

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 Limited Liability Partnership can become member in a company incorporated under the provisions of the Companies Act, 2013.
- (b) Consolidation of financial statements is mandatory for all companies including unlisted companies and private companies.
- (c) A statutory auditor of a private limited company is restricted to take up any other assignment in the companies.
- (d) Merger of a 'Subsidiary' Company into 'Holding' Company.

(5 marks each)

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

2. Distinguish between the following :

- (a) 'E-voting' and 'Voting by show of hands'.
- (b) 'Key-managerial personnel' and 'Managing Director'.
- (c) 'Internal Audit' and 'Secretarial Audit'.
- (d) 'Punishment for false statement' and 'punishment for false evidence' under the provisions of the Companies Act, 2013.

(4 marks each)

OR (Alternate question to Q. No. 2)

- 2A. (i) San Industries Private Limited Company has its paid-up share capital of Rs. 40 lakhs and turnover of Rs. 10 crore as per the last audited Balance Sheet. Examining the provisions of the Companies Act, 2013, decide whether the company will be treated as small company. What would be your answer in case the company is governed by any special Act ?
(4 marks)
- (ii) A2Z Management Services Limited is a listed company quoted at Bombay Stock Exchange Limited. The company closed its register of debenture holders in June and August 2016 for 12 and 21 days respectively. The Chief Financial Officer (CFO) of the company has informed the Secretary of the company to consider closing the register in December for another 15 days for some strategic reasons. Referring to the provisions of the Companies Act, 2013, examine the validity of the above action of the company.
(4 marks)
- (iii) Mr. Atul Rastogi, the Managing Director of ABC Limited has resigned from the Managing Directorship of the company. He, however, wants to continue as a director in the company. Referring to the provisions of the Companies Act, 2013, state whether Mr. Atul can continue as a director in the company.
(4 marks)
- (iv) Innovative Energies Limited has 2,505 members as on the date of the company's extraordinary general meeting. The Executive Director, Mr. Avinash has asked you, the Secretary of the Company, what is the required quorum for the meeting. Referring to the provisions of the Companies Act, 2013, inform the Executive Director, Mr. Avinash, the quorum that must be present for holding the Extra-Ordinary General Meeting of the company. State whether the required quorum must be present throughout the meeting.
(4 marks)

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

3. (a) XYZ Limited has office building in London. The company has been granted a term loan of Rs. 15 crore from a Bank. The company wants to mortgage office building of London. Examining the provisions of the Companies Act, 2013, answer the following :
- (i) Whether the company can mortgage the above office building ?
- (ii) Whether a charge can be created for property situated outside India ?
- (4 marks)
- (b) Board of Directors of Anil Limited has decided not to preserve the books of accounts and other related records of accounts, for more than five years immediately preceding the relevant financial year of 2016-17 due to shortage of space in the office premises. Referring to the provisions of the Companies Act, 2013, examine the validity of the Board's decision.
- (4 marks)
- (c) RR Limited has decided to make investment in other companies for Rs. 50 lakhs, which is in excess of 60% of the company's paid-up share capital, free reserves and securities premium account. Company has 5 directors. Four directors were present in the Board meeting, three directors have given their consent but one director abstained from voting. The decision of the Board was noted in the minutes of Board meeting and decided to make such investment by passing of Board resolution with majority. Referring to the provisions of Companies Act, 2013, examine the validity of the Board's decision.
- (4 marks)
- (d) Mr. X is a director in Greenfield Industries Limited. He is a man of wide knowledge of commercial matters. The company has not filed financial statements with the Registrar of Companies for the years ended 31st March, 2014, 31st March, 2015 and 31st March, 2016. However, it has filed the annual returns for those years in compliance of the provisions of the Companies Act, 2013.

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Considering Mr. X's huge experience, Redfield Industries Limited wants to induct him as a director on its Board. Referring to the provisions of the Companies Act, 2013, examine the validity of such proposition.

(4 marks)

OR (Alternate question to Q. No. 3)

3A. (i) Newly incorporated Abhay Limited has not mentioned names of first directors of the company in the Articles of Association. Referring to the provisions of the Companies Act, 2013, advise the Board of Directors regarding the appointment of first directors of the company. What would be your answer in case the company is a One Person Company? Also state whether provisions of the Act are applicable to a Private Limited Company.

(4 marks)

(ii) Board of Directors of AVB Limited wants to declare dividend Rs. 15 lakhs out of capital profits for the year ended 31st March, 2017, without making a provision for depreciation. Referring to the provisions of the Companies Act, 2013, you being the Secretary of the Company advise the board whether it can go ahead with its proposal?

(4 marks)

(iii) Charjee Biotech Private Limited is a two year old company. The Board of Directors of the company wants to contribute 2.8% of its average net profits of the last years to the Prime Minister's National Relief Fund. Referring to the provisions of the Companies Act, 2013, advise the board.

(4 marks)

(iv) CIF Technosystems Private Limited is proposed to be incorporated in Bhubaneswar, Orissa under the Companies Act, 2013. The company will be a holding company of CIF Holding Private Limited, already incorporated in Brazil under the Company Law of Brazil. The company in Brazil follows financial year 1st January to 31st December

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of a calendar year. Referring to the provisions of the Companies Act, 2013, state whether the financial year of CIF Technosystem can also be 1st January to 31st December, in order to make it easier to prepare consolidated financial statements.

(4 marks)

4. (a) KPS India Producer Company Limited having an average annual turnover exceeding six crore in each of the three consecutive financial year. The company has to appoint a Company Secretary. Advise the company by referring to the provisions of the Companies Act, 1956 as applicable to producer company relating to such appointment.

(4 marks)

- (b) Shaky Commodities Private Limited could not hold its 10th annual general meeting for the year 2016 by 30th September, 2016. The company sought extension of time for holding the AGM from the Registrar of Companies but failed to hold the meeting within the extended time too. Instead, it held the meeting on 31st March, 2017 and passed resolutions thereat. Certain shareholders have challenged the validity of these resolutions. Referring to the provisions of the Companies Act, 2013, examine whether the contention of the shareholders shall be tenable.

(4 marks)

- (c) From the following information in respect of two companies viz. ZYX Limited and CBA Private Limited, compute the amount the companies are required to spend on account of Corporate Social Responsibility (CSR) :

Financial Year	ZYX Ltd.	CBA Private Ltd.
	Net Profit/(Loss)	Net Profit/(Loss)
	Rs. (In crore)	Rs. (In crore)
2014-15	Not incorporated	(4)
2015-16	6	(1)
2016-17	18	6

(4 marks)

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(d) During the financial year 2016-17, the Board of Directors of CARE Automation Services Limited has issued shares to employees under Employees Stock Option Scheme. Ms. Excellent has recently joined the Board of the company and asks you, the Secretary of the company, as to what details are to be disclosed in the Board's Report for the year ending 31st March, 2017 in this regard. Advise her.

(4 marks)

5. (a) Radhika Textiles Limited has utilized the securities premium during the financial year 2016-17 as follows :

(i) Rs. 15 lakhs against expenses of foreign travelling of directors.

(ii) Rs. 5 lakhs for writing-off the balance of the preliminary expenses of the company.

(iii) Rs. 10 lakhs distributed as dividend for the financial year ending 31st March 2017.

You, being the Secretarial Auditor of the company, referring to the provisions of the Companies Act, 2013 relating to the Securities Premium Account, examine the validity of the above.

(8 marks)

(b) Board of Directors of Day Night Prakashani Limited decide to shift its registered office of the company from Mumbai to National Capital Region (NCR). The Board has approved the change. The Board has to seek the approval of the members of the company for going ahead with the legal formalities as required under the Companies Act, 2013, for which the extra-ordinary general meeting of the members is scheduled to be held on 17th June, 2017. In this connection you are required to draft notice of the EGM for shifting of office outside the state and give explanatory statement in this regard.

(8 marks)

6. (a) Mr. Sunil Goyal, a director of XYZ Limited wants to go on foreign trip. He wants to assign his office to the Vice President of the company. Mr. Sunil Goyal seeks your advise whether he can do so. Referring to the provisions of the Companies Act, 2013 advise him in the matter.

(4 marks)

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- (b) Mrs. Beautiful, aged 40 years, is the Managing Director of Beauty Care Products Limited. She has received contribution to superannuation fund and leave encashment during her tenure with the company during the financial year ending 31st March, 2017. The Manager (Accounts) of the company is not very confident, if these perquisites are to be included in the computation of ceiling on remuneration specified in the Companies Act, 2013. Referring to the provisions of the Act, advise the Manager (Accounts).

(4 marks)

- (c) Mr. Solid, a young professional of 29 years, has stayed in India for 150 days in the previous financial year. He does not hold any shares in Happy Retails Limited, which is a quoted (listed) company. Small shareholders have decided amongst themselves that he is proposed to be appointed as small shareholders director who shall not be liable to retire by rotation and his tenure shall be for five years from the date of joining the office of director. Examining the provisions of the Companies Act, 2013, state whether Mr. Solid can be so appointed as small shareholders' director.

(4 marks)

- (d) As a Practising Company Secretary, advise your client company regarding the matters relating to issue of shares with differential rights, to be included in the Board of Directors Report.

(4 marks)

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