

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 4

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

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

1. Comment on the following :

- (a) It is mandatory for every director of a company to disclose his interest or nature of his concern in other companies in which he is a director.
- (b) There are certain circumstances under which investigation into the affairs of a limited liability partnership is conducted under the Limited Liability Partnership Act, 2008.
- (c) The time gap between the date of approval of financial statements by the Board of directors of a company and the date of notice of annual general meeting should be 45 days.
- (d) Three Singapore nationals who have never been to India have decided to be the shareholders holding 100% equity shares and the only directors of a private company in India in the year 2015 which is not a subsidiary of a public company.

(5 marks each)

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

2. Distinguish between the following :

- (a) 'Appointment of directors by nomination' and 'appointment of directors against casual vacancy'.
- (b) 'Informational services' and 'approval services (Registrar of Companies)' for categories of e-forms.
- (c) 'Notice of a charge' and 'satisfaction of a charge'.
- (d) 'Small company' and 'inactive company'.

(4 marks each)

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

- 2A. (i) Sanjay, a Chartered Accountant, is the financial controller of Sonik Industries (Pvt.) Ltd. for the last five years. The company now wants to appoint him as the statutory auditor of the company. Examining the provisions of the Companies Act, 2013, advise whether the company can appoint Sanjay as its statutory auditor.
- (ii) Board of directors of Ash Ltd. having its registered office at New Delhi decides to hold its next meeting at New York, USA since all the directors of the company are going to attend a sales exhibition to be held at New York. Examining the provisions of the Companies Act, 2013, advise the Board about the validity of its decision to hold the Board meeting at New York.
- (iii) Prism Ltd. has accepted ₹10 lakh as advance towards the supply of goods to certain parties. As per the agreement, the company will supply the goods after two years from the date of deposit. Later on, internal auditors qualified their report on the ground that the company has violated the provisions of the Companies Act, 2013. Directors explained that this is required to complete the order. Examining the relevant provisions of the Companies Act, 2013 state whether the explanation given by the directors is justified.
- (iv) Virat, a person of 21 years of age is pursuing MBA (Finance) course at a reputed recognised business school. He is not a shareholder of Grow (Pvt.) Ltd. He wishes to inspect the register of investments in securities not held in company's name and annual return of Grow (Pvt.) Ltd. He also wants to take copies thereof. Examining the relevant provisions of the Companies Act, 2013, advise Virat whether he would be successful in this regard.

(4 marks each)

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

3. (a) Prudent General Insurance Company Ltd. is engaged in the general insurance business. The company is not listed in any stock exchange in India but is a subsidiary of Reliable General Insurance Company Ltd., listed at Bombay Stock Exchange. The turnover of Prudent General Insurance Company Ltd. is ₹330 crore. Examining the provisions of the Companies Act, 2013, state whether the company is required to file XBRL enabled balance sheet.
- (b) Sweet (Pvt.) Ltd. has committed a default which is in violation of the provisions of the Companies Act, 2013. No specific penalty or punishment is provided in the Act for the said default. Decide the quantum of punishment for contravention where no specific penalty or punishment is provided under the Companies Act, 2013.

(4 marks)

(4 marks)

: 3 :

- (c) Sun & Moon LLP, Trademark and Patent Attorneys, seeks your advice as to the circumstances which would require their accounts to be audited. They have also asked you whether foreign direct investment is allowed in limited liability partnership. Examining the provisions of the Limited Liability Partnership Act, 2008 and the rules thereof, advise whether they can avail external commercial borrowings. (4 marks)
- (d) Paras, a director of Spike (Pvt.) Ltd. resigns from the office of director. He has forwarded a copy of resignation to the company and the Registrar of Companies (ROC) in time. The company, however, has not filed relevant form to the ROC. Explaining the provisions of the Companies Act, 2013 in this regard, decide the status of Paras. (4 marks)

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

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

- (i) Public financial institutions
- (ii) Corporate social responsibility
- (iii) Resident director
- (iv) Punishment for failure to distribute dividend and exceptions.

(4 marks each)

- 4.** (a) Aman, Raman and Shraman are three brothers. They are in the process of subscribing to the memorandum of association of a proposed new company, Glamour (Pvt.) Ltd. They have been asked to file an affidavit in this regard. Stating the contents of the affidavit decide whether the affidavit has to be filed individually or jointly. (4 marks)
- (b) Bright Products Ltd. wishes to sell one of its undertakings for which it decides to call an extra-ordinary general meeting (EGM) and to pass a resolution thereat. State the material facts to be set out in the explanatory statement to be annexed to the notice of the EGM on this special business to be transacted at the meeting. (4 marks)
- (c) The paid-up equity share capital of Strong Foundry Ltd. is ₹45 lakh. President (Finance) of the company seeks your advice whether it is possible to re-open its books of account and recast the company's financial statements of the previous year. You being the Secretary of the company, advise the President (Finance) by preparing a note in this regard. (4 marks)

- (d) Pioneer Fisheries Ltd. has borrowed an amount of ₹50 crore from a financial institution. The annual general meeting of the company was held on 1<sup>st</sup> September, 2015. Examining the provisions of the Companies Act, 2013, state as to who will sign and certify the annual return while filing the same with the Registrar of Companies after the annual general meeting.

*(4 marks)*

5. (a) Board of directors of Acute (Pvt.) Ltd., incorporated under the Companies Act, 2013, decides to convert the company into a one person company (OPC). Explain the procedure as provided under the Companies Act, 2013 to be followed in this regard.

*(8 marks)*

- (b) Board of directors of Desire Ltd. decides to go for creditors' winding-up of the company. For this purpose the Board decides to call an extra-ordinary general meeting on 30<sup>th</sup> June, 2016. Draft a notice alongwith explanatory statement for convening the meeting. Assume facts.

*(8 marks)*

6. (a) Explaining the provisions of the Companies Act, 2013, state the duties of Nomination and Remuneration Committee.
- (b) Krugen Holdings Ltd. promoted Ms. Bhavna and designated her as the Director (Administration). Examine the validity of such a designation under the provisions of the Companies Act, 2013.
- (c) Board of directors of Green Field Ltd. decides to accept deposits from the public at a compound interest rate of 12% per annum. Examining the provisions of the Companies Act, 2013, advise whether the Board can go ahead with its proposal.
- (d) Referring to the provisions of the Companies Act, 2013, explain whether the Company Secretary being a Chief Financial Officer of the company can be held liable for maintenance of books of account of the company.

*(4 marks each)*