



DSS-33, OLD COURT COMPLEX NEAR FAWARA CHOWK, HISAR

COMPANY LAW

CS EXECUTIVE

TEST- CHAPTER-15 BOARD CONSTITUTION AND ITS POWERS

Time: 40 Min

Marks: 20

Attempt any four questions from questions no. 1 to 6.

Question 1:

X Ltd. is a listed company having 565 shareholders as on 31st December, 2019. The Board of Directors ask you about the formation of Stakeholders Relationship Committee. Is it necessary to constitute Stakeholders Relationship Committee? Will your answer be same if X Ltd is an unlisted company? What should be the composition of this committee?

(5 Marks)

Question 2:

The Board of Directors of Passion Ltd. has passed board resolutions for the following items. Examine the validity of resolution as a secretarial auditor of the company:

- (a) To invest the funds of the company for Rs. 15 Lakh in ABC Mutual funds;
- (b) To remit, or give time for the repayment of, any debt due from a director;
- (c) To invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- (d) To take over a company or acquire a controlling or substantial stake in another company;

(5 Marks)

Question 3:

RPK Ltd. is an unlisted company having Rs. 9 crore as paid up capital and Rs. 52 crore as long term loan. The directors of the company would like to know from you the answers for the following questions:

- (1) Would the company be liable to constitute an audit committee?
- (2) If the company is listed after a fresh issue of shares to the tune of Rs. 50 crore, in such a situation, would the company be liable to constitute Audit Committee?
- (3) What is the quorum for meetings and number of meetings to be held in a year by the audit committee ?

(5 Marks)

Question 4:

Draft an appropriate resolution to authorise the Board to borrow for company's business upto a limit beyond paid-up share capital and free reserves. Assume facts and figures.

(5 Marks)

Question 5:

State with reasons whether the following companies should constitute a Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013:

- (1) Zero Limited, an unlisted public company having turnover of Rs. 180 crores
- (2) Eldo Limited, an unlisted public company having, outstanding loans Rs. 30 crores, and debentures Rs. 12 crores

All the above figures are as on the date of last audited Financial Statements.

(5 Marks)

Question 6:

Space X is a Company incorporated in Japan, having a place of business in Mumbai for the conduct of its business. For the year ended March, 2019 Space X filed their financial statements with the ROC in compliance with Section 381 of the Companies Act, 2013 and declared a turnover of Rs. 1,200 Crore and net profit of Rs. 49 Crore. Advise the Company on the applicability of the provisions relating to Corporate Social Responsibility and the compliance, if any, required.

(5 Marks)