

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, 1956 unless stated otherwise.

1. Examine **any four** of the following statements and give your considered views :
- (i) The Joint Hindu family system of business is set-up under a contract between coparceners.
 - (ii) The judicial remedies under the Companies Act, 1956 are available only through court of law.
 - (iii) An auditor as the watchdog can only bark.
 - (iv) No foreign company can be amalgamated with an Indian company unless the former is also registered in India.
 - (v) Provisions of section 45 specifying liability of members when a company continues its business with less than statutory number of members, will automatically lead to the process of winding-up of the company.

(5 marks each)

2. (a) State, with reasons in brief, whether the following statements are correct or incorrect :
- (i) A meeting of the Board of directors of Rony Ltd. is called where out of total 10 directors, 8 directors attended the meeting. Out of 8 directors 2 directors were indirectly interested in certain matters, who voted in favour of the resolution where interest of these directors was involved and the resolution was carried as out of remaining 6 directors, 3 directors voted in favour.
 - (ii) Adarsh, the managing director of Speed Ltd. has also been validly appointed as the company's sole selling agent without having regard to provisions of section 294(AA) (2) contending that the said provisions are 'not required'.
 - (iii) The first annual general meeting of a company must be held within a period of 6 months from the close of the financial year of the company.
 - (iv) Non-declaration of dividend when the non-declaration does not result in devaluation of shares is an act of mismanagement as alleged by the requisite number of members.
 - (v) While a petition for winding-up cannot be presented by the workers' union of a company, the union has a right to be heard.

(2 marks each)

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- (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) Board of directors of a private company which is a subsidiary of a public company cannot contribute in any year, any welfare fund not related to its employees an amount exceeding _____ of its net profits for the last three financial years, whichever is greater.
 - (ii) Companies registered under the Companies Act, 1956 having paid-up share capital of less than Rs. _____ need not appoint a Whole-time Company Secretary.
 - (iii) Appointment of an authorised representative for a general meeting by a foreign company can be done by means of a _____.
 - (iv) When the Board of directors of a newly incorporated company fails to appoint the first auditor, the auditor may be appointed by _____.
 - (v) Secretarial Standard-9 issued by the Institute of Company Secretaries of India relates to _____.
 - (vi) The federal corporations statute in Canada is titled _____.
- (1 mark each)*
3. (a) Always Fast Ltd. held its annual general meeting for the year 2007-08 on 9th June, 2008. The company's financial year closes on 31st March of every year. The company held its annual general meeting for the year 2008-09 on 23rd September, 2009. Do you think the annual general meeting for the year 2008-09 was held within the prescribed time limit ? Give your answer with reasons.
- (6 marks)*
- (b) Quick Enough Ltd. desires to hold its annual general meeting quickly, but some difficulty was felt as a notice of 21 days is required. It has 111 members. The chairman of the company wants to know whether there is any way-out for holding the annual general meeting quickly and sought the opinion of the Company Secretary. As the Company Secretary of the company, what would be your advice on this issue ? Will your answer be different, if the company desires to hold an extra-ordinary general meeting quickly instead of the annual general meeting ?
- (6 marks)*
- (c) Explain the position of a receiver in relation to a company, appointed by the court. State the legal consequences arising from this position.
- (4 marks)*
4. (a) Mention eight mandatory items of business that are required to be placed before the Board as part of clause 49 of the listing agreement.
- (8 marks)*

- (b) "The balance sheet and the profit and loss account are required to be placed only at an annual general meeting and not at any other general meeting." Discuss the statement in the light of applicable provisions of the Companies Act, 1956 and case law, if any. Also consider the consequences of inability of the company to place the annual statements of account at the annual general meeting by the latest day available to the company for holding the annual general meeting.
- (8 marks)*
5. (a) What are the conditions to be complied with by a company in case it wants to pay Rs.3 lakh per month as remuneration to the managing director in a scenario when its profits are inadequate or it has no profits at all ?
- (10 marks)*
- (b) Referring to the provisions of the Companies Act, 1956 and the case laws, if any, examine whether a company incorporated under the Act can be wound-up in the following situations :
- (i) The undertaking of Compact Ltd. has been transferred to another company.
 - (ii) Eager Ltd. has made all possible efforts to proceed with business but due to unforeseen circumstances beyond its control, company could not proceed.
 - (iii) A decree passed by a court has not been satisfied by the company on execution.
- (2 marks each)*
6. (a) As the Secretary of a company, what special points would you keep in mind at the time of framing a resolution ?
- (2 marks)*
- (b) Draft a resolution appointing Veer as a whole-time director, who is appointed as such by passing an ordinary resolution in the general meeting of Maharaja Ltd. for a period of 5 years w.e.f. 1st November, 2009 on the following terms :
- (i) Monthly salary of Rs.1 lakh and a commission of 1% on the net profits of the company, if any.
 - (ii) Perquisites in accordance with Part-II of Schedule XIII of the Companies Act, 1956.
 - (iii) Housing, medical reimbursement, home town concession, conveyance, health-insurance, gratuity and provident fund, as per the company's rules.
- (6 marks)*
- (c) Four out of five directors of XYZ Co. Ltd. have gone to UK on the company's business trip. Since the balance sheet and the profit and loss account were to be submitted to the auditors for their report thereon and the Board of directors meeting could not be held, the director present in India with a view to authenticate, signed these financial statements without getting approval from the Board. Later on, these were submitted to the auditors. Certain members of the company objected to the director's authentication on the ground that the act of the director was

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violative of the provisions of the Companies Act, 1956. Referring to the provisions of the Companies Act, 1956 --

(i) Examine the validity of the members' contention.

(ii) What would be your answer in case the company in question is a private company which is the subsidiary of a public limited company ?

(4 marks)

(d) In what way are the following in relation to foreign companies having place of business in India, regulated by the Companies Act, 1956 :

(i) Filing of documents to be delivered to the Registrar of Companies by such foreign companies.

(ii) Manner in which service of documents can be made upon such foreign companies.

(4 marks)

7. (a) Is the Company Law Board a court ? Explain.

(8 marks)

(b) What are the documents to be enclosed to a petition under section 235(2) seeking declaration by way of an order that affairs of a company be investigated by inspectors ?

(6 marks)

(c) List out four powers of the Central Government under the Companies Act, 1956 which cannot be delegated.

(2 marks)

8. Write notes on **any four** of the following :

(i) Compounding of offences punishable under the Companies Act, 1956

(ii) Corporate Identity Number (CIN)

(iii) Committee of inspection

(iv) Buy-back of shares by a company - objectives and sources

(v) Services available on MCA-21.

(4 marks each)

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