

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. Comment on **any four** of the following :

- (i) A company cannot ratify a pre-incorporation contract though it is open to it to enter into a fresh contract.
- (ii) The alteration of articles of association must not constitute a fraud on the minority by a majority.
- (iii) Where a company has a branch office, whether in India or abroad, the original books of account, records, *etc.* of the branch office will have to be maintained in the registered office of the company.
- (iv) A limited liability partnership registered in Singapore is proposing to establish a place of business in Mumbai.
- (v) Director Identification Number (DIN) is not mandatory for directors of a foreign company having branch offices in India.

(5 marks each)

2. (a) State, with reasons in brief, whether the following statements are true or false :

- (i) Company being an artificial person created by law is also a citizen.
- (ii) Statement in *lieu* of prospectus has to be filed by private limited companies.
- (iii) Conversion of a private limited company into a public limited company requires the approval of the Central Government.
- (iv) Charges created orally need not be registered.
- (v) Adherence to the Secretarial Standards framed by The Institute of Company Secretaries of India is mandatory.

(2 marks each)

(b) Write the most appropriate answer from the given options in respect of the following :

- (i) The maximum number of members of a private limited company, apart from its employees and *ex-employees*, is limited to —
 - (a) Two
 - (b) Seven
 - (c) Ten
 - (d) Fifty.

- (ii) Section 260 relating to appointment of additional directors applies to —
 - (a) All companies
 - (b) Public limited companies only
 - (c) Private limited companies only
 - (d) None of the above.
- (iii) No individual shall hold office at the same time as small shareholders' director in more than —
 - (a) One company
 - (b) Two companies
 - (c) Three companies
 - (d) Four companies.
- (iv) Under section 287(2), the quorum for a meeting of the Board shall be —
 - (a) One-third of the total strength of the Board or two directors, whichever is higher
 - (b) Two-third of the total strength of the Board or two directors, whichever is higher
 - (c) One-third of the total strength of the Board or two directors, whichever is lower
 - (d) Two-third of the total strength of the Board or two directors, whichever is lower.
- (v) A public company can borrow money —
 - (a) Before incorporation
 - (b) Soon after incorporation
 - (c) After one year of incorporation
 - (d) After obtaining certificate of commencement of business.
- (vi) Who among the following is not authorised to inspect the books of account of a company —
 - (a) Directors of the company
 - (b) The Registrar of Companies
 - (c) A person authorised by the Central Government
 - (d) A member of the company.

(1 mark each)

3. (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) A fee of ₹ _____ shall be payable for making an application to the Registrar of Companies for ascertaining the availability of name.
 - (ii) A director can act for a period of _____ without possessing the qualification shares prescribed under the articles of association.

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- (iii) The provisions of the Directors' Relatives (Office or Place of Profit) Rules, 2011 shall be applicable to a company only if the remuneration proposed to be paid to a relative of a director exceeds _____ per month.
- (iv) _____ inserted by the Companies (Amendment) Act, 1988, contains the rates of depreciation to be provided by a company on various assets.
- (v) Pursuant to the provisions of section 78 _____ can be used in utilizing unissued shares of the company to be issued to its members as fully-paid bonus shares.
- (vi) The format of the annual return to be filed by companies is prescribed in _____ appended to the Companies Act, 1956.
- (vii) The operation of the ESOP Scheme has to be under the superintendence and direction of _____ of the Board of directors of a company.
- (viii) All general meetings of a company with the exception of the statutory meeting and the annual general meeting are called _____ .

(1 mark each)

- (b) Enumerate different types of meetings under the Companies Act, 1956.

(4 marks)

- (c) What do you understand by the expression 'resolution by circulation' ? List out four matters which cannot be passed by the directors by resolution by circulation.

(4 marks)

4. Distinguish between the following. Attempt **any four** :

- (i) 'Mortgage' and 'charge'.
- (ii) 'Managing director' and 'whole-time director'.
- (iii) 'Pre-scrutiny' and 'check form'.
- (iv) 'Oral trust' and 'written trust'.
- (v) 'Ordinary resolution' and 'special resolution'.

(4 marks each)

5. (a) What are the main purposes of memorandum of association of a company ?

(4 marks)

- (b) What is meant by the term 'striking-off' of the name of a company ? Can any aggrieved creditor apply for restoration of the name of the company after 10 years of its striking-off ? If so, how ?

(4 marks)

- (c) Can the Board of directors of a company delegate any of its powers to others ? Discuss.

(4 marks)

- (d) What is the general structure of e-filing process under MCA-21 ?

(4 marks)

6. Write notes on the following. Attempt *any four* :

- (i) Intangible assets
- (ii) Fungibility
- (iii) Independent director
- (iv) Investor Education and Protection Fund (IEPF)
- (v) Illegal association.

(4 marks each)

7. (a) The required quorum is not present within thirty minutes of the scheduled time for holding of annual general meeting. Advise with the help of relevant provisions of the Companies Act, 1956.

(4 marks)

(b) Your company, which is a public limited company wishes to make investments in shares of a company. The total investment exceeds the statutory limit stipulated by the Companies Act, 1956. What are the formalities to be complied with in this regard ?

(4 marks)

(c) The registered office of a company was shifted from one State to another. A labour litigation was pending before the court. So, the employees objected to the transfer. Whether the objection of the employees is sustainable ?

(4 marks)

(d) Agro Ltd. is desirous of appointing Sell-well Ltd. as its sole-selling agent. The paid-up capital of Sell-well Ltd. is ₹5 crore and it has substantial interest in Agro Ltd. Advise Agro Ltd. of the implications of the proposal.

(4 marks)

8. (a) The Directors' Report of Ayush Ltd. for the financial year ended 31st March, 2012 has been dated 15th May, 2012, whereas the Auditors' Report for the same period is dated 16th May, 2012. Is this in order ? Explain.

(4 marks)

(b) Yogesh, the Company Secretary of Bigleap Ltd. convened a general meeting of the company after discussing the matter with some of the directors even though there was no express approval of the Board for convening such a meeting. Discuss the validity of such a meeting.

(4 marks)

(c) Kapil is branch head of a limited company. The company proposes to elevate Kapil to the Board. Enumerate the steps involved in such a proposal.

(4 marks)

(d) State the provisions of the Companies Act, 1956 relating to housing loans to the directors of the company.

(4 marks)