

Roll No. ....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 6

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

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

1. Comment on the following statements :

- (a) A company is an artificial juristic person. It does not have citizenship, residence and domicile.
- (b) A holder of a Global Depository Receipt is a member of the company.
- (c) Directors can be removed only by passing a special resolution.
- (d) Establishment of Vigil Mechanism and Sexual Harassment Complaints Committee is mandatory only for listed companies.

(5 marks each)

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

2. Distinguish between the following :

- (a) Alteration of Share Capital and Reduction of Share Capital.
- (b) CIN and DIN.
- (c) Minority Shareholders and Dissenting Shareholders.
- (d) Pre-fill in e-forms and Pre-scrutiny in e-forms.

(4 marks each)

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

- 2A. (i) ABC Ltd. is a non-listed public company with a paid-up share capital of ₹ 50 crore. It has deposits of ₹ 10 crore. Its turnover in the last financial year was ₹ 101 crore. It has 800 equity shareholders and 500 deposit holders. Does it mandatorily require to have :
- (a) A Nomination & Remuneration Committee
  - (b) Stakeholders Relationship Committee ?
- (ii) A was appointed as the Managing Director of OPQ Ltd. for a period of 4 years on his 66th birthday on 1st June, 2016. A Board Resolution was passed to extend his term of office by another five years and the same was approved by the members in the AGM of the company held on 21st May, 2019, by an ordinary resolution. Is the re-appointment of A as M.D. valid ?
- (iii) EFG Pvt. Ltd. is a holding company of HIJ Ltd. and KLM Ltd. which are its subsidiary companies. Is the company required to prepare a consolidated financial statement (including the details of the Subsidiary Cos.) and lay it before the AGM of the company ?
- (iv) RST Ltd.'s annual general meeting should have been held on 30th Sept., 2018. However, as the accounts for the year 2017-2018 were not ready, the AGM could not be held. In order to avoid legal action against himself and the company what are the compliances required to be met by the Company Secretary under Section 92 of the Companies Act 2013 ?

(4 marks each)

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

3. (a) Y, the M.D. of UVW Ltd. deposited a cheque of ₹ 5 crore drawn in favour of the company, in his personal account. The bank credited the said amount in Y's personal account. The company filed a suit against the bank for recovery of the money wrongly credited to Y's personal account. Will the company succeed ?
- (b) A company has just received applications for shares in response to a public issue, which has been fully subscribed. How would you ensure that the shares are validly allotted ?
- (c) An Inter-State Co-operative Society was incorporated on 1st June, 2019, as a producer company.  
The producer company proposes to have 18 directors on its Board of directors. Further, a member of the company wants to transfer a part of his shares to a person who is not a producer. Advise the company.
- (d) When may a company be given a "dormant" status ?

*(4 marks each)*

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

- 3A. (i) A subscriber to the shares of a company, wherein the shares were only partly called up, paid all the money due on the shares held by him in advance. Later, the shareholder claimed interest on the money advanced by him and also voting rights in respect of the advance money paid. Is his claim justified ?

*(4 marks)*

: 4 :

(ii) The promoters of a company engaged in the formation of a software company approach you as a Company Secretary in practice to advise them about the details of declaration required to be made by :

- (a) the professional involved in the formation of the company and
- (b) subscribers to the Memorandum of Association while filing documents for incorporation of a company.

Advise them.

(4 marks)

(iii) A limited liability partnership was formed by B, a resident individual with 2 more body corporates as its partners. The Registrar refused registration.

Is the Registrar justified in so doing ? Explain with reference to the relevant legal provisions.

(4 marks)

(iv) Under what circumstances can the National Company Law Tribunal order winding-up of a company ?

(4 marks)

4. (a) XYZ Ltd. has a paid-up capital of ₹ 50 crore and free reserves of ₹ 30 crore. It provided a guarantee for repayment of a loan of ₹ 40 crore borrowed by its wholly owned subsidiary company. It did not pass any resolution for the same in the general meeting. Is the guarantee valid ?

Answer with reference to the relevant legal provisions.

(4 marks)

: 5 :

- (b) The prospectus issued by a company contained a false statement that B a very well-known successful businessman was on its Board of directors. C acting upon this statement applied to the company for its shares. D who did not rely upon this statement but on the basis of other information about the company given in the prospectus applied for its shares.

C and D were allotted shares by the company. E was a subscriber to the Memorandum of Association of the company.

F bought the shares through the stock exchange later on.

Each of them wants to know whether they can seek remedies for mis-statement in the prospectus.

Advise them.

*(4 marks)*

- (c) You have joined as a compliance officer of a company on 1st June, 2019. You realize that a charge which was created on 15th Feb., 2019 has not yet been registered. What immediate steps would you take to avoid legal action due to non-compliance ?

*(4 marks)*

- (d) 1000 shares of a company are presently held jointly by A, B and C their names appearing in the share certificates in this order. The joint shareholders want a transposition of the names in the order C, B and A. Can it be effected ?

Explain the procedure.

Will your answer be different if the changes were required to be made only in respect of 500 shares ?

*(4 marks)*

5. (a) Explain the provisions contained in the Cos. Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, which are primarily aimed at protecting the interests of the depositors.
- (b) Under what circumstances may the National Company Law Tribunal (NCLT) order an investigation of a company under S. 213 of the Cos. Act, 2013 ?
- What is the security, if any, required to be provided by the applicants towards the cost and expenses of such investigation ? Is it refundable ?

*(8 marks each)*

6. (a) Explain the terms “IFSC” and “specified IFSC private company”.
- (b) A person holds 90% of the issued shares of a company. He wants to acquire the balance 10% of the shares from the existing shareholders. As a Company Secretary in practice, advise him.
- (c) A company has appointed you as a scrutinizer in respect of a resolution required to be passed through a postal ballot. Describe your functions as a scrutinizer.
- (d) You have been appointed as a Debenture Trustee in respect of debentures issued by a company. How would you protect the interests of its debentureholders ?

*(4 marks each)*

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