

CA Intermediate

Chapter 1 to 10

Roll No.....

Time allowed: 3 hours

Maximum marks: 100

Total number of questions: 6

NOTE:

1. Question No. 1 is compulsory.
2. Candidates are required to answer any four questions from the remaining five questions.

1. Comment on the following:

- (a) Khanna Limited, a listed company has made the following profits, the profits reflect eligible profits under the relevant section of the Companies Act, 2013 –

Financial Year	Amount (₹ in crore)
2012-13	20
2013-14	40
2014-15	30
2015-16	70
2016-17	50

- i. Calculate the amount that the company has to spend towards CSR during FY 2017-18.
- ii. State the composition of CSR Committee.
- iii. List 2 activities that are expressly prohibited from being considered as CSR activities

(6 marks)

- (b) The paid-up share capital of ABC Private Limited is ₹ 1 crore consisting of 8,00,000 equity shares of ₹ 10 each and 2,00,000 cumulative preference share capital of ₹ 10 each, both fully paid-up. PQR Private Limited and MNO Private Limited are holding 3,00,000 equity shares and 50,000 equity shares respectively in ABC Private Limited. PQR Private Limited and MNO Private Limited are the subsidiaries of UMC Private Limited.

Examine with reference to the provisions of the Companies Act, 2013, whether ABC Private Limited is a subsidiary of UMC Private Limited. Would your answer be different, if UMC Private Limited controls the composition of Board of Directors of ABC Private Limited?

(6 marks)

- (c) Earth Ltd., a Public Company offer the new shares (further issue of shares) to persons other than the existing shareholders of the Company. Explain the conditions when shares can be issued to persons other than existing shareholders. Discuss whether these shares can be offered to the Preference Shareholders?.

(4 marks)

- (d) In a General Meeting of Amit Limited, the Chairman directed to exclude certain matters detrimental to the interest of the company from the minutes. Manoj, a shareholder contended that the minutes must contain fair and correct summary of the proceedings thereat. Decide, whether the contention of Manoj is maintainable under the provisions of the Companies Act, 2013?

(4 marks)

- 2.
- (a)
- (i) The MOA of a company as signed by 2 adult members and by a guardian of the other 5 minor members, the guardian signing separately for each minor member. The Registrar registered the company and issued under his hand a Certificate of Incorporation. The plaintiff contended that
- conditions of registration were not duly complied with, and
 - that there were no seven subscribers to the Memorandum.
- Will the Court uphold his contention?
- (4 marks)
- (ii) The Articles of a Limited company provided that "Avanish" shall be the law officer of the company and he shall not be removed except on the ground of proved misconduct. The company removed him even though he was not guilty of misconduct. Decide, whether company's action is valid?
- (4 marks)
- (b) Amity Limited, desirous of buying back all of its equity shares from the existing shareholders of the company, seeks your advise. Examining the provisions of the Companies Act, 2013 discuss whether the above buy-back of equity shares by the company is possible. Also, state the sources out of which buy-back of shares can be financed?
- (4 marks)
- (c) Heavy Metals Limited wants to provide financial assistance to its employees, to enable them to subscribe for certain number of fully paid shares. Considering the provision of the Companies Act, 2013, what advice would you give to the company in this regard?
- (4 marks)
- (d) Growmore Limited's share capital is divided into different classes. Now, Growmore Limited intends to vary the rights attached to a particular class of shares. Explain the provisions of the Companies Act, 2013 to Growmore Limited as to obtaining consent from the shareholders in relation to variation of rights.
- (4 marks)
- 3.
- (a) ABC Ltd. having a net-worth of ₹ 80 crores and turnover of ₹ 30 crores wants to accept deposits from public other than its members. Referring to the provisions of the Companies Act, 2013, state the conditions and the procedures to be followed by ABC Ltd. for accepting deposits from public other than its members.
- (4 marks)
- (b)
- (i) PQ Limited appointed an individual firm, Prakash & Company, Chartered Accountants, as auditors of the company at the Annual General Meeting held on 30th September 2017. Mrs. Sakshi, wife of Mr. Prakash invested in the equity shares of face value of ₹ 1 lakh of PQ Limited on 15th October, 2017. But Prakash & Company to function as statutory auditors of the company. Advise.
- (4 marks)
- (ii) The auditor of the company (other than Government company) has resigned on 31st December 2017, while the financial year of the company ends on 31st March, 2018. Advise how the auditor will be appointed.
- (4 marks)

(c) The directors of Element Ltd. want to voluntarily revise the Financial statements of the company. They have approached you to state to them the provisions of the Companies Act, 2013 regarding voluntary revision of financial statements.

(4 marks)

(d) The Board of Directors of Sindhu Limited wants to make some changes and to alter some Clauses of the Articles of Association which are to be urgently carried out, which include the increase in Authorized Capital of the company, issue of shares, increase in borrowing limits and increase in the number of directors. Discuss about the provisions of the Companies Act, 2013 to be followed for alteration of Articles of Association.

(4 marks)

4.

(a) The AGM of Amreen Makeovers Private Limited is to be held on 5th April, 2017 at 3:00 p.m. What should be the appropriate time to send the notice by post, so that the provisions of section 101 are not contravened?

(4 marks)

(b) The quorum for a general meeting of a public company is 15 members personally present according to the provisions of the articles of association of the company. Examine with reference to the provisions of the Companies Act, 2013 whether there is proper quorum at General meeting of the company which was attended by the following persons:

(i) 13 members personally present

(ii) 2 members represented by proxies who are not members of the company

(iii) One person representing 2 member companies

(4 marks)

(c) Mr Nilesh has transferred 1000 shares of Perfect Ltd. to Ms. Mukta. The company has refused to register transfer of shares and does not even send a notice of refusal to Mr. Nilesh or Ms. Mukta respectively within the prescribed period. Discuss as per the provisions of the Companies Act, 2013, whether aggrieved party has any right(s) against the company for such refusal?

(4 marks)

(d) Kapoor Builders Limited decides to pay 2.5 percent of the value of debentures as underwriting commission to the underwriters but the Articles of the company authorize only 2.0 percent underwriting commission on debentures. The company further decides to pay the underwriting commission in the form of flats. Examine the validity of the above arrangements under the provisions of the Companies Act, 2013.

(4 marks)

(e) M/s. Tulip Ltd. maintains its Register of Members at its registered office in Mumbai. A group of members residing in Kolkata want to keep the register of members at Kolkata.

(i) Explain with provisions of Companies Act, 2013, whether the company can keep the Registers and Returns at Kolkata.

(ii) Does Mr. Rich, holding 400 shares of total worth ₹ 4000 only, has the right to inspect the Register of Members?

(4 marks)

5.

(a)

(i) The auditors of a company refuses to make their report on the annual accounts of a company before it is signed on behalf of the Board of Directors. Advise the company.

(3 marks)

(ii) A company can issue shares at discount. Comment.

(4 marks)

(b) The Board of Directors of XYZ Private Limited, a subsidiary of SRN Limited, decides to grant loan of ₹ 2 lakh to P, the Finance Manager of the company getting salary of ₹ 30,000 per month, to buy 400 partly paid up

equity shares of ₹ 1000 each of XYZ Private Limited. Examine the validity of Board's decisions with reference to the provisions of the Companies Act, 2013.

(5 marks)

(c) Zenab Limited held its Annual General Meeting on September 15, 2016. The meeting was presided over by Mr. Venkat, the Chairman of the Company's Board of Directors. On September 17, 2016, Mr. Venkat, the Chairman, without signing the minutes of the meeting, left India to look after his father who fell sick in London. Referring to the provisions of the Companies Act, 2013, state the manner in which the minutes of the above meeting are to be signed in the absence of Mr. Venkat and by whom.

(4 marks)

(d) Zorab Limited served a notice of General Meeting upon its members. The notice stated that a resolution to increase the share capital of the Company would be considered at such meeting. A shareholder complained that the amount of the proposed increase was not specified in the notice. Is the notice valid?

(4 marks)

6.

(a) The Directors of Som Limited proposed dividend at 12% on equity shares for the Financial Year 2015-16. The same was approved in the annual general meeting of the company held on 20th September, 2016. The directors declared the approved dividends. They seek your opinion on the following matters:

i. Mr. Ashok, holding equity shares of face value of INR 10 lakhs has not paid an amount of INR 1 lakh towards call money on shares.

Can the same can be adjusted against the dividend amount payable to him?

ii. Ms. Nini was the holder of 1000 equity shares on 31st March, 2016, but she has transferred the shares to Mr. Raj, whose name has been registered on 20th May, 2016. Who will be entitled to the above dividend

(6 marks)

(b) Define the term charge. What is the time limit for registration of charge with the Registrar? What is the effect of non-registration of a charge?

OR

Atul Limited has passed a resolution in its general meeting regarding accepting deposits from its members. Can this company accept deposits from its members under the Companies Act, 2013? If yes, state the conditions to be fulfilled regarding this.

(6 marks)

(c) What do you mean by Proxy? Explain the provisions relating to appointment of proxy under the Company Act, 2013.

(4 marks)

(d) Prakhar Ltd. intends to raise share capital by issuing Equity Shares in different stages over a certain period of time. However, the company does not wish to issue prospectus each and every time of issue of shares. Considering the provisions of the Companies Act, 2013, discuss what formalities Prakhar Ltd. should follow to avoid repeated issuance of prospectus?

(4 marks)