

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 8

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

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

1. (a) A company acquired a property from another Company 'ZOOM Ltd.'. The acquired property was subject to a charge created in favour of a third company. Acquiring company did not register the charge. Explain the liability of the acquiring company in relation to such acquisition of the property which was subject to a charge under the provisions of the Companies Act, 2013.

(5 marks)

- (b) The Board of Directors of Oriental Ltd. have unanimously decided and resolved to incur capital expenditure of ₹ 20 crore on purchase of immovable property for business of the Company. Out of that, it was contemplated to pay an advance of 20% immediately.

Pending final confirmation of minutes of such meetings, can the Company pay the advance amount of ₹ 4 crore against purchase of such property ? Explain the provisions.

(5 marks)

- (c) "Section 8 company can be converted into a company of any other kind." Explain the Provisions.

(5 marks)

: 2 :

- (d) Solitaire Ltd. has a huge balance in securities premium account. It has utilised the amount for issue of bonus shares to its existing members, written-off preliminary expenses, paid commission and discount on issue of shares of the company, purchased its own shares and redeemed preference shares of the company. As an Internal Auditors of the Company, check the correctness of these transactions against such utilisation of securities premium amount. List out your objections as applicable to Solitaire Ltd.

(5 marks)

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

2. (a) KK Ltd. is a company registered in the year 2017. Its share holding pattern is dispersed with 15% promoter and promoter group shareholding, 10% Pension fund, 50% state government shareholding and 25% public shareholding. The company made a donation in the year 2019 general elections. Discuss whether such donation could be regarded as legal donation or not and what will be the liability of the company in such regard ? Explain the relevant provisions.

(4 marks)

- (b) Surtaal Ltd., has three directors on the Board. Two Directors resigned and in their place, two persons were named for appointment of Directors on the Board and their consent was sought for and obtained by the Company. But they did not possess DIN at the time of attending the Board Meeting.

The Board passed a resolution in the same meeting authorizing the Company to advance moneys for conduct of business activities.

: 3 :

Is the resolution passed by the Board of Directors valid of which two directors are not having DIN ? What would be your answer if this Company is a Private Limited Company ? Explain the Provisions.

(4 marks)

- (c) Narrate briefly the importance of Corporate Governance Report and also state who can certify the compliance of such report. Explain the relevant provisions of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015.

(4 marks)

- (d) Specify the procedure where the first auditor is not appointed by the Board of Directors.

(4 marks)

**OR (Alternate question to Q. No. 2)**

- 2A.** (i) Camping Ltd. was incorporated in the year 2010 for running a lawful business. It came up with a public issue and listed its securities on a regional stock exchange. It has no outstanding loan and no inquiry is pending against it but it is not carrying on any business for last two financial year. The Company wants to apply for declaration as dormant company under provisions of the Companies Act, 2013. Can it apply for obtaining such status in such circumstances ? Explain the provisions.

(4 marks)

: 4 :

- (ii) Investa India Ltd has ₹ 20,000 crore as paid up share capital with ₹ 2,000 crores as free reserves. It has ₹ 1,000 crores in its securities premium account. It has made a loan to Investa LLP of ₹ 13,000 crore without taking any approval. Advise the company whether the approvals are required for giving loans to this LLP ? If yes, explain relevant provisions of the Companies Act, 2013. What would be your answer if Investa India Ltd. is a Government Company ?

(4 marks)

- (iii) Briefly explain the concept of 'Significant Beneficial Ownership' under section 90 of the Companies Act, 2013.

(4 marks)

- (iv) Can a Board meeting be held by giving five days' notice ? Explain the circumstances under which a shorter notice is sufficient for such a Board Meeting.

(4 marks)

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

3. (a) Once the Cost Auditor is appointed, what are the regulatory and other compliances a company needs to carry out ?

(4 marks)

- (b) The Board of Directors of Universe Ltd wants to take following two decisions in their Board Meeting :

- (i) To give on lease an undertaking in which it has an investment share of 32% of its net worth as per last financial year.

: 5 :

(ii) To remit, or give time for repayment of, any debt due from a director.

Advise the Board about its power to take such decisions and the procedure to be adopted.

(4 marks)

(c) SBB Ltd wants to shift its Registered Office from Indore, Madhya Pradesh to Coimbatore, Tamil Nadu. Draft a Board resolution for change of Registered Office from one state to another.

(4 marks)

(d) PQR Ltd. wants to remove Nayan, Company Secretary of the Company because he has cheated to the Company for ₹ 50.00 lakhs during the course of his employment of last three years. Advise the Company for removing the Company Secretary from his employment.

(4 marks)

**OR (Alternate question to Q. No. 3)**

**3A.** Write short notes on the following :

- (i) Corporate Guarantee by a Company to another Company
- (ii) E-Form-DPT-3
- (iii) Treasury Shares
- (iv) Dissolution of Society.

(4 marks each)

4. (a) Vinod, Chairperson of the Monika Ltd. is going to USA for official work and instructed to the Company Secretary for signing of Board's Report in his absence from other directors of the Company. Whether the other directors can sign the Board's Report ? If yes, explain the provisions for signing of Board's Report in the absence of Chairperson in the Company. What would be your answer if this company is One Person Company.
- (b) LMN Ltd. having paid up share capital of ₹ 35 crores proposes to enter into a contract with Amesh, who is a brother of Anil Kumar for procurement of semi finished goods for an amount of ₹ 7 crore during the financial year. Discuss the compliance requirements in respect of the above procurement contract.
- (c) XYZ & Co., a proprietary firm of Amit, a Chartered Accountant in practice, has been appointed as an Independent auditor of ABC Ltd. Subsequently, it came to the light that Smita, sister of Amit is Chief Financial Officer, in that company. Comment on the appointment of the Independent Auditor ?
- (d) "Every Company shall place a copy of its annual return on the website of the Company." Comment.

(4 marks each)

5. (a) Rosy is a shareholder in TPT Pvt. Ltd. One day, she received a notice that her name has been removed as a shareholder because her shares have been transferred to another person. What is her legal position in the company and what course of action she should adopt ?

(4 marks)

: 7 :

(b) You are a company secretary in SOP Ltd. The company has borrowed secured loans through issue of debentures. The debenture trustee has been appointed for it by the company. The debenture trustee is seeking your assistance for the preparation of debenture trust deed. Explain the provisions of debenture trust deed.

(4 marks)

(c) “Main sources of Board’s powers include the Companies Act, Memorandum and articles and resolutions of members.” Do you agree with the statement ? Explain.

(4 marks)

(d) Any company may file an application with the Registrar of Companies (ROC) for removal of its names from the Register of Companies. However, there are certain companies whose names cannot be removed from the register by the ROC. Do you agree with the statement ? Justify your answer with reasons.

(4 marks)

6. (a) Draft a Board Resolution for availing of term loan and working capital facilities sanctioned by the ABC Bank to the Company.

(4 marks)

(b) You are a qualified Company Secretary and have been recently appointed as Compliance Officer of a public listed company. Describe your responsibilities as a Compliance Officer.

(4 marks)

(c) Solid Ltd., wants to declare final dividend. The company did not earn profits in last two years. Can the final dividend be declared and paid in such a situation ? Explain the provisions in this regard.

(4 marks)

: 8 :

- (d) (i) On receipt of the notice and agenda notes from ABC Ltd., Harpreet , Director has requested for participation through video conferencing on the scheduled date of the meeting. As a Company Secretary, what should be your advice to the Chairperson of the Board ?
- (ii) Also whether the Chairperson can attend the Board Meeting through video conferencing ?

Advise the Company in the matter.

*(4 marks)*

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