

Roll No. ....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 8

- NOTE :** 1. Answer **ALL** Questions.  
2. **ALL** references to sections relate to the Companies Act, 2013 unless stated otherwise.

**PART-I**

1. Comment on the following :

- (a) A private company and a banking company, can freely accept deposits.
- (b) Every financial statement of the company must give true and fair view of the state of affairs of the company at the end of the financial year.
- (c) The Articles of Association of a company cannot impose a blanket ban prohibiting transfer of shares in favour of a minor. Such a restriction is unreasonable and not sustainable.
- (d) Every shareholder of a company is known as member while every member may not be known as shareholder.

(5 marks each)

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

2. (a) “If a company does not receive minimum subscription, it should refund money received from applicants within such time as may be prescribed”. Explain the above statement with suitable comments.

(3 marks)

- (b) What are the requirements as to the maintenance of Register of Postal Ballot ?

(3 marks)

- (c) Explain whether a Floating charge attached to the company’s property generally remains dormant till it crystallizes or becomes fixed.

(3 marks)

: 2 :

- (d) Who is a “related party” as defined in Section 2 (76) ?  
(3 marks)
- (e) State the time limit within which certificate of securities as provided in Companies Act, 2013 to be issued in case of :
- (i) Any allotment of shares.
- (ii) Any allotment of debentures.
- What is the punishment in case of default committed in the above cases ?

(3 marks)

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

- 2A. (i) Referring to the provisions of Companies Act, 2013 advice a public company which declared dividend on 30<sup>th</sup> September, 2018 as to the procedures to be followed in this regard for payment of dividend. Whether any intervening holidays in the month of October 2018 shall be taken into account in calculating the time limit ?
- (ii) Draft “A specimen of deed of Assignment of shares of a company”.
- (iii) Who are all the persons required to obtain Digital Signature Certificates ?
- (iv) Explain whether the Corporate Social Responsibility (CSR) Committee is entrusted with any specific functions under the Companies Act, 2013 ?
- (v) XYZ Ltd. sold a mine, owned by it for ₹ 28.20 crore. A minority shareholder brought an action for damages against their directors and against the company itself stating that the real value of the mine was ₹ 100.00 crore. With reference to provisions of Companies Act, 2013 state whether the action for damages is maintainable ?

(3 marks each)

: 3 :

3. (a) With reference to the provisions of the Companies Act, 2013 and the rules framed there under, state the disqualifications for a Debenture Trustee. Explain whether the following persons can be appointed as Debenture Trustee ?
- (i) A relative of whole-time director of the company.
- (ii) A shareholder who has no beneficial interest.
- (b) Vijay is an auditor of XYZ Ltd, a listed public company having paid-up share capital of ₹ 10 crore. Advise him as to whether he can render the following services, keeping in mind, the relevant provisions of Companies Act, 2013 ?
- (i) Vijay wants to conduct internal audit of XYZ Ltd. He also wishes to provide actuarial services to XYZ Ltd.
- (ii) Vijay wishes to “design and implement one financial system” and offer management services to ABC Ltd, the holding company of XYZ Ltd.
- (iii) What will be your answer in the above two cases if services are provided to PQR Ltd, a subsidiary company of XYZ Ltd. ?
- (c) A public limited company has only seven shareholders. Being all the shares paid in full, one such shareholder purchased all the shares of another shareholder in a private settlement between them reducing the no. of shareholders to six. The company continues to carry on its business thereafter. Discuss with reference to the Companies Act, 2013 the implications of this transaction on the functioning of the company.

*(5 marks each)***PART-II**

4. (a) “A” Ltd., a public company wants to appoint Alternate Directors. Examine the validity of acts of the company with reference to provisions of Companies Act, 2013 in following cases :
- (i) ‘D’ a director was absent for a period of two and half months. It is proposed to appoint an alternate director.
- (ii) ‘E’ a director was absent for 4 months. It is proposed to appoint ‘F’ as an alternate director in place of ‘E’. ‘F’ is already acting as an alternate director in “A” Ltd. for a director ‘G’ who was absent for 5 months.
- (iii) Can the said appointment, if permitted, be passed by circular resolution ?

*(1+2+2=5 marks)*

: 4 :

- (b) Prepare an Agenda items for a Board Meeting with a minimum of any eight items to be discussed.

(5 marks)

- (c) DEF Ltd. has made profit for last 3 consecutive financial years as under :

Year	₹ in Crore
2017—18	100
2016—17	150
2015—16	200

Considering the provisions of Companies Act 2013, state whether :

- (i) DEF Ltd. can contribute ₹ 33.75 crore directly to a political party by a bearer cheque ?
- (ii) What is the limit on the maximum amount that can be contributed by a company to a political party ?
- (iii) Would your answer be different, if DEF Ltd. is a “Government Company” and donation is given by an “account payee cheque” ?

(1+2+2=5 marks)

- (d) Jolly Retails Ltd. issued a notice for the meeting of its Board of directors scheduled for on 5<sup>th</sup> June 2019 at its corporate office. One of the directors intimated that he would be participating in the meeting through video conferencing. The Secretary contended that the meeting cannot be participated through video conferencing and that the concerned director cannot insist that the company should provide video conferencing facilities for attending the board meeting. Is the contention of the Secretary tenable as per the provisions of the Companies Act, 2013 ? Discuss with relevant case laws, if any.

(5 marks)

*Attempt all parts of either Q. No. 5 or Q. No. 5A*

5. (a) Pluto Ltd. was incorporated on 10<sup>th</sup> June, 2013 in Delhi and is engaged in the business of providing specialized catering services for corporate events. The Board of directors proposed to venture into event management services, which requires the alteration of the object clause of the Memorandum of Association of the company. Draft the necessary resolution assuming relevant data.
- (4 marks)
- (b) State the situations under which a company is required to constitute the Audit Committee ?
- (4 marks)
- (c) 'T' Ltd. a listed company has ₹ 20 crore paid up share capital and has nine directors on its Board. Advise T Ltd. on the following matters :
- (i) The number of independent directors it should appoint on its board.
- (ii) How many independent directors should be appointed by T Ltd. in case it is an "unlisted public company" ?
- (iii) Can T Ltd. appoint an independent director for second consecutive term of 6 years whose first term, as independent director in T Ltd. was for 4 years ?
- (iv) T Ltd. wants to appoint another independent director for further period of 2 years. He has already completed 2 consecutive tenures of 4 years each as an independent director in T Ltd. ?
- (4 marks)

(d) Referring to the provision of Companies Act, 2013 advise the directors of a company in the following matters :

- (i) The company wishes to obtain approval of the financial statement in a meeting held through video conferencing.
- (ii) Due to urgency, the company wants to get its prospectus approved in a meeting held through video conferencing.

(4 marks)

(e) 'S' is a member of Institute of a Company Secretaries of India. He has defaulted in payment of annual subscription and his name is removed from the Register of Members by ICSI on 31<sup>st</sup> December, 2018.

- (i) Can he be appointed as "Company Secretary" by 'M' Ltd. with a paid up share capital of ₹ 10 crore on 1<sup>st</sup> January, 2019 ?
- (ii) If M Ltd. has paid up share capital of ₹ 2 crore and it has appointed 'S' as a company secretary on part time basis, is it valid ?

(4 marks)

**OR (Alternate question to Q. No. 5)**

5A. (i) ABC Corporation Ltd. has no managerial person acting in professional capacity. During the current financial year the company sustained a loss. How can the company remunerate their non-professional managerial personnel in such a situation ?

(4 marks)

: 7 :

- (ii) 'X' was appointed as an Additional director of Precious Ltd w.e.f. 21<sup>st</sup> November, 2018 in a casual vacancy caused by the unexpected death of "P" by way of a circular resolution passed by the Board of directors. With reference to the provisions of the Companies Act, 2013 advise the company on the validity of the appointment of 'X' and his continuation as Additional director.
- (4 marks)*
- (iii) Enumerate the difficulties encountered in holding virtual meetings of Members.
- (4 marks)*
- (iv) As a company secretary referring to the provisions of Companies Act, 2013 examine the validity of following propositions :
- (a) A company wishes to call its annual general meeting on a working day at 6.30 p.m.
- (b) Due to the availability of chairman, the AGM of the company can be held only on 15<sup>th</sup> August, 2018. All members are ready to give consent in writing in advance for the same.
- (c) Due to technical problem, company wants to hold its AGM at a city other than a city at which registered office of the company is situated.
- (1+2+1=4 marks)*
- (v) Prism Ltd. which has 50 preference shareholders called a preference shareholders meeting for amending the terms of these shares. 'A' was the only preference shareholder who attended the meeting. He, however held the proxies from all other preference shareholders. He took the chair, conducted the meeting and passed a resolution for amending the terms of the issue of these shares. Examine the validity of the meeting and the resolution passed.
- (4 marks)*

## PART-III

6. (a) Ragini, a practicing company secretary expressed her opinion on a report given to a business firm called “Quick March Consultants”. Ragini has an interest in the same to be extent of 12% of shares in the firm. Is she guilty of professional misconduct ?
- (b) How would you substantiate the view that the members of the Institute of Company Secretaries of India (ICSI) are subject to disciplinary mechanism ?

*(5 marks each)*

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