

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 6

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

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

1. (a) Draft the resolution for according approval to the appointment of relative of the Managing Director of the company on the place of profit, stating the authority and type of resolution. Assume the details as required.
- (b) Gold Limited, an unlisted company, proposes to enter into contract with Radhika for procurement of raw materials of ₹ 5 crore during the financial year. Mohan is Non-Executive Director of the company. Radhika is wife of Kamal, Brother of Mohan. Discuss the provisions of the Companies Act, 2013 and advise Gold Limited.
- (c) MNO Limited, an unlisted company, engaged in the manufacturing of water pumps propose to issue redeemable preference shares which will be redeemed at the end of 30 years. Discuss the provisions of the Companies Act and the Rules made thereunder and advise the company.
- (d) All the three directors of A Ltd. were also the directors of B Ltd. However, the three directors have been disqualified under Section 164 as B Ltd. has defaulted in filing their financial statements for the previous three years. Shyam, the promoter of A Ltd. wants to have the directors' vacancy filled up so that the Company's operations could go on without hinderance. In the absence of any director available in the Company, can Shyam proceed with the appointment of fresh directors ? Advise.

(5 marks each)

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

2. (a) Specify the matters to be included in the Board's Report of one person company and small company as per the provisions of the Companies Act, 2013 and the Rules made thereunder.
- (b) BCD Limited has been incurring losses and has been defaulting in payment of interest and instalments of loans and an amount of ₹ 30 crore is outstanding and due to consortium of banks. The consortium of banks have mooted a debt restructuring plan in accordance with the guidelines of Reserve Bank of India. The plan requires conversion of outstanding amount into equity shares of the company at the discount of 10% of the face value. The contention of the company is that under the provisions of the Companies Act, 2013, issue of shares at discount is prohibited. Advise the company.
- (c) "The Board of Directors can exercise certain powers on behalf of the company by passing resolutions only at its meetings." Discuss.
- (d) DYNK Inc., a company incorporated in USA, has established its Branch in Mumbai. Advise the company in regard to filing of the documents etc. under the Companies Act, 2013 and the Rules made thereunder.

*(4 marks each)*

: 3 :

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

- 2A.** (a) XYZ Limited has not filed annual return and financial statements for the year ended 31st March, 2019. The company has defaulted in payment of redemption amount of debentures due in December, 2019 and repayment of matured deposits and interest due thereon and the defaults are still continuing. XYZ Limited is proposing to change its name to ABC Limited. Advise the company.
- (b) F Ltd wishes to apply for change of its name under Section 13 of the Act. Comment whether the change of name shall be allowed in each of the following situations :
- (i) F Ltd has not filled up the position of woman director, even though it is mandatory.
  - (ii) F Ltd has defaulted in payment of interest due on debentures.
  - (iii) F Ltd has not registered three charges created in the last two years.
  - (iv) F Ltd has defaulted in repayment of loan to National Infrastructure Bank.
- (c) Z Ltd wants to pay remuneration to their Managing Director in excess of the limits specified in Schedule V as they do not have adequate profits. The Company has defaulted in payment of dues to banks as well as non-convertible debenture holders. Advise the Company on the approvals required to implement the above remuneration.
- (d) ABC Limited is considering to come out with a public issue of equity shares. The company is considering to extend loan to the employees including directors and key managerial personnel upto one year of their salary to enable them to subscribe to the equity shares in the public issue. Advise the company.

*(4 marks each)*

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

3. (a) Discuss in details ‘omnibus approval of related party transactions’.  
(4 marks)
- (b) Draft the resolution for payment of remuneration in addition to the sitting fees to the Non-Executive Directors, stating the authority and type of resolution. The company has appointed a Managing Director and also a Whole-time Director. Assume details as required.  
(4 marks)
- (c) State the relevant provisions of the Companies Act, 2013 and the Rules made thereunder for incorporation of one person company and opine on the following :
- (i) ABC Private Limited desire to incorporate a one person company and become members of the company.
  - (ii) Dipak desire to incorporate 2 [two] one person company and become member of both companies.
  - (iii) Rakesh, an Indian citizen, who has stayed in India for 102 days during 2019-20, desire to incorporate a one person company.
  - (iv) Piyush, a minor is proposed to be made member of one person company.  
(8 marks)

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

3A. Write short notes on :

- (i) Doctrine of ‘constructive notice’
- (ii) DPT-3
- (iii) DIR-3 KYC
- (iv) INC 22

(4 marks each)

: 5 :

4. (a) State the matters not to be dealt with by the Board of Directors in a meeting through video conferencing or other audio-visual means.
- (b) Narrate the circumstances in which the Registrar of Companies can remove the name of a company.
- (c) Briefly state the provisions of Singapore Companies Act in respect of treasury shares.
- (d) Ahuja, Managing Director of PQR Limited is convicted and sentenced to pay fine for violation of the provisions of the Factories Act, 1948. A shareholder has filed a petition seeking directions that Ahuja should vacate his position as the Managing Director. Discuss the provisions of the Companies Act, 2013 and opine if directions as requested in the petition can be passed.

(4 marks each)

5. (a) List the businesses that are required to be transacted by means of voting only through postal ballot as provided under the Companies Act, 2013 and the Rules made thereunder.
- (b) XYZ Limited has during the financial year 2019-20, made private placement of 15,00,000 equity shares of ₹ 10 each at a issue price of ₹ 15 per share as below.
- (i) No approval of the shareholders has been obtained for the private placement.
- (ii) The subscription amount was deposited in the current account of the company and was utilized before allotment.
- (iii) The private placement is made to 230 persons including 10 qualified institutional bidders.
- (iv) Out of 70 persons to whom private placement is made 10 persons have paid the subscription amount in cash.

State the provisions of the Companies Act, 2013 and the Rules made thereunder and opine if the company has complied with the provisions in respect of the above.

(8 marks each)

6. (a) Anshu is Director of ABC Limited. The Company has failed to redeem debentures on the due date of 30th June, 2018 and the default is still continuing. MNO Limited is considering to appoint Anshu as its Director. Advise MNO Limited.
- (b) Discuss the procedure for conversion of private company into one person company.
- (c) N Ltd wants to revise the financial statements of the Company voluntarily as they have found out certain errors in the statements due to which they are non-compliant with the provisions of the Act. Advise the Company on the provisions relating to such voluntary revision.
- (d) Draft the required paragraph in the Board Report relating to the CSR activities of the Company for which it was mandatory to spend on CSR.

*(4 marks each)*

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