

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

**NOTE :** 1. Answer SIX questions including Question No.1 which is compulsory.  
2. All references to sections relate to the Companies Act, 2013 unless stated otherwise.

1. (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) The first director of a producer company is appointed by naming in the \_\_\_\_\_ and shall hold the office till directors are appointed within a period of \_\_\_\_\_ days of registration of the company.
  - (ii) In order to appoint a whole-time director in a company and regarding holding of DIN by a director, the company has to comply with the provisions of sections \_\_\_\_\_ and \_\_\_\_\_ of the Companies Act, 2013 respectively.
  - (iii) For incorporation of one person company (OPC), Form No. \_\_\_\_\_ is to be filed and for other companies Form No. \_\_\_\_\_ is to be filed with the Registrar of Companies.
  - (iv) A natural person who is \_\_\_\_\_ and \_\_\_\_\_ shall be eligible to incorporate a one person company (OPC).  
(2 marks each)
- (b) State, with reasons in brief, whether the following statements are true or false :
- (i) A manager appointed by a company in general meeting may be removed by the Board of directors by a resolution passed at its meeting.
  - (ii) In case of non-underwritten public issue of shares, if the minimum subscription as required is not received on the date of closure of the issue, the company can still go on allotting shares.
  - (iii) A private company can issue securities through private placement.
  - (iv) On resignation of a whole-time director before expiry of his term of office, the resignation becomes effective immediately, *i.e.*, from the day of his resignation.  
(1 mark each)
- (c) Examining the provisions of the Companies Act, 2013, decide whether the Managing Director of a company can exercise the following powers :
- (i) To issue debentures outside India;
  - (ii) To make calls on shareholders;

- (iii) To authorise buy-back of shares; and
- (iv) To approve amalgamation.

Also state the conditions, if any, to which the Managing Director has to abide by in this regard.

(4 marks)

- (d) What are 'treasury shares' under the Singapore Companies Act ?

(4 marks)

2. Draft resolutions in the following situations. Also indicate the type of resolution and the body in the meeting whereof such resolution is required to be passed :

- (i) In order to coincide financial year of the company with the financial year for taxation purposes, the company wants to change its financial year from April to March of the succeeding year. Draft a resolution to give effect to the same.
- (ii) A public limited company wants to appoint the son of a director of the company as General Manager at a salary of ₹4 lakh per month. Draft a resolution confirming the appointment by the competent body.
- (iii) Draft a resolution for change of registered office of a company from one Registrar to another Registrar within the same State.
- (iv) Arise Ltd. is giving loan to Brave Ltd. (unrelated company) of ₹50 crore. Draft a resolution keeping in view the provisions of the Companies Act, 2013.

(4 marks each)

3. (a) Board of directors of Alfa Ltd. decides to float a subsidiary company. What procedure should the company follow in this regard ? Advise the Board as to when shall the company be considered as a subsidiary company.
- (b) Can a company issue bonus shares in lieu of dividend ? State the conditions to be satisfied before issuing bonus shares by a listed company.
- (c) ABC Ltd., a listed company, is required in terms of Clause 49 of the listing agreement to submit a compliance report on Corporate Governance with the stock exchange. State in brief, the matter you would include in the report relating to company's philosophy on code of governance.
- (d) How is sweat equity different from ESOP ?

(4 marks each)

4. (a) In what way does the Revised Model Business Corporation Act (RMBCA) of U.S. being adopted by many companies in U.S., to regulate the following :
- (i) Special meeting of shareholders; and
  - (ii) Quorum and voting requirements for voting group.

- (b) How does the Australian Corporations Act, 2001 and the Rules thereof regulate the appointment of directors of a company ensuring the validity of the appointments ? Explain.
- (c) Being the Secretary and Compliance Officer of a listed company, explain the role you are obligated to play in relation to closing of 'trading window'.
- (d) Board of directors of Paschim Developers Ltd. has to constitute a Nomination and Remuneration Committee to be reported in the compliance report on corporate governance. As the Secretary of the company, what terms of reference would you include at the time of constituting the committee ?

*(4 marks each)*

5. (a) A fixed charge was created on certain fixed assets of a company. The Board of directors of the company wants to modify the terms and conditions of the charge. Explain the procedure to be followed in this regard.
- (b) The Board of directors of Poly Ltd. decides not to send notice for the Board meeting scheduled shortly to the following directors :
- (i) Aman, whose son has applied to the company for award of a contract to construct a building for the company.
  - (ii) Bhanu, for some urgent appearance before a court, is unable to attend the Board meeting, for which he has already informed the company.
  - (iii) Chandan has proceeded to Italy on a leave for two months for promotion of the company's business.

Referring to the provisions of the Companies Act, 2013, examine the validity of the Board's decision not to send notice to the above directors.

- (c) Vir Ltd. is going for public issue of secured debentures to the extent of ₹10 crore. The Board of directors of the company seeks your advice on the regulatory framework and the compliances under the provisions of the Companies Act, 2013. Advise the Board.
- (d) Transposition of name does not require execution of transfer deeds. However, it is warranted in some cases. Identify the situations.

*(4 marks each)*

6. (a) Raj has been the statutory auditor of a listed company, Rose Ltd. since 2008-09. The company wants to appoint him for another five years in the annual general meeting for the financial year ending 31<sup>st</sup> March, 2015. Examine the validity of the said appointment.

*(4 marks)*

- (b) Mirage Ltd. has given a guarantee to a financial institution in respect of a loan given to another company, exceeding the limit under section 186(2), by passing a Board resolution.

Examining the provisions of the Companies Act, 2013, state how far the statement of General Manager that the same is in accordance with the provisions of the Companies Act, 2013 is correct.

*(4 marks)*

- (c) The Board of directors of Goodmood (India) Ltd. has decided to hold its 21<sup>st</sup> annual general meeting on 23<sup>rd</sup> December, 2015 at 3.00 P.M. at the company's registered office at Mumbai. As the Secretary of the company, draft a notice for the meeting stating the 'ordinary' and 'special' businesses to be transacted at the meeting (state any 2 businesses to be transacted as 'special business').  
(4 marks)
- (d) Nice Ltd. is a wholly owned subsidiary of Tough Ltd. (listed company). D is the Managing Director of Tough Ltd. On 31<sup>st</sup> March, 2014, Nice Ltd. incurred a huge loss of ₹70 crore and this was bound to affect the profit of Tough Ltd. This information was made public on 30<sup>th</sup> April, 2014. During the period from 31<sup>st</sup> March, 2014 till 30<sup>th</sup> April, 2014 this fact was passed on to D's wife. She sold 2,90,000 shares of Tough Ltd. lying in her name and in the name of companies controlled by her and her father-in law during the said period. SEBI pulled-up D for passing on price sensitive information. Decide the case on merits.  
(4 marks)
7. (a) Abhijit & Co., a firm of Practising Company Secretaries uses the word 'Corporate Advisor' in their name. Critically evaluate whether it is permitted as per ICSI guidelines and regulations.  
(b) Elaborate the terms of reference of the audit committee.  
(c) Anglo Brothers Ltd. is a company incorporated in U.K. The company wants to set-up its business operations office in India. The company seeks your advice about the procedure to be adopted. Advise.  
(d) In a meeting, Manish, the Chairman, arbitrarily adjourned the meeting. Subsequently, the remaining members present in the meeting appointed one of them as a Chairman and conducted the proceedings of the meeting. Manish, the previous Chairman challenged the proceedings of the meeting. Decide as per provisions of the Companies Act, 2013.  
(4 marks each)
8. Write notes on the following. Attempt *any four* :
- (i) Declaration from independent director as per clause 49 of the listing agreement
  - (ii) E-voting
  - (iii) 'Need to know basis' and restricted/grey list
  - (iv) Procedure for re-materialisation of shares
  - (v) Change of name of a company by rectification.

(4 marks each)