Is it possible? If yes, explain the legal requirements, if any.

   (6 marks)

6. (a) The power to invest funds of the company is the prerogative of the Board of directors under section 292. Discuss the limitations on such powers of the Board, if any, relating to inter-corporate loans and investments under section 372A.

   (6 marks)
(b) With the approval of the Board, an amount of Rs. 50 crore was spent by Speed Jet Ltd., in producing a commercial film, not covered under its objects clause. The film was a complete flop and the company lost an amount of Rs. 40 crore. Some of the members of the company objected to such investments not covered by the objects clause of the company. They filed a suit in the court of law making the directors personally responsible and to make good the loss. Will they succeed? Support your answer with reasons.

(6 marks)

(c) What is meant by 'doctrine of ultra vires'?

(4 marks)

7. (a) What do you understand by 'transmission of shares'?

(2 marks)

(b) Fortune Ltd. refused to enter the name of the minor son of a deceased member in the register of members on the ground that the minor cannot enter into a contract as per section 11 of the Indian Contract Act, 1872. The shares are fully paid-up. Comment on the decision of the company and suggest remedies available.

(4 marks)

(c) Piyush Ltd. decided to buy-back its shares with the approval of the Board of directors. As the Company Secretary of the company, advise the Board about the conditions and limitations in this regard.

(10 marks)

8. (a) Can a company registered under the Companies Act, 1956 commence business of banking in India? Discuss.

(4 marks)

(b) Can a listed company change its name as and when necessary? Give reasons in support of your answer.

(4 marks)

(c) Grace Ltd., a public limited company has received an application from Rosy for transmission of certain shares in her name. Rosy, being a widow of a shareholder, applies for transmission of the shares standing in the name of her deceased husband without producing a succession certificate. Can the company transfer the shares of the deceased member? Discuss.

(4 marks)

(d) Vayu Ltd. holds more than 50% of nominal value of the equity capital of Stream Ltd. In these circumstances, Stream Ltd. wants to become a member of Vayu Ltd. Can Stream Ltd. do so? Discuss the rights of the said subsidiary in such a case.

(4 marks)