

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 7

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) A private limited company can accept deposit from its members under the provisions of the Companies Act, 2013.
- (b) Appointment and rotation of statutory auditor is mandatory for one person company and small company.
- (c) International Financial Service Centre (IFSC) companies are attractive for foreign investment.
- (d) Secretarial Standard does not empower Company Secretary of a company to call a meeting of Board of Directors on its own.

(5 marks each)

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

2. Distinguish between the following :

- (a) Oppression and mismanagement application and Class action suits.
- (b) Chief Executive Officer and Managing Director.
- (c) Redemption of shares and Redemption of debentures.
- (d) XBRL tags and XBRL taxonomies.

(4 marks each)

OR (Alternate question to Q. No. 2)

- 2A.** (i) The Board of Directors of Peculiar Ltd. proposes to recommend a final dividend of ₹ 25 each to all the equity shareholders of the company. The company seeks your opinion on the following :
- (1) The company wants to deposit the dividend amount to co-operative bank.
 - (2) The company is a defaulter in the repayment of deposits and proposes to repay its all deposit after the payment of dividend within 10 days.
 - (3) Dividend will be declared out of the capital reserves of the company.
 - (4) The company wants to pay such dividend through the cash counter by way of cash voucher.

(4 marks)

- (ii) Perfect Pvt. Ltd. wishes to appoint its Secretary, Satish, as an internal auditor. Referring to the provisions of the Companies Act, 2013 advise the company.

(4 marks)

- (iii) Nice Ltd. proposes to alter its liability clause of Memorandum of Association. Referring to the provisions of the Companies Act, 2013 advise the company.

(4 marks)

- (iv) Fabulous Ltd. is in the process of finalisation of its annual return. It is a listed company with paid-up capital ₹ 1 crore. The company seeks your advice on the following :

- (1) Who will sign the return on behalf of the company ?
- (2) What are the requirements of certification of annual return by a practising Company Secretary ?

(4 marks)

: 3 :

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

3. (a) RS Ltd. has incurred ₹ 5 lakh for the fulfillment of Labour Law, Land Acquisition Act and Food Safety & Standards Act in the month of May, 2018. The company has accounted for this ₹ 5 lakh as Corporate Social Responsibility (CSR) expenditure. Explaining the provisions of the Companies Act, 2013 discuss whether the company has rightly accounted for the amount in CSR.
- (4 marks)
- (b) Enkebee Ltd. wants to purchase its own 1,00,000 equity shares @ ₹ 10 each out of the following :
- (a) Unsecured loan ₹ 5 lakh
- (b) Balance of depreciation reserve for ₹ 3 lakh
- (c) Securities premium account ₹ 4 lakh.
- Examine the legality of the above transactions for the buy-back of securities of the company under the provisions of the Companies Act, 2013.
- (4 marks)
- (c) Who will appoint Secretarial Auditor of the company : Board of Directors or Shareholders ? What is the duty of Board of Directors towards secretarial auditor and audit report ?
- (4 marks)
- (d) Mohan has been appointed as a passive partner in the Limited Liability Partnership (LLP). He seeks your advice on the responsibilities of designated partner where the LLP has contravened the provisions of LLP Act. Referring to the provisions of the LLP Act, 2008 advise him in the matter. Can he sign cheques on behalf of the LLP ?
- (4 marks)

OR (Alternate question to Q. No. 3)

- 3A.** (i) Aniket has fraudulently sold his shares to two different transferees. Who will be entitled to the shares in priority ?
(4 marks)
- (ii) The authorised share capital of Shine Ltd. is ₹ 50 lakh. The paid-up capital of the company is ₹ 20 lakh. The Board of Directors at its 100th meeting held in the residence of Managing Director of the company resolved to create charge on uncalled share capital of ₹ 30 lakh. With reference to the provisions of the Companies Act, 2013 ascertain if the resolution is valid.
(4 marks)
- (iii) R Systems Ltd. is holding 40% of paid-up share capital of ATC Aviation Pvt. Ltd. R Systems appointed representative director in ATC Aviation Pvt. Ltd. to safeguard its interest. Board of Directors of R Systems Ltd. wishes to know whether the director appointed by them shall be treated as nominee director. Advise the Board.
(4 marks)
- (iv) Sand Ltd. wants to appoint River as Managing Director of the company for a period of three years with effect from 1st August, 2018. River has given a written statement to the company that he has paid rupees one thousand to the prescribed authorities for a conviction of an offence under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 on 30th June, 2018. State whether River can be appointed as Managing Director of the company under the Companies Act, 2013.

(4 marks)

: 5 :

4. (a) Fun and Frolic Ltd. has received ₹ 5 lakh from its Promoters as unsecured loan in pursuance of the stipulation of credit facilities from Bank. Can the company accept the unsecured loan ? What would be your answer if the company has repaid in full its amount of credit facilities and after such repayment, company continues this unsecured loan ? Referring to the provisions of the Companies Act, 2013 advise the company.
- (4 marks)
- (b) South Village Farmers' Producer Company Ltd. wants to give loan to its Directors for ₹ 5 lakh. The company seeks your advice regarding the loan to Directors. Explain the provisions with reference to the Companies Act. What would be your answer if loan is being given to its members ?
- (4 marks)
- (c) Phosphate Ltd. has suffered a major loss of ₹ 100 crore in May, 2018 on the dealing of commodity exchange. The annual accounts and Board's report for the year 2017-18 are under finalization. The Chief Financial Officer (CFO) of the company does not want to disclose this loss in the Board's report for year 2017-18 because this loss does not pertain to said financial year. Is the view of CFO correct ? The Board of Directors seek your advice in this matter.
- (4 marks)
- (d) Confident Ltd. has forfeited 50,000 equity shares of the company @ ₹ 10 each and same were re-issued. After the filing of the annual return, the Registrar of Companies (ROC) has issued show cause notice to the company for default of provisions of section 39 of the Companies Act, 2013. Is the action of the ROC tenable under the provisions of the Companies Act, 2013 ? Discuss with relevant case law, if any.
- (4 marks)

5. (a) Spectacular Ltd. wants to make an application to Registrar of Companies (ROC) for removal of its name under section 248(2) of the Companies Act, 2013 from register. It is understood that the application, *inter-alia*, shall be accompanied by an 'affidavit' by every director of the company. You are a practising Company Secretary. The company has approached you to draft such an affidavit. Help the company.
- (8 marks)
- (b) In the 25th Annual General Meeting (AGM) of Lazy Ltd. some shareholders demanded that a poll be taken in respect of one of the resolution proposed in the notice of AGM on which voting was yet to be taken on a show of hands. Prepare the announcement to be made by the Chairman of the meeting in connection with the poll.
- (8 marks)
6. (a) Semon Ltd., a strategic investor was introduced in Raybon Pvt. Ltd. to bring a new technology or investment. Such strategic investor wishes to protect its interests in the company. Advise how he can safeguard its interests through Articles of Association of the company.
- (4 marks)
- (b) Serious Ltd. is having three factories in Chennai. The company wants to sell one of the factory. Can the company sell its factory ? Further, assuming that the company has also borrowed credit facilities from the bank, explain the statutory provisions under the Companies Act, 2013.
- (4 marks)

: 7 :

- (c) The Mumbai Bench of National Company Law Tribunal has received a petition for winding up of Presentable Commodities Ltd. Pramod, Manager (Human Resource) of the company wants to know from you, Secretary of the company, what orders can be passed by the Tribunal in this regard. Advise Pramod, under the relevant provisions of the Companies Act, 2013.

(4 marks)

- (d) In a scheme of amalgamation, it was proposed that name of the transferor company shall be deemed to be name of transferee company. The Regional Director (RD), Ministry of Company Affairs, objected to the same on the ground that proposed name is undesirable if it is identical with or too nearly resembling name of an existing company. Decide if the stand taken by the RD is valid under the Companies Act, 2013. Reference may be made of decided case laws.

(4 marks)

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