

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 5

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. Draft **any four** specimen resolutions stating the authority who can pass it and also the type of resolution. Give reasons for passing the requisite resolution referring to the relevant section(s) of the Companies Act, 1956 :

- (i) Health Care Ltd. (HCL) wants to make investment of Rs.55 crore and loans of Rs.45 crore in other companies. Balance sheet as on 31st March, 2009 shows HCL's paid-up capital of Rs.35 crore and reserves of Rs.75 crore.
- (ii) Buoyant Ltd., a loss incurring company, wants to appoint Jolly as Managing Director w.e.f. 15th March, 2009 on a total remuneration of Rs.10 lakh per month (all inclusive). Its paid-up capital is Rs.5 crore, reserves Rs.3 crore and term loans Rs.10 crore. The company has accounting year ending on 31st March every year.
- (iii) Grow India Ltd. is sanctioned a credit facility of Rs.25 crore by the Union Bank of India, Kapurbavdi Branch, Thane, against its inventory and receivables. The company wants to enjoy the sanctioned credit facility.
- (iv) Global Fashion Ltd. wants to appoint Amitabh as a director in place of Dhamendra who has resigned due to ill health.
- (v) Neo Biotech (P) Ltd. wants to appoint the first auditors in the regular course within a fortnight of the registration of the company.

(5 marks each)

2. (a) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- (i) Alteration to articles of association requires a _____ resolution under section _____ of the Companies Act, 1956.
- (ii) Allotment of equity shares requires e-form _____ whereas increase in authorised capital needs e-form _____.
- (iii) Once a dividend is declared, it must be paid within _____, but unpaid dividend account balance needs to be transferred within 7 years to _____.
- (iv) A Company Secretary in whole-time employment is to be appointed by every company whose paid-up capital is Rs. _____ and above under section _____ of the Companies Act, 1956.

(1 mark each)

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- (b) State, with reasons in brief, whether the following statements are correct or incorrect :
- (i) A public limited company can have equity share capital alone, but it cannot have preference share capital alone.
 - (ii) A company is not bound to close its register of members even for a single day.
 - (iii) Interim dividend can be declared out of reserves by a company which has even incurred a loss.
 - (iv) The annual general meeting of a company for the current year as also for the previous year can be held on the same day.
 - (v) A group of 44 members of a company limited by shares holding in aggregate 2% of the issued share capital of the company cannot under any circumstances apply to the Company Law Board alleging mismanagement of the company. The company has 550 members.
 - (vi) The expression 'free reserves' for the purpose of section 372A does not include the balance to the credit of 'securities premium account'.

(2 marks each)

3. (a) Choose the most appropriate answer from the given options in respect of the following :
- (i) As per the Companies Act, 1956, the maximum number of directors a private limited company which is subsidiary of a public company, can have without approval of the Central Government is –
 - (a) 10
 - (b) 11
 - (c) 12
 - (d) 13.
 - (ii) The aggregate of the contributions to any political party or for any political purpose to any person by a company in any financial year shall not exceed –
 - (a) $2\frac{1}{2}\%$ of its average net profits determined in accordance with the provisions of sections 349 and 350 during the five immediately preceding financial years
 - (b) 5% of its average net profits determined in accordance with the provisions of sections 349 and 350 during the three immediately preceding financial years
 - (c) 7 % of its average net profits determined in accordance with the provisions of section 349 during the five immediately preceding financial years
 - (d) 10% of its average net profits determined in accordance with the provisions of section 349 read with section 350. The average profit is to be calculated by reference to preceding three financial years.

- (iii) The number of scrutineers to be appointed by the Chairman of a general meeting is –
- (a) 3
 - (b) 2
 - (c) 1
 - (d) 4
- (iv) As per the rules framed under section 205A(3) relating to use of past reserves for payment of dividend, a company after drawal of the amount from the reserves for payment of dividend should retain in the reserves an amount not less than –
- (a) 25% of the paid-up share capital of the company
 - (b) 20% of the paid-up share capital of the company
 - (c) 15% of the paid-up share capital of the company
 - (d) 10% of the paid-up share capital of the company.
- (v) As per clause 49 of the listing agreement, the audit committee comprising of five directors must have a minimum of --
- (a) 2 independent directors
 - (b) 3 independent directors
 - (c) 4 independent directors
 - (d) 1 independent director.
- (vi) A special notice is required for –
- (a) Removal of a member
 - (b) Removal of the Company Secretary
 - (c) Removal of a nominee director
 - (d) None of the above.

(1 mark each)

- (b) You are the Company Secretary of Alltime Favourites Ltd., a listed company, and the Managing Director of your company wants to know the procedure for shifting of registered office from Mumbai to Pune. Prepare a note for him.

(10 marks)

4. (a) Swan Ltd. was sanctioned a term loan of Rs.15 crore by Fantastic Bank Ltd. with a stipulation of conversion of loan into equity. The company could not repay the loan as stipulated. As per one of the conditions of sanction, the bank now wants to exercise the right of conversion of Rs.5 crore loan into equity. State the procedure for the same.

(8 marks)

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- (b) Bipin is the Managing Director of Adarsh Ltd. and also of Bolder Ltd. Cleaner Ltd. decides to appoint Bipin as the Managing Director of the company. State the legal requirements under the Companies Act, 1956 to give effect to the proposed appointment and also draft a resolution for the appointment of Bipin as the Managing Director of Cleaner Ltd.
- (8 marks)*
5. (a) What is a 'foreign company' and 'foreign controlled company' ? State the legal requirements a foreign company should comply with relating to delivery of documents to the Registrar of Companies, if it wishes to establish a place of business in India under the Companies Act, 1956.
- (8 marks)*
- (b) Amar, Akbar and Anthony failed to pay the first call money of Rs.2.5 per equity share of Rs.10 each on 300, 500 and 1,000 equity shares held by them respectively in Good Prospects Ltd. The Board of directors wants to know what can be done in this situation. Guide the Board of directors by way of a note stating the steps involved and procedure to be followed by the company if it wants to forfeit the shares held by them. Also explain to the Board of directors whether the forfeiture will amount to reduction of share capital.
- (8 marks)*
6. (a) Arnold is the elder son of John. John was holding 5,000 equity shares of Dreams Ltd. and died. As the Company Secretary of the company, how will you guide Arnold to claim the shares of John ? He has one brother, 2 sisters and mother. John had not made any nomination.
- (4 marks)*
- (b) Article No.72 of the articles of association of the company requires 25 persons to be present personally and/or by proxy to constitute the quorum at a general meeting. The company now wants to have the lowest minimum quorum as provided in the Companies Act, 1956. As the Company Secretary of the company, how could this be achieved by you for your company ?
- (4 marks)*
- (c) A complaint has been made to the Registrar of Companies by 5 members asking him to direct the Timely Holdings Ltd. of which they are members to re-convene annual general meeting since they had not received the notice of the company for the annual general meeting held on 30th September, 2008. The Registrar of Companies issues notice as to show cause why such directions should not be issued. What would be your response as the Company Secretary of the aforesaid company ?
- (4 marks)*

- (d) The Board of directors of Free Flow Ltd. registered in Chennai, proposes to hold the next meeting of Board of directors in the month of January, 2010. Advise with reference to the provisions of the Companies Act, 1956 and relevant Secretarial Standards in respect of the following matters :
- (i) Can the meeting of Board of directors be held in Kolkata, when all the directors of the company reside at Chennai ?
(1 mark)
 - (ii) Whether the meeting of Board of directors can be called on a public holiday and that too after business hours as the majority of the directors of the company have gone to Kolkata on vacation ?
(1 mark)
 - (iii) Is it necessary that the notice of the meeting of Board of directors should specify the nature of business to be transacted ?
(2 marks)
7. (a) Enumerate the search facilities in MCA-21.
(6 marks)
- (b) Enumerate the contents of Management Discussion and Analysis Report (MDAR) which forms part of the Board of directors' report.
(6 marks)
- (c) Discuss directors' remuneration report in the light of Companies Act, 2006 of the United Kingdom.
(4 marks)
8. Write notes on **any four** of the following :
- (i) One person company
 - (ii) Independent director
 - (iii) Share warrants
 - (iv) Nominee director
 - (v) Secretarial Standards.
- (4 marks each)

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