

EXAMINATION OF ARTICLED CLERKS

PAPER II

CORPORATE LAWS

Saturday, 2nd April, 2022

Time: 3 Hours (1:00 PM to 4:00 PM)

TOTAL MARKS – 100

Notes:

1. Answers should be short and precise.
2. Please substantiate your answers, wherever possible, with reference to relevant provisions of law and case law, if any.

Question No.	Question	Marks
1.	Discuss the doctrine of Ultra Vires.	10
2.	Differentiate between any two of the following: i. Shelf Prospectus and Red Herring Prospectus. ii. Non-executive Director and Independent Director. iii. Holding Company and Subsidiary Company..	10
3.	Mr. A, an Independent Director of XYZ Ltd., is diagnosed with leukaemia and proceeds on leave for 7 months to USA for treatment. The Board of Directors at a meeting appoint Mr. B for a period of two months, as an alternate director. Articles of Association of the company do not confer upon the Board of directors any such power to appoint anyone as an alternate director. Examine the validity of the appointment of Mr. B.	4
4.	Tardy Ltd. held a meeting of its Board of Directors on 1st January, 2022 at its registered office. Though the company has 12 directors on its board, only 3 directors were present at the registered office whilst a 4 th director attended virtually. After the commencement of the meeting and while the meeting was in progress, connection was lost and the 4 th Director exited the meeting. The remaining 3 directors carried on the proceedings of the meeting. Discuss the validity of decisions, if any, taken by the remaining directors.	4
5.	Discuss the reliefs available to minority shareholders against wrongful conduct of the majority?	6
6.	Write short notes on any three of the following: i. Public offer and private placement. ii. Abridged prospectus	15

- iii. Woman Director
- iv. Corporate Social Responsibility

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| 7. | Discuss the situations under which a company is required to constitute the Audit Committee? | 5 |
| 8. | <p>ABC Ltd. Is desirous of buying back 5,00,000 equity share @ Rs. 1 each out of the following:</p> <ul style="list-style-type: none"> i. Balance of depreciation reserve fund Rs. 3 lakh ii. Unsecured loans Rs. 1 lakh; iii. Securities premium account for Rs. 1 lakh. <p>Can ABC Ltd. Do so ?</p> | 4 |
| 9. | Write a short note on Declaration in Respect of Beneficial Interest in any Shares. | 5 |
| 10. | Zazzy Ltd. an Indian MNC is desirous of appointing Mr. Suave as a member of the Board. Mr. Suave contends that he being a foreigner, is not required to obtain Director Identification Number (DIN). Advise Zazzy Ltd. | 3 |
| 11. | Write a short note on 'resolution by circulation. Which matters cannot be passed by the directors by resolution by circulation. | 5 |
| 12. | A Board meeting of Hasty Ltd. was called at shorter notice to transact an urgent business. However, the Independent directors could attend the meeting. Examine the validity of resolutions passed at the meeting. | 3 |
| 13. | Discuss the meaning of 'Corporate Person' under the Insolvency & Bankruptcy Code, 2016. Can the National Highway Authority of India be considered a 'Corporate Person'? | 5 |
| 14. | <p>Define any 3 of the following terms under the IBC</p> <ul style="list-style-type: none"> i. Security Interest ii. Dispute iii. Financial Creditor iv. Financial Debt | 15 |
| 15. | Will the institution or continuation of a proceeding under section 138 of the Negotiable Instruments Act, 1881 be covered under moratorium? | 6 |
