

# Company Secretarial Practice

371

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

**NOTE :** 1. Answer SIX questions including Question No.1 which is compulsory.  
2. All references to sections relate to the Companies Act, 1956 unless stated otherwise.

1. Draft **any four** of the following (a) in case of a resolution, the body to consider the same and the type of resolution; and (b) in other cases person authorised to issue the same. In all cases, the basis which gives rise to drafting should also be mentioned :
- (i) Resolution recommending payment of dividend on equity shares out of current profits.
  - (ii) Resolution for transmission of shares.
  - (iii) An affidavit verifying the contents of the petition on behalf of the company.
  - (iv) Notice of adjourned Board meeting.
  - (v) A resolution to borrow money, not being a temporary loan, which will make the total borrowed sum exceed the aggregate of company's paid-up share capital and free reserves.
- (5 marks each)
2. Distinguish between **any four** of the following :
- (i) 'Adjournment of a meeting' and 'postponement of a meeting'.
  - (ii) 'Additional director' and 'alternate director'.
  - (iii) 'Dematerialisation of securities' and 'rematerialisation of securities'.
  - (iv) 'Inspection' and 'investigation'.
  - (v) 'A company limited by guarantee' and 'an unlimited liability company'.
- (4 marks each)
3. (a) (i) Who all are required to sign annual return of companies having share capital under the Companies Act, 1956 ?
- (ii) Mention any four particulars that an annual return of companies having share capital must contain.
- (2 marks each)
- (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) A copy of the compliance certificate should be attached with \_\_\_\_\_, where the company does not have a whole-time Company Secretary.
  - (ii) Secretarial Standard – 7 relates to \_\_\_\_\_.
  - (iii) Interim dividend \_\_\_\_\_ be paid on preference shares.
  - (iv) E-form \_\_\_\_\_ is a return in respect of buy-back of securities.
- (1 mark each)

- (c) State, with reasons in brief, whether the following statements are true or false :
- (i) Rights shares means shares which are issued by a newly formed company.
  - (ii) A company should file its annual return within six months of the close of the financial year.
  - (iii) The shareholders of a company which has adopted Table-A of the Companies Act, 1956 can increase the rate of dividend recommended by the Board of directors in its annual general meeting.
  - (iv) Debentures with voting rights can be issued only if permitted by the articles of association.

(2 marks each)

4. (a) Bring out the procedure for incorporation of a company as subsidiary of an existing company.

(8 marks)

- (b) Write the most appropriate answer from the given options in respect of the following :
- (i) Default in filing of annual return makes the company and officer in default liable to be punished with fine which may extend to —
    - (a) ₹500 per day
    - (b) ₹50 per day
    - (c) ₹100 per day
    - (d) ₹1,000 per day.
  - (ii) Which one of the following forms needs to be filled-in for filing the order of the Company Law Board/High Court —
    - (a) e-Form 21
    - (b) e-Form 61
    - (c) e-Form 23
    - (d) e-Form 18.
  - (iii) Intimation to keep the books of account at a place other than the registered office of the company is required to be filed within how many days from the date of passing of the Board resolution —
    - (a) 30 days
    - (b) 7 days
    - (c) 60 days
    - (d) 120 days.
  - (iv) The satisfaction of charge is required to be notified to the Registrar of Companies in —
    - (a) e-Form 8
    - (b) e-Form 17
    - (c) e-Form 21
    - (d) e-Form 23.

(1 mark each)

: 3 :

(c) Do you agree with the following statements ? Give brief reason(s) in support of your answer :

(i) In a scheme of amalgamation, shareholders of Company-A were offered shares of Company-B in lieu of shares held by them in Company-A. Can the offer letter issued by Company-B to the shareholders of the Company-A be regarded as prospectus ?

(ii) Preference shareholders have the same voting rights as the equity shareholders.  
(2 marks each)

5. (a) "Failure to file annual return is a continuing offence." Comment.

(4 marks)

(b) Boss Ltd. issued 2,00,000 equity shares of ₹10 each. You are allotted 100 shares. Explain any eight rights you have as a member of the company.

(4 marks)

(c) Amulya Ltd. has received an application for transfer of 1,000 equity shares of ₹10 each fully paid-up in favour of Amar. On scrutiny of the application form, it was found that Amar is a minor. Advise the company regarding the contractual liability of a minor and whether shares can be allotted to Amar by way of transfer.

(4 marks)

(d) How does a director resign from the Board of directors in a private limited company, if the Board of directors fails to accept his resignation ?

(4 marks)

6. (a) The articles of association of a listed company has fixed payment of sitting fee for each meeting of directors subject to a maximum of ₹10,000. In view of increased responsibilities of independent directors of listed companies, the company proposes to increase the sitting fee to ₹25,000 per meeting. As a Company Secretary, advise the company about the requirements under the Companies Act, 1956 to give effect to this proposal.

(6 marks)

(b) What is meant by compoundable and non-compoundable offences ? State whether the following offences are compoundable or non-compoundable also mentioning the authority which can compound the offence in case of compoundable offences :

(i) Failure to hold an annual general meeting of the company.

(ii) Failure to file copies of annual accounts with the Registrar of Companies.

(iii) An officer of a company who in spite of court's order to vacate the company's property, continues to occupy the same.

(iv) Non-distribution of dividend to the members within the prescribed time.

(6 marks)

- (c) Explain the provisions of the Companies Act, 1956 relating to 'resolutions requiring special notice'. Identify the resolutions that require 'special notice' under the Companies Act, 1956.

*(4 marks)*

7. (a) Mention the provisions of the Singapore Companies Act relating to formation of companies.

*(8 marks)*

- (b) "The provisions of the Hong Kong Companies Ordinance relating to formation of an incorporated company are broadly similar to the provisions of the Companies Act, 1956." Comment.

*(8 marks)*

8. (a) Outline the procedure involved for striking off the names of companies by the Registrar of Companies under section 560.

*(6 marks)*

- (b) Love All Ltd. was registered in the year 2005 under the Companies Act, 1956. The management of the company decides to make donation to recognised political party. Advise the management about the restrictions and the extent upto which such donation can be made. Will it make any difference if Love All Ltd. was registered in the year 2009 ?

*(6 marks)*

- (c) The principal business of Grow Fast Ltd. was the acquisition of vacant plots of land and to build/erect houses. In the course of transacting the business, the Chairman of the company acquired the knowledge of arranging finance for the development of land. Grow Fast Ltd. introduced a financier to another company Ajay Ltd. and received an agreed fee of ₹2 lakh for arranging the finance. The memorandum of association of the company authorises the company to carry on any other trade or business which in the opinion of the Board of directors can be advantageously carried on by the company in connection with the company's general business. Referring to the provisions of the Companies Act, 1956, examine the validity of the contract carried out by Grow Fast Ltd. with Ajay Ltd.

*(4 marks)*