1. Comment on the following:
   
   (a) Members of a company incorporated under the Companies Act, 2013 are the agents of the company. Therefore, the company can be held liable for their acts.
   
   (b) A private company incorporated under the Companies Act, 2013 may issue debentures to any number of persons and can accept deposits from the public.
   
   (c) Only a naturally born person, who is an Indian citizen and resident in India, can form a One Person Company.
   
   (d) Three companies incorporated with the same set of shareholders are treated as same companies under the Companies Act, 2013.

   (5 marks each)

2. Distinguish between the following:

   (a) ‘Red-Herring Prospectus’ and ‘Abridged Prospectus’.

   (b) ‘Free Reserves’ and ‘Net Worth’ under the provisions of Companies Act, 2013.

   (c) ‘Related Party’ and ‘Relative’ as defined and applied under the Companies Act, 2013.

   (d) ‘Inspection’ and ‘Investigation’ of companies in India.

   (4 marks each)
OR (Alternate question to Q. No. 2)

2A. (i) A company has taken a term loan from a financial institution and is regularly paying the loan installments and interest. The financial institution proposes to convert 20% of the loan into equity shares of the company as per terms of the agreement. Advise the company, whether the financial institution can enforce such a convertibility clause? Also examine the validity of such a clause.

(4 marks)

(ii) A company has 120 members. It sends notice of general meeting to all of them. 20 members did not attend the meeting. Out of remaining 100 members who were present, 20 members abstained from voting. Advice the company, how many members should vote in favour of a resolution, if it has to be passed as a special resolution?

(4 marks)

(iii) American Trading Ltd. to whom Rs. 2,00,000 was due and payable by ABC Pvt. Ltd. against their supply of material in the year 2015 was shocked to find that the name of ABC Pvt. Ltd. has been struck off by the Registrar of Companies under Section 248 of the Companies Act, 2013. Advise American Trading Ltd. as to how it should proceed for recovering its dues as an unpaid creditor.

(4 marks)

(iv) A company wants to include a provision in its Articles of Association by altering them to limit the company’s share capital to a fixed amount. Can it do so? Will your answer be different if 100% shareholders agree for such alteration?

(4 marks)
Attempt all parts of either Q. No. 3 or Q. No. 3A

3. (a) The minutes of 24th Annual General Meeting of Poly Bank Ltd. are to be signed by the chairman. However, the chairman of Poly Bank Ltd. met with an accident 2 days after the AGM was held. Minutes of AGM are, therefore, pending for signatures. Advise the company secretary of Poly Bank Ltd. about the procedure for signing of minutes in such a case as if the chairman has become permanently incapable of signing. Will your answer be different if the chairman suffers only minor injury and gets back to his office in one week?

(4 marks)

(b) ABC Ltd. holds 75% equity share capital of DEF Ltd. and controls composition of Board of Directors of DEF Ltd. ABC Ltd. goes for public issue for raising further share capital. Board of Directors of ABC Ltd. allot 10% of the issue to DEF Ltd. Referring to the provisions of the Companies Act, 2013 examine the validity of Board’s decision to allot 10% of issue to DEF Ltd. DEF Ltd. holds certain number of shares as a legal representative of a deceased member of ABC Ltd. and has a right to vote at a general meeting of ABC Ltd. in respect of such shareholder, will this right be affected by issue of 10% to DEF Ltd. by ABC Ltd.?

(4 marks)

(c) One of the subscribers to Memorandum of Association of a company under process of incorporation is a foreign national residing outside India. State the provisions of Companies Act, 2013 regarding authentication of his signature and address. Will the requirement of business visa be applicable to his case if he is a person of Indian origin or overseas citizen of India?

(4 marks)
(d) XYZ Ltd. has 6 directors on its Board of Directors. Out of 6 directors, 5 are foreigners and they reside in America. The company wants to convene its Board meeting in Mumbai but all the 5 directors are pre-occupied and are not in a position to travel to India. Advice the company regarding conduct of such a Board meeting as per provisions of the Companies Act, 2013 and relevant Rules. Will the same Rules or provisions be applicable in case the company wants to approve annual financial statements in the Board meeting?

(4 marks)

OR (Alternate question to Q. No. 3)

3A. (i) ABC Ltd. has altered its name from BCD Ltd. to ABC Ltd. However, the fact of alteration of name of the company was not brought to the notice of NCLT. Please advise the company ABC Ltd. whether it has a right to execute a decree in its new name after the change of name.

(4 marks)

(ii) KAJ Ltd., a company incorporated under the Companies Act, 2013 wants to go for issue of secured debentures. Referring to relevant provisions and Rules, state the conditions to be satisfied before the company goes for such issue of debentures. Will your answer be different in case such issue of debentures is by a Government company where the Central Government has given a guarantee?

(4 marks)

(iii) Robert, a member of MLM Ltd. submitted his proxy to the company before the scheduled time of the Annual General Meeting. The Articles of the company provided that proxy
can be submitted to the company 70 hours before the scheduled time of the meeting. The chairman of the company rejects the proxy on the ground that it is in violation of the Articles. Referring to the provisions of the Companies Act, examine the validity of the chairman’s decision to reject the proxy.

\( (4 \text{ marks}) \)

(iv) The Board of Directors of American Express Ltd. declared interim dividend third time during the financial year 2015-16. After declaration, the Board of Directors decided to revoke third interim dividend as they noticed that company’s financial position did not permit payment of such interim dividend. The Board of Directors seek your advice in this matter. Please advise the Board as a company secretary. Will your advice be different in case it was a regular dividend instead of interim dividend?

\( (4 \text{ marks}) \)

4. (a) Ram is a chartered accountant in practice. His proprietary concern has been appointed as the statutory auditor of a private limited company. Subsequently, it came to light that Mrs. Ram has been holding less than 1% shares of that private limited company. Examine the legal validity of the appointment of statutory auditor.

\( (4 \text{ marks}) \)

(b) The Board of Directors of Goodwill (India) Ltd. wish to appoint an alternate director on the Company’s Board in the absence of Mr. Prince, a director, who proceeded on leave. Referring to the provisions of the Companies Act, 2013, state the conditions to be satisfied before Board appoints such a director. What shall be the tenure of such alternate director in case Mr. Prince incurs a disqualification and ceases to be a director?

\( (4 \text{ marks}) \)
(c) Bright Pvt. Ltd. is a private company. Its Board of Directors want to convert the company into an One Person Company. Can it be converted into an One Person Company? Please advise the company about the conditions and procedure for such a conversion.

(4 marks)

(d) XYZ Ltd., a company, has a paid up share capital of Rs. 60 crores and free reserves of Rs. 25 crores. It desires to make a loan of Rs. 20 crores to M Ltd. The company XYZ Ltd. has already made investments in many other companies including loans to the extent of Rs. 35 crores. Can the company go ahead with loan to M Ltd.? Please advise the company about the procedure to be followed by it.

(4 marks)

5. (a) Directors of ABC Ltd. want to incorporate a producer company. ABC Ltd. itself is in the production and harvesting business. You are the company secretary of ABC Ltd. You are requested to advise the Board of ABC Ltd. about incorporation of such a producer company and set out its objectives as per relevant provisions of the Companies Act.

(8 marks)

(b) SUP Ltd. is a public company incorporated in India. It wants to propose a scheme of arrangement (merger) with another company in the same line of business in India. Help the company in preparing such a scheme of arrangement firstly. Secondly, help the company in taking approval of NCLT. Advise how company should approach NCLT for its approval to the scheme and discuss grounds on the basis of which NCLT will accord its approval.

(8 marks)
6.  
(a) Explain the significance and meaning of ‘officer in default’ as per provisions of Companies Act, 2013.

(4 marks)

(b) What do you understand by ‘class action suit’ as introduced by the Companies Act, 2013? Explain the objective behind introducing this provision in the Companies Act and the persons who can initiate such class action suit.

(4 marks)

(c) An investigation was ordered into affairs of RST Ltd. by the Central Government under Section 210 of the Companies Act, 2013. After carrying out investigation, a report was submitted by the inspector under Section 223 of the Companies Act, 2013. In such a case, what should be done by the Board of Directors of the Company? Please also inform the Board why such investigation might have been ordered.

(4 marks)

(d) A group of Indian citizens hold 60% of the paid up share capital of a foreign company. This group of shareholders claim that since the company was incorporated outside the country, the company is not bound to comply with the provisions of the Companies Act, 2013 in relation to its business in India. Examine the validity of such a claim by the group.

(4 marks)