

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.

1. (a) Valuable Ltd. declared dividend at its 10th Annual General Meeting. Mr. Strong holding only 19% equity share had informed the Company that his dividend be paid to Mr. Weak and gave the bank account details of Mr. Weak. When the Company electronically transferred the dividend amount to Mr. Weak's bank account, the amount was returned back to the Company as that bank account was not operative. After the expiry of one month, now, Mr. Strong is contemplating to sue the Company for non-payment of dividend. With reference to provisions of Companies Act, 2013, state if his action would be in order.

(5 marks)

(b) You are practicing Company Secretary and appointed as Secretarial Auditor of Prestige Industries Limited. During the course of audit, it is found that the Company has violated provisions of Companies Act, 2013 in relation to several matters. You have to issue a qualified Report or adverse remarks or even you may be unable to express an opinion. State the manner of reporting of such issues in the Secretarial Audit Report. Also state whether financial laws needs to be examined while conducting secretarial audit ?

(5 marks)

(c) Holding of meeting of Board of Directors by video conferencing does not mandatorily require prior intimation from Directors at the beginning of the calendar year. Comment on the above statement.

(5 marks)

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- (d) Discuss the difference between a person nominated in Form INC 3 and a person nominated in Form SH 3 bringing out the rights and obligations of the Nominee in both the cases.  
(5 mark)

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

2. (a) Tough Ltd. could not hold its 12th annual general meeting by 30th September, 2017 for the year ended 31st March, 2017. It did not apply for extension of time for holding the meeting. The Company filed financial statements with the Registrar of Companies after 11 months. State the consequences of such filing under Companies Act, 2013 ?  
(4 marks)
- (b) Abhiman is a permanent employee of Y2Z Commodities Ltd. with a turnover above ₹ 200 crore for the year ended 31st March, 2018. He is working in India for last two years and is also a promoter of the Company. With reference to the provisions of the Companies Act, 2013, ascertain if Abhiman is eligible to obtain employee stock option. Can the Company offer shares through stock option if Abhiman is a non-independent additional Director holding 10% of equity shares of the Company is not a promoter ?  
(4 marks)
- (c) Solar Power Limited failed to pay dividend declared in its annual general meeting. The shareholders of the Company filed a complaint against the Company to the Registrar of Companies. The Company contended that it could not pay dividend in time in view of categorical request of its financial institutions from whom the Company has taken term loan and availed working capital facilities for business purpose. Decide if the contention adopted by the Company is tenable.  
(4 marks)

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- (d) A Korea National who is on the Board of Directors of a Private Company in India informs you as Company Secretary of that Company that he has changed his residence to Seoul, Korea. What will you do on receipt of this information under the provisions of the Companies Act, 2013 ?

(4 marks)

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

- 2A. (i) The following information is available from the balance sheet of Jupiter Pvt Ltd. as on 31.3.2018 :

	₹ crore
Issued share capital	30
Paid up equity capital	25
General reserve	2
Profit & Loss Account	5
Investment fluctuation reserve	0.75
Fixed asset revaluation reserve	0.25
Unsecured loan	1

Compute the maximum value of Sweat Equity shares that can be issued by the Company as on 31st March, 2018 under the provisions of the Companies Act, 2013.

(4 marks)

- (ii) Prince TV Channels Ltd. had ₹ 7 crore as securities premium in its reserves and surplus account in Balance Sheet as at 31st March, 2017. The Company has incurred significant

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losses in preceding years and as on 31st March, 2017 it has accumulated losses amounting to ₹ 8 crore in the Balance Sheet. In order to present a true and fair view of the financial results, the company wrote off the losses by reducing the amount standing to the credit of securities premium account. With reference to the provisions of the Companies Act, 2013, decide if the action of the Company is valid. ?

(4 marks)

- (iii) KMP Systems Pvt. Ltd. continues to retain its status as a Private Limited Company. What are restrictions which will remain imposed on it under the provisions of the Companies Act, 2013.

(4 marks)

- (iv) It was written in the Articles of Association that an employee shareholder after retirement has to surrender his shares. Mr. Dependable retired from the organization after serving 20 years in the Production Department. He alleged that it was a case of oppression as he was being forced to surrender his shares. Decide if the allegation has merits ?

(4 marks)

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

3. (a) Mr. Jubilant, Chairman of Remuneration Committee of your Company wants to know from you as Company Secretary of the Company details to be provided in the Boards' Report under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Company is listed in a Stock Exchange in Mumbai. Advise Mr. Jubilant.

(4 marks)

- (b) Ocean Pvt. Ltd. appointed CA Randhir as statutory auditor of the Company at the last AGM held on 28.9.2016. The next AGM convened on 28.9.2017, after consideration of other business, was adjourned due to non-adoption of annual accounts for the year ended 31.3.2017. State as to whether the appointment of CA Randhir would continue

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to remain valid and upto which period, even if appointment of another firm of Auditor has been considered and made at the last AGM held on 30.09.2017.

(4 marks)

- (c) Mr. Solid was a member of Week Cricket Club, a Section 8 Company with no share capital. Mr. Solid sought a copy of the Memorandum of Association of the Club and copies of general meeting proceedings which were not provided to him. Mr. Solid filed a complaint before Additional Chief Metropolitan Magistrate of the State pursuant to the provisions of the Companies Act, 2013 for non-furnishing of documents by the Club. The Club filed a petition before the High Court of the State for quashing the complaint. Will the Club succeed ?

(4 marks)

- (d) ABC Ltd. in Sydney is the holding Company of Amusement Pvt. Ltd. in India. The Board of Directors of Indian Company is contemplating issuance of bonus shares. At this juncture, the Tribunal observed that the Company was incorporated by furnishing false or incorrect information. Apart from directing removal of name from the Registrar of Companies, examine what directions or orders can be issued or passed by the Tribunal.

(4 marks)

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

**3A.** Write notes on the following :

- (i) Pledge of dematerialized shares.
- (ii) Removal of Managing Director
- (iii) Business Conduct Policy
- (iv) Investor Education and Protection Fund

(4 marks each)

4. (a) Certain classes of Company should include in the Report by its Board of Directors a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of the Committees and individual Directors. For this, there should be a specified methodology tool accepted in the Company for carrying out performance evaluation. Prepare a specimen model of Board performance evaluation tool.
- (4 marks)
- (b) You are a partner of firm of practicing Company Secretaries. Peculiar Limited has issued equity shares with differential voting rights. It has approached your firm to certify the relevant e-form to be filed with the Registrar of Companies. The Managing Partner of the firm has assigned you the duty to certify the form. State the contents of the certificate you will be issuing in the e-forms required to be filed.
- (4 marks)
- (c) Pearl Cosmetics Ltd. has not yet called remaining 33% of the face value of its equity shares. Ms. Rukmini, a reputed singer, who has paid 67% call money earlier, wants to pay full 33% to the Company as she will be going out of India for next three months. Can the Company accept such amount from Ms. Rukmini under provisions of the Companies Act, 2013 ?
- (4 marks)
- (d) Sensible General Insurance Company Ltd, an unlisted Company is a subsidiary of Major General Insurance Company Ltd. which is listed in Stock Exchange at Mumbai. The turnover of Sensible General Insurance Company Ltd. is ₹ 360 crore and profit before tax is ₹ 30 crore. Discuss if it has to file XBRL enabled Balance Sheet with Registrar of Companies.

(4 marks)

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5. (a) Quality Limited, a listed entity, with a paid up capital of ₹ 400 crore proposes to pay the following remuneration :

- (i) Commission @ 5% of net profit to Karan, Managing Director;
- (ii) Directors under than Managing Director are proposed to be paid monthly remuneration of ₹ 50,000/- and also commission @ 1% of net profit of the Company, subject to the condition that overall remuneration payable to each of them shall not exceed 2% of net profit of the Company. The commission is to be distributed equally amongst all the Directors.
- (iii) The Company also proposes to pay suitable additional remuneration to Mr. Diligent, a Director for professional services rendered as Lawyer whenever such services are utilized.

(8 marks)

(b) The Board of Directors of Fun Unlimited Ltd has met for finalization of its Prospectus, During the course of meeting, the Chairman Mr. Water wants to know from you, Secretary of the Company, what manner and report is to be disclosed in the prospectus about acquisition of a land by the Company for which advance has been paid to third party. Please answer to the Chairman with reference to the provisions of the Companies Act, 2013.

(4 marks)

(c) Solar Power Generation Company Pvt. Ltd. incorporated in November, 2014 has not commenced or carried on any business since its inception. Promoters of the Company being two subscribers have decided to dissolve the Company and get the name of the Company strike off from the Registrar of Companies under the Fast Track Exit Mode. The promoters Directors seek your advice for dissolving the Company. Advise.

(4 marks)

6. (a) Mr. Morning, Director of a Private Ltd. Company has been requested by the Secretary of the Company to affix his digital signature certificate in the e-form meant for filing of Annual Accounts to be filed with the Registrar of Companies, West Bengal. You, Assistant Secretary, have filled up the Form and Mr. Morning has asked you what information has been provided in the e-form with respect to share application money, deposits, dividend and conversion of warrants in the financial parameters of the Company in the relevant cells /fields/ tabs. Answer to Mr. Morning.
- (4 marks)*
- (b) As a result of failure to file form for satisfaction of charge within due time, Amicable Software Limited applied to Tribunal for condonation of delay. Delay was condoned with levy of additional and minor penalty. What steps would you as Company Secretary now take to complete satisfaction of charge in record of the Registrar of Companies. ?
- (4 marks)*
- (c) Soft Pictures Pvt. Ltd. has been struck off by the Registrar of Companies, Chennai and notice thereof was published in the Official Gazette. Brilliant Industries Ltd. had some dues from Soft Pictures Pvt. Ltd and it had filed a petition to Court for winding up of the Company. Decide if Soft Pictures Pvt Ltd being already struck off by the Registrar can be wound up under the Companies Act, 2013.
- (4 marks)*
- (d) Glamour Rise Ltd. wishes to change its registered office from one state to another state for which it is in the process of calling an extra ordinary general meeting and pass resolution thereat. There is no Secretary in the Company, Mr. Sumana, Deputy General Manager (Finance) of the Company has approached you, as a practicing Company Secretary, about the material facts to be set out in the statement to be annexed to the notice of the Company. Advise Mr. Sumana with reference to the provisions of the Companies Act, 2013.
- (4 marks)*