NEW SYLLABUS

321

Roll No....................

Time allowed : 3 hours *Maximum marks : 100*

Total number of questions : 6 *Total number of printed pages : 4*

NOTE : 1. Answer ALL Questions.

2. All references to sections relate to the Companies Act, 1956 unless stated otherwise.

1. Comment on the following :

(a) A Company Secretary plays a pivotal role in a company in the 21st century.

(b) A shareholder is held personally liable for the acts of the company, if he holds virtually the entire share capital of the company.

(c) A director of a company has an absolute right of inspection of the books of account.

(d) Common seal acts as the official signature of a company.

(5 marks each)

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

2. Distinguish between the following :

(a) 'Company' and 'partnership firm'.

(b) 'Transfer' and 'transmission' of shares.

(c) 'Limited liability partnership' and 'partnership firm'.

(d) 'Members' voluntary winding-up' and 'creditors' voluntary winding-up'.

(4 marks each)

OR (Alternate question to Q.No. 2)

2A. Explain the following :

(i) Promoters' rights to receive preliminary expenses should have been enshrined in the articles of association.

(ii) Online incorporation of companies within 24 hours is not possible.

(iii) Securities premium shall be utilised for certain specific purposes only.

(iv) Mere lack of confidence between the majority shareholders and minority shareholders would not be enough to order for relief under section 397.

(4 marks each)

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

3. (a) Balance sheet of Duck Ltd. shows a paid-up capital of ₹5 crore and free reserves of ₹2 crore. Due to heavy financial requirements of the company, it plans to apply for a loan of ₹8 crore with XYZ Bank Ltd. Advise the company on the formalities required to be fulfilled. Also advise on the alternative course of action, if any.

(4 marks)

(b) ABC & Co., a partnership firm applied for shares in XYZ Ltd. The company allotted the shares required by the partnership firm. In the given context, what is the liability of the partners and partnership firm ?

(4 marks)

(c) A company for the financial year 2011-12 declared dividend on 19th September, 2012 but failed to distribute the same within the prescribed period. A case was filed against a director in this regard. The director has contended that he had resigned before the declaration of dividend. Decide fate of the director in the light of the relevant provisions of the Companies Act, 1956.

(4 marks)

(d) Manish, a director of PQR Ltd., defaulted in filing annual accounts and annual return with the Registrar of Companies for a continuous period of three financial years ended 31st March, 2012. Based on the provisions of the Companies Act, 1956, validate the following :

(i) Whether Manish can continue to be a director of PQR Ltd. when he is also a director in UV Ltd. ? Also narrate whether he can be reappointed in PQR Ltd. as well as in UV Ltd.

(ii) If the defaulting company is a private limited company, what would be your answer ?

(4 marks)

OR (Alternate question to Q.No. 3)

3A. (i) The Board of directors of a company met thrice in the year 2012 and the fourth meeting was not held for want of quorum. As a Company Secretary, examine the provisions of the Companies Act, 1956 and decide with reasons whether the company has complied with the requirement of minimum number of meetings to be held in a calendar year or violated the requirement thereof ?

(4 marks)

(ii) A director of the company along with another director was prosecuted under section 220 for their failure to file annual return, annual accounts and audited balance sheet required to be laid before the AGM. The directors filed petition before the court to quash the prosecution initiated by the Registrar of Companies. As a Company Secretary in Practice, advise in the matter.

(4 marks)

(iii) A limited liability partnership (LLP) was formed on 1st August, 2013 having Aman and Boman as designated partners. Among them Boman was convicted in the year 2006 for an offence involving moral turpitude and sentenced for three months imprisonment. Explain the validity of the LLP.

(4 marks)

(iv) A transferor company got approval for a scheme of amalgamation with the transferee company. An amount of ₹5 lakh was deposited by the transferor company on the direction of the court for settling the dues of employees. An *ex*-employee of the transferor company objected to the amalgamation citing that he is also entitled for the claim in the amount deposited. Will he succeed ? Give reasons.

(4 marks)

4. (a) The Board of directors of a company in a meeting held on 30th April, 2013 declared interim dividend. In another meeting held on 18th May, 2013, the Board revoked the interim dividend declared without assigning any reason. Advise the company in the matter.

(b) Chairman of your company wants to know the procedure of condonation of delay by Central Government in filing the document with the Registrar of Companies. As a Company Secretary, prepare a note for consideration of the Chairman.

(8 marks each)

5. Answer the following citing the relevant provisions of law/case law, if any :

(a) A deceitful prospectus was issued by the directors on behalf of the company. Pavan received a copy of it, but did not take any shares in the company. The allotment of shares to applicants was completed. Several months later, Pavan bought 2,000 shares of that company from the stock market. He proceeded with a suit against the directors for issuing deceitful prospectus. Will he succeed ?

(4 marks)

(b) A foreign national was intended to be appointed to the Board of an MNC in India. He contends that, director identification number (DIN) is not required for him as he is a foreign national. Whether his contention is valid ?

(4 marks)

(c) One of the major creditors of Joy Ltd. is of the opinion that an investigation in the affairs of the company needs to be undertaken in the interest of the company and the creditors. Can he make an application for investigation of Joy Ltd. to the Company Law Board ?

(4 marks)

(d) A company appointed both CS Gaurav and CS Sulekha as its Company Secretaries. In light of the provisions of section 383A(1), explain the validity of their appointment in the company.

(4 marks)

6. Write notes on the following :

(a) Directors' responsibility statement

(b) Approval and signing of the balance sheet and profit and loss account

(c) Doctrine of alter ego

(d) Rights of dissentient shareholders.

(4 marks each)

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