

- Q1 B  
Q2 B  
Q3 A  
Q4 C  
Q5 A  
Q6 A  
Q7 B  
Q8 A  
Q9 C  
Q10 A

**Q 11** As per sec 174(1) the quorum for a meeting of the Board of Directors of a company shall be **one third of its total strength or two directors, whichever is higher.**  
(1 mark)

(1 mark) And as per sec 174(3) Where at any time the number of interested directors **exceeds or is equal to two thirds of the total strength** of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being **not less than two**, shall be the quorum during such time.

(1 mark) In the given case number of total directors is 12 so quorum as per sec 174(1) shall be  $1/3^{\text{rd}}$  of 12 or 2 directors whichever is higher, so quorum as per 174(1) is 4, but the directors present are 8 in this case out of which 5 are interested so balance 3 is **not a quorum under sec 174(1).**

(1 mark) Further sec 174(3) is applicable when number of interested directors is  $2/3^{\text{rd}}$  or more of total strength, in given case that is 8 or more but number of interested directors in the given case is 5 only **so sec 174(3) shall not be applicable.**

(1 mark) So we can conclude that in the given case there is neither quorum under sec 174(1) nor u/s 174(3) so the **meeting shall be adjourned** for the want of quorum.

**Q 12** As per sec 149(1) of the Companies act 2013, a public company shall have minimum number of 3 directors and maximum number of directors shall be 15. However the limit of 15 may be exceeded by passing the SR.

(1  
mark)

(1  
mark) In case of appointment of first directors of a company as per sec 152(1) unless articles provide otherwise subscribers to the memorandum shall be deemed as first directors of the company.

(2  
mark) **Further as per table F clause 60 the number of directors and the name of first directors shall be determined by subscribers to the memorandum.**

(2  
mark)

**In the given case subscribers to the memorandum are 17 that is more than the limit specified u/s 149(1) so if we are going to deem all the subscribers as directors then it will exceed the limit of 15 given in sec 149(1) and in the given case due to technical reasons SR is not possible.**

(1  
mark) So in the given case on the basis of professional judgment and to the best of our opinion it may be concluded that all the subscribers to the MOA shall be deemed to be directors of the company.

**Q 13 Provisions:**

(2  
mark)

As per the section 3 FCRA 2010, few of the persons are prohibited to accept foreign contribution; candidates for election are one of them.  
Further as per section 4 which overrides section 3, a person is allowed to receive foreign contributions from the persons specified in section 4, and section 4 covers contributions received from a relative.

(0.5  
mark) Further as per section 2(r) of FCRA 2010, relative means a person specified in section 2(77) of Companies act 2013, and spouse is covered in sec 2(77).

(1  
mark) Further as per rule 6 of FCRR 2011, if a person is receiving foreign contribution in excess of one lakh rupees or equivalent thereto in a financial year from any of his relatives shall inform the Central Government in prescribed Form within thirty days from the date of receipt of such contribution.

**Conclusion:**

(1.5  
mark)

In the light of above said provisions Mr. Avi is allowed to receive amount of Rs. 79,000/- from her spouse without any prohibition.

If the amount received is Rs. 150,000/- still there is no prohibition the only requirement is to

inform the Central Government in prescribed Form within thirty days from the date of receipt of such contribution.

