1. Answer the following:
   (a) Within what period subscribers to the memorandum are required to bring in share application money in the company? Explain with relevance to obtaining certificate of commencement of business and issue of share certificates to the subscribers.
   (b) Explain with reference to the provisions of the Companies Act, 2013 whether an independent director is entitled to:
       (i) Sitting fee;
       (ii) Remuneration; and
       (iii) Employees stock option.
   (c) "No company shall enter into any contract or arrangement with a related party." Examine the validity of the statement.
   (d) "All resolutions, no matter how simple they are, should be drafted in clear and distinct terms, since resolutions embody the decisions of the meeting." Comment with reasons.

   (5 marks each)

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

2. (a) Explain the term 'private placement' in relation to issue of securities by a company. What conditions must be fulfilled by a company under the Companies Act, 2013 before issuing securities on private placement basis.
   (b) Explain the term 'preferential offer'. Whether a company issuing securities on preferential basis is also required to comply with the conditions concerning private placement?
   (c) Distinguish between 'defunct company' and 'dormant company'.
   (d) Explain the provisions governing one person company (OPC). Can a person incorporate more than one OPC?

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

2A. (i) Discuss the concept of 'rotation of auditors' of a company as per provisions of the Companies Act, 2013. Is the concept also applicable to secretarial auditor?

(4 marks)

(ii) Explain the provisions governing vigil mechanism under the Companies Act, 2013. Is it applicable to all companies?

(4 marks)

(iii) A company may issue secured debentures if it fulfills certain conditions. State the conditions to be fulfilled.

(4 marks)

(iv) ABC Ltd. appointed Anil as director on 1st November, 2014. Subsequently, Anil obtained his DIN on 10th November, 2014. ABC Ltd. filed DIR-12 on 15th November, 2014. Examine the legal validity of the appointment of Anil.

(4 marks)

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

3. (a) Give a specimen of Board resolution for appointment of whole-time key managerial personnel under section 203.

(b) Shine Ltd. wishes to appoint PMQ firm for the first time as the auditor of the company for a period of 5 years at the company's annual general meeting to be held on 30th June, 2015. You are required to —

(i) Draft a resolution to be passed at the AGM; and

(ii) State whether PMQ firm can be re-appointed on the expiry of the above tenure.

(c) Royal Ltd. wishes to appoint an independent director on the Board of the company. Explain the procedure and also draft a resolution to be passed by the shareholders of Royal Ltd.

(d) BST is a company incorporated as a company not for profit under section 25 of the Companies Act, 1956. The Board of BST has decided to convert the same into a public company under section 2(71). Explain the procedure governing conversion of BST into BST Ltd.

(4 marks each)
OR (Alternate question to Q.No. 3)

3A. Write notes on the following:
   (i) Conditions for issuance of sweat equity shares
   (ii) Declaration of dividend
   (iii) Auditors not to render certain services
   (iv) XBRL filing.

(4 marks each)

4. Explain the following quoting relevant case law, if any:
   (a) Red Cap Ltd. wants to reduce its equity share capital to extinguish the holding of only non-promoter shareholders on payment of the value of their shares. Reduction was approved by the requisite majority of equity shareholders including non-promoter shareholders. Will such selective reduction be sanctioned?

(6 marks)

   (b) Smart Ltd. wants to include a provision in the articles of association by altering it 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?

(5 marks)

   (c) Northern Ltd. is a company engaged in manufacture of mobile phones. The name of the company was struck-off on an application under 'simplified exit scheme'. However, subsequently the market conditions became favourable. Hence, the shareholders want to revive the company. Will shareholders' plea for restoration be approved by Court?

(5 marks)

5. (a) A charge is a right created by any person, including a company, referred to as 'the borrower', on its assets and properties, present or future, in favour of a financial institution or a bank, referred to as 'the lender' which has agreed to extend financial assistance. Discuss the provisions of the Companies Act, 2013 relating to registration of charge.

(b) Manohar Motors Ltd. has a paid-up share capital of ₹10 crore and free reserves of ₹5 crore. The Board of directors want to borrow a sum of ₹20 crore for its long-term capital requirements from the market. Discuss whether they can do so and if yes, what are the requirements under the Companies Act, 2013 which they have to comply with.
(c) Pankaj is a whole-time director of a listed company and also an independent director in two other listed companies out of which he is also the Chairman of the audit committee of one company. He is also on the Board of 5 other public companies which are not listed companies. Three other private companies which are not subsidiary companies of any public company have invited him to join them as a director on their Board. Discuss in the light of the provisions of Companies Act, 2013 whether Pankaj can accept the directorship of said private limited companies.

(d) Is Company Secretary a 'managerial personnel' for the purpose of restrictions on remuneration under section 197? Is his salary considered for the purpose of computation of managerial remuneration? Would it make any difference if he is also a director of a company?

(4 marks each)

6. (a) What items of business are required to be transacted through postal ballot in terms of provisions of the Companies Act, 2013?

(b) "Apart from general secretarial duties entrusted, the Companies Act, 2013 has entrusted and prescribed some duties and authorities." Discuss the statutory duties and liabilities of a Company Secretary under the Act.

(c) The Companies Act, 2013 has introduced several provisions which would change the way Indian corporates do business and one such provision is spending on corporate social responsibility (CSR) activities which has assumed considerable importance. Discuss the provisions governing CSR as provided in the Companies Act, 2013 and rules made thereunder.

(d) The primary objective of compliance management backed by secretarial audit is to safeguard the interests of the company and its stakeholders. Discuss the provisions governing secretarial audit under the Companies Act, 2013 and the applicable rules made thereunder.

(4 marks each)