

You have to really work hard on concepts and drafting part. Drafting is poor so refer good author notes or module for constructing correct legal answers. Practice more case laws question, this will help you to understand the interpretation also of respective sections. Presentation also matters so work on it also like write proper point nos, improve handwriting, correct use of punctuations. see suggested answers for proper understanding. Thanks

Quorum: Where the quorum provided in Articles of Association is higher than that provided in the Act, the Quorum shall conform to such higher requirement. In the given case under the Articles of Association of X Ltd require 6 members Personal Present in the General meeting as Quorum.

For the purpose of quorum only those members counted those members are entitled to vote. Proxies shall be excluded for determining the quorum. So, Mr. P, Mr. Q, Mr. R and Mr. S shall not be considered under quorum.

A duly authorized representative of a body corporate or rep re-

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Representative of the President of India or is deemed to be member personally present in the meeting. Hence Mr G the representative of Governor shall be counted under the quorum of X Ltd.

Preference Shares can vote only in the relation of such matters which directly affect their right here the meeting held by the Managing Director does not affect the right of Preference Shareholder. Hence Mr A and Mr B shall NOT be counted in quorum of X Ltd.

If a member representing another company, shall be counted as a member of these representative companies. Hence Mr L represents two body corporate i.e. M Ltd and X Ltd he would be treated as two member if he is personally present in the meeting.

Mr. L is representing three companies not two..so effectively equal to 3 members

4 members

Hence, ~~from~~ the above views only three members are personally present which not met the requirement of quorum (i.e. 7). Hence, the meeting shall not constitute a valid quorum.

as per AOA quorum is 6 not 7

Ans 2 'B'

Every Annual general meeting shall be called on a day which is not a National holiday. "National Holiday" means a day declared as National holiday by central government.

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Try not to write words half on one line and half on second line. This is not good presentation

Where the central government declares a day to be a National Holiday, after the company issued the notice of the meeting to its member, it shall NOT be ~~deemed~~ deemed to be National holiday or public holiday in relation to that meeting.

Dont scratch it. Just cut it once

It may be noted that Government

may exempt any company from the aforesaid provisions

Hence, After considering all the above provisions meeting can be proceed on Scheduled date.

Ans 2(c)

As Per the Companies Act, 2013 Under the section 100 of Extra ordinary general meeting can be held by Board on requisition if receipt of requisition from member:

In case of company having a share capital: members who hold on the date of the receipt of requisition, NOT less than $\frac{1}{10}$ th of such Paid up Share capital of the company. In the given case ABC Ltd paid up share capital is 5 Lakhs on which certain members holding A - 2250 shares B - 2000 & C

- 1000 shares the sum of A, B and C is 5250 shares which is more than $\frac{1}{10}$ th of Paid up capital.

In this case directors have failed to call the meeting on the contention that the articles have not permitted the same, Hence the members can hold the meeting by requisitionists: if the Board does not within 21 days from the date of receipt of valid requisition in any matter, the meeting may be called & held by requisitionists themselves. However the meeting should be held within a period of 3 months from the date of requisition.

Therefore, members may ^{on the above} open for the requisitioned an extra-ordinary general meeting.

ANS 3 'A'

SPECIMEN OF BOARD RESOLUTION
APPOINTMENT OF INDEPENDENT
DIRECTOR

RESOLVED THAT -

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In the accordance of section 149 and with the applicable provisions of Companies Act, 2013 with the approval of Shareholders in the general meetings and other ~~an~~ applicable provision sbr X...

is be to hereby appointed as a independent director of the company for the period of five years commencing from 1st April 2019 to 31 March 2024.

on the terms and condition contained in the agreement of b/w the company and the sbr X

~~on~~ the day of independent director ^{appointment} ~~is~~ on the company

RESOLVED FURTHER THAT the Secretary of the company be authorised to take all the

Such acts as may be required to be done in this regard

Explanatory Statement

When company was incorporated, company had not required any independent director as per the Companies Act, 2013. However, cross the limit of turnover of Rs one hundred crore in the preceding financial year, therefore company has to require to appointment independent director as per the Section 149 of the Companies Act.

Subsequently company hold the Annual general meeting and with the approval of special resolution company decided to appoint Mr X as an independent director.

It is also proposed that Mr. Ram, company secretary has

see suggested answer for explanatory statement. You should give info about the director appointed

drafting is not proper

Deed between Company and the
Independent Director with the
Concerned of Company.

Ans 1 'A'.

Duties of Debenture Trustee :-

Debenture

- a) To protect the interest of debenture holders
- b) To ensure the rightful conditions of secured property
- c) To call for additional assets if required for repayment.
- d) To ensure timely payment of interest and principal.
- e) To sell the property in case of any default.
- f) To call for meeting of debenture holders.

3/5 ✓

there are many other duties also... see suggested answer

The debenture trustee is a trustee of trust deed for securing any issue of debentures of a body corporate, Hence the above duties may impose on the Debentures Trustee.

New financial instruments.??like zero coupon bonds ,new type of warrants etc
see suggested answer for correct answer

* Features of new financial instrument id have emerged in capital market are as following:

a) It provides a market place of sale / purchase of securities

b) Any person who wants to invest in financial instrument can invest as financial lending, lending of money etc.

~~c) Any person can invest into the securities as a primary market or secondary market.~~

d) Instrument provides the inflow on the investment money as capital market.

Ans 1(c)

Satisfaction of charge: Satisfaction of charge may receipt of memorandum is satisfaction. The evidences may be -

1. The debt for which the charge was given has been paid.
2. Part of the Property charged has been released from the charge.

In the given case company was offered a term loan 200 Crs the security fixed assets of two factories situated in Alwar & Parwanoo, the repayment made 75% of the loan amount the financial institution also agreed to release fixed assets of one factory.

Hence company released part of the property charged has been released from charge.

Therefore ~~com~~ as per the ~~code~~

there is no concept of partial satisfaction. Modification of charge to be filed

Under provisions the company can file part of satisfaction of charge.

Ans 1 'D'

A charge is a security, given for securing loan or debentures. The security may be provided either by way of mortgage, hypothecation or pledge.

Fixed charge is made specifically to cover assets which are ascertained at the time of creating a charge. e.g. Building or plant. A floating charge is not attached to any definite property but covers property of a fluctuating type and in a crystallisation of floating charge means conversion of floating charge into fixed charge of the assets.

Here charge can be created on

info given is correct but charge can be created on future debts also see suggested answer for correct explanation

assets of the company on the date of creation of charge. The statement is correct, charge can be created on assets which are in possession of the company at the date of creation of charge.

ANSWER:

Quorum refers to the minimum number of members required to constitute a valid meeting. Where the quorum provided in the Articles is higher than provided under the Act the quorum shall conform to such higher requirement.

Fact of the case:

M/S QPR Private Ltd provided that 5 members present in quorum of general meeting of company was held on 25/1/1999

see usually the case laws are not so general. They are confusing and that's why we should understand the interpretation of respective section. See suggested answer for different view of this case

It was attended by 4 members because one member expired earlier. And also the resolution passed with a majority of 3 to 1.

The constitute quorum is ~~not~~ required 5 members as per Articles. As per the proviso the company require to alter the Articles of Association before the next AGM of the company.

Mr. Doubtful as a director is correct the validity of the resolution on the ground of lack of quorum in terms of Articles of company.