



Roll No.

Total No. of Questions – 7

Total No. of Printed Pages – 7

Time Allowed – 3 Hours

Maximum Marks – 100

QUE

Answers to questions are to be given in English except in the case of candidates who have opted for Hindi medium. If a candidate has not opted for Hindi medium, his answers in Hindi will not be valued.

Question No. 1 is compulsory.

Attempt any **five** questions from the remaining **six** questions.

- | | Marks |
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| 1. (a) The Board of Directors of Vishwakarma Electronics Limited consists of Mr. Ghanshyam, Mr. Hyder (Directors) and Mr. Indersen (Managing Director). The company has also employed a full time Secretary.
The Profit and Loss Account and Balance Sheet of the company were signed by Mr. Ghanshyam and Mr. Hyder. Examine whether the authentication of financial statements of the company was in accordance with the provisions of the Companies Act, 1956 ? | 5 |
| (b) A complaint was received by the Central Government from some shareholders of a public company that a person had been appointed as the Managing Director of the company without seeking the approval of the Central Government when such approval was required. State as to what action can be taken by the Central Government under the Companies Act, 1956. Also examine the validity of the acts of the Managing Director if the complaint is | 5 |

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and demutualisation of a recognised stock exchange issued an order that at least fifty one percent of its equity share capital shall be held, within twelve months, by the public other than share holders having trading rights. Decide whether the said order of the Securities and Exchange Board of India is valid under the provisions of the Securities Contracts (Regulation) Act, 1956 including the time limit of twelve months as stated in the order.

- (d) M/s. USA Industries Limited has constituted "Investor Education and Protection Fund" as required under the Companies Act, 1956 but so far no amounts have been deposited into the said account. Explain with reference to the above said enactment, the amounts payable to the credit of the said account and the period within which the amounts shall be paid. 5

2. (a) A group of creditors of a company lodged a complaint with the Registrar of Companies alleging that the Directors of the company are engaged in falsification and destruction of account books and records of the company and urged the Registrar to seize the account books and records of the company. Discuss whether the Registrar can exercise such powers under the provisions of the Companies Act, 1956. 8

- (b) A public limited company created a mortgage over its property in respect of a loan given by the brother of one of the Directors of the company. This fact was known to all the Directors of the company but the interested Director neither

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3. (a) M PLEASE VISIT WWW.STUDENTSOFCACS.COM FOR MORE UPDATES The 8

Board of Directors of the said company propose to charge him with the duty of ensuring compliance with the provisions of the Companies Act, 1956 so that books of account can be properly maintained and Balance Sheet and Profit and Loss Account can be prepared as per the provisions of law.

Draft a "Board Resolution" for the said purpose. Also point out the consequences in case of default, when such a resolution is passed.

- (b) What do you understand by "book-building" ? State the conditions whereunder an issuer may offer specified securities at different prices. 8

4. (a) On 24th January 2010, the Board of Directors of M/s. Black Limited appointed Mr. Z as the company's Sole Selling Agent for a period of 5 years. At the first general meeting of the company, held after the Board Meeting, on 29th September 2010, the above appointment was disapproved. Referring to the provisions of the Companies Act, 1956 :

- (i) State the date from which the above appointment comes to an end.
(ii) What would be your answer in case a clause in the above appointment

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Banking Company to the effect that if unchecked, the shareholders, depositors and others will suffer heavily and the complainants requested for the appointment of directors by Reserve Bank of India. Discuss whether the Reserve bank has any powers to inspect the records of the Co-operative Bank to ascertain the truth or otherwise in the complaints and to appoint directors in the Co-operative Bank under the Banking Regulation Act, 1949.

5. (a) M/s. Zebra Private Limited was incorporated in the year 2010 under the Companies Act, 1956 by 3 brothers, namely A, B and C. All the three were Promoter-directors named in the Articles of Association and subscribed for 100 shares each in the company through Memorandum of Association. Thereafter, from time to time, further shares were allotted in proportion of one-third to each of them and in due course the company started earning substantial profits. Due to greed of money, the two brothers, namely A and B joined hands together and assumed complete control of the company leaving their brother C in lurch. Both the brothers got further shares allotted to themselves, thereby their joint shareholding increased from 66% to 90%. while the shareholding of
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- was sent to C, who was sidelined and was also removed as a Director.

Aggrieved by the decisions taken by his two brothers at his back, C seeks your advice for taking out appropriate proceedings before the Court or Judicial authority of competent jurisdiction. Also suggest the nature of reliefs he may claim while filing his case.

(b) An Inter-state co-operative society was incorporated on 1st May 2011 as a Producer company under the provisions of the Companies Act, 1956. Advise the company in respect of the following proposals :

- (i) The company decides to have 18 Directors on its Board after incorporation.
- (ii) Transferability of shares and
- (iii) Share capital and voting rights.

6. (a) State in the light of the provisions of the Companies Act, 1956, as to how the auditor will be appointed in the following cases :

- (i) A company in which a nationalized bank is holding 30% of the subscribed capital.
- (ii) A Government company, within the meaning of section 617 of the Companies Act, 1956.

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- (b) M/s. Neemuch Pharma Limited is a company listed with Mainargam Stock Exchange. Some small shareholders of the said company want to appoint Mr. Avadhesh as a Director as their representative on the Board of Directors of the said company. Mr Avadhesh is holding 1000 equity shares of ₹ 10 each in the said company. State the provisions of the Companies Act, 1956 in relation to the proposal to appoint Mr. Avadhesh as a Small Shareholders' Director. 8

7. Attempt any four :

- (a) The Central Government on the recommendation of selection committee appoints Mr. Ramesh aged 56 years as Member of the Competition Commission of India to be effective from 1st January, 2010. State with reference to the provisions of Competition Act, 2002 the term for which he will be appointed and whether he can be reappointed as such and also if he resigns after two years whether the vacancy can be filled up by the Chairman of the Commission. 4
- (b) Explain the importance of "Preamble" and "Proviso" being internal aids to interpretation. 4
- (c) A person aggrieved by an order made by the Special Director (Appeals) desires to file an appeal against the said order to the Appellate Tribunal but the period of

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- (d) The **PLEASE VISIT WWW.STUDENTSOFCAANDCS.COM FOR MORE UPDATES** ties 4
market are under some obligations under the Prevention of Money Laundering Act, 2002. State, in brief, these obligations.
- (e) Explain briefly the procedure relating to enforcement of security interest under SARFAESI Act, 2002. 4

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