

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 7

NOTE : 1. Answer **ALL** Questions.

2. All references to sections relate to the Companies Act, 2013 unless stated otherwise.

1. (a) Watson Ltd., a company incorporated in Australia, has a place of business through an agent in Mumbai. The agent transacts the business on behalf of the company through electronic mode. As regards Watson Ltd., answer the following :

- (i) Whether Watson Ltd. shall be called a foreign company within the meaning of the Companies Act, 2013 ?
- (ii) What are the regulatory requirements under the Companies Act, 2013 to be complied with by such a company which has established its place of business in India ?
- (iii) State the regulatory provisions under the Foreign Exchange Management (Establishment in India of Branch or Office or other Place of Business) Regulations, 2000.

(5 marks)

(b) Ruchi (Pvt.) Ltd., a company incorporated under the provisions of the Companies Act, 2013, gives you the following information :

Paid-up equity share capital ₹40 lakh

Average annual turnover during the last 3 years ₹1 crore

The Board of directors of the company decides to convert the company into a one person company (OPC). Examining the provisions of the Companies Act, 2013, advise the Board about the statutory requirements to be complied with for giving effect to the Board's proposal.

(5 marks)

: 2 :

- (c) Priya Ltd. has passed a resolution in the general meeting of the company for alteration of articles of association, thereby adopting new set of articles of association by following the statutory procedure in accordance with the provisions of the Companies Act, 2013. In this connection, answer the following :
- (i) What are the implications of adoption of new articles of association ?
 - (ii) Draft a specimen resolution with explanatory statement for alteration of the articles and adoption of new set of articles of association.

(5 marks)

- (d) "The e-forms are required to be authenticated by the authorised signatories using digital signatures." With reference to e-filing of documents with the Registrar of Companies, identify the users of digital signature who are required to obtain digital signature certificate (DSC) and enlist the requirements of obtaining DSC in the case of foreign directors.

(5 marks)

Attempt all parts of either Q.No. 2 or Q.No. 2A

2. (a) Ajay Ltd. had given a loan of ₹10 crore to Binoy Ltd. and created a charge on the assets of the company. But Binoy Ltd. failed to register the charge within the stipulated time. Can Ajay Ltd. register the charge with the Registrar of Companies ? If yes, what shall be the procedure ?

(4 marks)

- (b) Promoters of a company to be formed enter into certain contracts for purchase of land, building and machinery. On incorporation of the company, promoters want the company to undertake the liability towards the payments to be made for the above.

Examining the provisions of the Companies Act, 2013, decide whether the company be held liable for the payments for the contracts entered into by the promoters before incorporation of the company.

(4 marks)

: 3 :

- (c) Charminar Ltd. raised money through prospectus with the object of starting a new automobile spare parts manufacturing unit. After investing in this manufacturing unit, few crore of rupees are left unutilised and the company proposes to invest the same for some other purpose than what is mentioned in the prospectus. Advise.

(4 marks)

- (d) Rise Ltd. was incorporated under the provisions of the Companies Act, 2013 and a certificate of incorporation was issued by the Registrar of Companies (ROC), New Delhi. Due to inadvertence, the name of the company was found to be similar to the name of another company already registered with the ROC. The ROC on knowing this fact serves a notice upon the company for rectification of the name. Referring to the provisions of the Act, answer the following :

- (i) What action shall the company take in response to the notice served upon the company by the Registrar of Companies ?
- (ii) What will be the position in case the directors of the company *suo motu* apply to the Central Government for rectification of name of the company ?
- (iii) What are the implications of rectification of name of the company on the contracts already entered into by the company ? Also, state whether the change/rectification shall result in the dissolution of the company.

(4 marks)

OR (Alternate question to Q.No. 2)

- 2A.** (i) Board of directors of Western Ltd. decides to issue equity shares to the extent of ₹10 crore on private placement basis. Explain the procedure the company should follow to give effect to the Board's proposal.

(4 marks)

- (ii) A company wishes to invest in excess of the prescribed limit as per the Companies Act, 2013. Draft a resolution to give authority to the Board of directors mentioning the type of resolution required.

(4 marks)

: 4 :

- (iii) Alia Ltd. declared dividend but failed to make payments to shareholders. Advise the company about the consequences for such default and also list out the offences which shall not be deemed to have been committed.

(4 marks)

- (iv) Bright Ltd. wants to go for public issue of secured debentures for which the company issues prospectus. In light of the provisions of the Companies Act, 2013 :

- (a) State the restrictions which are applicable in this regard.
- (b) In what way does the Act and the rules thereof regulate the appointment of debenture trustee ? Explain.

(4 marks)

Attempt all parts of either Q.No. 3 or Q.No. 3A

3. (a) Referring to the provisions of the Companies Act, 2013, examine whether a member of the company ceases to be the member thereof in the following situations :

- (i) A member whose shares are under *lien* with a company and the company exercises *lien* on these shares and the shares are sold.
- (ii) A member whose company has gone in winding-up and the winding-up proceedings have commenced.

Give reasons in support of your answer.

(4 marks)

- (b) Draft general notice to the members of the company in respect of the following :

- (i) Central Government's approval for the appointment of Joe as the Managing Director of Shine Ltd.
- (ii) Central Government's approval to increase remuneration of Yash as the Managing Director by Johnson Ltd.

(4 marks)

: 5 :

- (c) What role is played by a Company Secretary in relation to the following under the provisions of the Companies Act, 2013 :
- (i) Preparation of annual return of a public limited company.
 - (ii) Certification under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(4 marks)

- (d) Explaining the provisions of the Companies Act, 2013 and the rules thereof relating to the appointment of audit committee, its composition and the role played by such committee, state whether the following companies are required to appoint such committee :
- (i) A public company having a turnover of ₹900 crore.
 - (ii) A public company which has aggregate outstanding deposits of ₹100 crore.

(4 marks)

OR (Alternate question to Q.No. 3)

3A. Write notes on the following :

- (i) Secretarial standard on passing of resolution by circulation
- (ii) Key managerial personnel (KMP)
- (iii) Trust as a non-profit organisation
- (iv) Claiming of unpaid/unclaimed dividend.

(4 marks each)

- 4.** (a) Explain the manner in which the appointment of a 'nominee director' is regulated under the provisions of the Companies Act, 2013 and also state :
- (i) Whether the 'nominee director' can be called 'independent director' ?
 - (ii) What is the tenure of a nominee director ?
 - (iii) Whether a nominee director is liable to retire by rotation and can be removed by the company in general meeting ?

(8 marks)

- (b) Discuss and decide with reference to the provisions of the Companies Act, 2013 and the rules made thereunder, whether the following shall be considered as 'deposits' accepted by a private company :
- (i) A company has taken ₹50 lakh from a director of the company by way of loan.
 - (ii) A company has accepted ₹50 lakh by means of inter-corporate deposits.
 - (iii) A company has taken ₹50 lakh as an advance from its customers towards the contracts for supply of certain products produced by the company.
 - (iv) A company has taken ₹50 lakh from its promoters.

(4 marks)

- (c) "Listed companies are required to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and should provide a separate section on 'corporate governance' in the annual report of the company." Discuss this statement and suggest list of items relating to general meetings and disclosures to be included in such report.

(4 marks)

5. (a) A casual vacancy has arisen in the office of auditor in Kiran Ltd., which is a company controlled by the Central Government. The Comptroller and Auditor General of India (CAG) has failed to appoint auditor to fill-up the casual vacancy within the stipulated time as required under the provisions of the Companies Act, 2013. What remedy is available to the company in this regard under the provisions of the Act ?

(4 marks)

- (b) Explaining the meaning of the term 'related party' in relation to a company under the provisions of the Companies Act, 2013, decide whether the following shall be treated as 'related party':

- (i) Kamal, a director of Deep Ltd. holds 1% in the company's paid-up share capital.
- (ii) Fair Ltd. is an associate company of Mohan Ltd.

Also explain whether a company can enter into a contract with a 'related party' for leasing of the company's property and also for sale of any goods produced by the company.

(4 marks)

: 7 :

- (c) Advice on the following with reference to the provisions of the Companies Act, 2013 :
- (i) Victory Ltd. wants to acquire certain premises for its official use from Joy, a director of the company for consideration other than cash. Whether the company can proceed with the deal ?
 - (ii) Amar, a director in Sunrise Ltd. which is a subsidiary of Victory Ltd., wants to acquire certain secondhand machineries from the company without any consideration. Can he do so ?

(4 marks)

- (d) Explain the scope of 'secretarial audit' and decide :
- (i) Whether a listed company is required to get the secretarial audit conducted under the provisions of the Companies Act, 2013 ?
 - (ii) Whether the non-listed companies are required to comply with the provisions of the Companies Act, 2013 related to secretarial audit ?

(4 marks)

6. (a) A group of persons including two foreigners desirous of forming a society seek your advice on the purposes for which such a society can be formed under the provisions of the Societies Registration Act, 1860. Advise and also state the procedure to be followed in this regard.
- (b) Draft a Board resolution for declaration of interim dividend on equity shares and to authorise the Managing Director and Company Secretary through required resolutions enabling them to disburse the same to the members.
- (c) Explain the concept of 'insider trading' and define the same as per the Companies Act, 2013.
- (d) In what way does Rule 8(4) of the Companies (Accounts) Rules, 2014 regulate the preparation of report by the Board of directors on the annual evaluation made by the Board of its own performance, its committees and the individual directors ? Explain.

(4 marks each)

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