

Roll No.

Total No. of Questions – 6

Total No. of Printed Pages – 8

Time Allowed – 3 Hours

Maximum Marks – 100

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Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be valued.

Question No. 1 is compulsory.

Candidates are also required to answer any **four** questions from the remaining **five** questions.

- | | Marks |
|--|-------|
| 1. (a) XYZ a One-Person Company (OPC) was incorporated during the year 2014-15 with an authorized capital of ₹ 45.00 lakhs (4.5 lakh shares of ₹ 10 each). The capital was fully subscribed and paid up. Turnover of the company during 2014-15 and 2015-16 was ₹ 2.00 crores and ₹ 2.5 crores respectively. Promoter of the company seeks your advice in following circumstances, whether XYZ (OPC) can convert into any other kind of company during 2016-17. Please, advise with reference to relevant provisions of the Companies Act, 2013 in the below mentioned circumstances : | 4 |
| (i) If promoter increases the paid up capital of the company by ₹ 10.00 lakhs during 2016-17 | |
| (ii) If turnover of the company during 2016-17 was ₹ 3.00 crores. | |

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- (b) ABC Ltd. has following balances in their Balance Sheet as on 31st March, 2018 : 2

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(1) Equity shares capital (3.00 lakhs equity shares of ₹ 10 each)	30.00 lacs
(2) Free reserves	5.00 lacs
(3) Securities Premium Account	3.00 lacs
(4) Capital redemption reserve account	4.00 lacs
(5) Revaluation Reserve	3.00 lacs

Directors of the company seeks your advice in following cases :

- (i) Whether company can give bonus shares in the ratio of 1:3 ?
- (ii) What if company decide to give bonus shares in the ratio of 1:2 ?
- (c) (i) YZ Ltd is a manufacturing company & has proposed a dividend @ 10% for the year 2017-18 out of the current year profits. The company has earned a profit of ₹ 910 crores during 2017-18. YZ Ltd. does not intend to transfer any amount to the general reserves of the company out of current year profit. Is YZ Ltd. allowed to do so ? Comment. 3
- (ii) Karan was holding 5000 equity shares of ₹ 100 each of M/s. Future Ltd. A final call of ₹ 10 per share was not paid by Karan. M/s. Future Ltd. declared dividend of 10%. Examine with reference to relevant provisions of the Companies Act, 2013, the amount of dividend Karan should receive. 3

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- (d) Mr. Chetan was appointed as Site Manager of ABC Constructions Company on a two years contract at a monthly salary of ₹ 50,000. Mr. Pawan gave a surety in respect of Mr. Chetan's conduct. After six months the company was not in position to pay ₹ 50,000 to Mr. Chetan because of financial constraints. Chetan agreed for a lower salary of ₹ 30,000 from the company. This was not communicated to Mr. Pawan. Three months afterwards it was discovered that Chetan had been doing fraud since the time of his appointment. What is the liability of Mr. Pawan during the whole duration of Chetan's Appointment. 4
- (e) Komal Ltd. declares a dividend for its shareholders in its AGM held on 27th September, 2018. Referring to provisions of the General Clauses Act, 1897 and Companies Act, 2013, advice : 4
- (i) The dates during which Komal Ltd. is required to pay the dividend ?
- (ii) The dates during which Komal Ltd. is required to transfer the unpaid or unclaimed dividend to unpaid dividend account ?
2. (a) (i) CA. M is a partner in SM & Company (Chartered Accountants) and ML & Company (Chartered Accountants). SM & Company are statutory auditors of M/s. Global Ltd. (listed) for past seven years as on 1-04-2018. Advice under relevant provisions of the Companies Act, 2013 : 4
- (1) For how many more years SM & Company can continue as statutory auditors of M/s. Global Ltd. (listed) ?
- (2) Can ML & Company be appointed as statutory auditor of M/s. Global Ltd. during cooling off period for SM & Company ?

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- (ii) Mr. Ram brother of CA. Shyam, a practicing chartered accountant, acquired securities of M/s. Cool Ltd. having market value of ₹ 1,20,000 (face value ₹ 95,000). State whether CA. Shyam is qualified to be appointed as a statutory auditor of M/s. Cool Ltd. **2**
- (b) State the procedure to be followed by companies to accept deposits from its members according to the Companies Act, 2013. What are the exemptions available to the Private Limited Companies ? **6**
- (c) Mr. Muralidharan drew a cheque payable to Mr. Vyas or order. Mr. Vyas lost the cheque and was not aware of the loss of the cheque. The person who found the cheque forged the signature of Mr. Vyas and endorsed it to Mr. Parshwanath as the consideration for goods bought by him from Mr. Parshwanath. Mr. Parshwanath encashed the cheque, on the very same day from the drawee bank. Mr. Vyas intimated the drawee bank about the theft of the cheque after three days. Examine the liability of the drawee bank. **4**
- (d) Mr. S Venkatesh drew a cheque in favour of M who was sixteen years old. M settled his rental due by endorsing the cheque in favour of Mrs. A the owner of the house in which he stayed. The cheque was dishonoured when Mrs. A presented it for payment on grounds of inadequacy of funds. Advise Mrs. A how she can proceed to collect her dues. **4**
3. (a) What is a Shelf-Prospectus ? State the important provisions relating to the issuance of Shelf-Prospectus under the provisions of Companies Act, 2013 **2+4
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- (b) (i) A Housing Finance Ltd. is a housing finance company having a paid up Share Capital of ₹ 11 crores and a turnover of ₹ 145 crores during the Financial Year 2017-18. Explain with reference to the relevant provisions and rules, whether it is necessary for A Housing Finance Ltd. to file its financial statements in XBRL mode. 3
- (ii) Members of ZA Ltd. holding less than 1% of total voting power want the company to give a special notice to move a resolution for appointment of an auditor other than retiring auditor. Explain whether members have complied with relevant provisions of the Companies Act, 2013 in making their request. 3
- (c) Explain various provisions applicable to rules or bye-laws being made after previous publications as enumerated in Section-23 of the General Clauses Act, 1897. 4
- ~~(d)~~ Write short note on : 4
- (i) Provison
- (ii) Explanation, with reference to interpretation of Statutes, Deeds and Documents.
4. (a) KMN Ltd. scheduled its annual general meeting to be held on 11th March, 2018 at 11:00 A.M. The company has 900 members. On 11th March, 2018 following persons were present by 11:30 A.M.
- (1) P1, P2 & P3 shareholders
 - (2) P4 representing ABC Ltd.
 - (3) P5 representing DEF Ltd.
 - (4) P6 & P7 as proxies of the shareholders
- (i) Examine with reference to relevant provisions of the Companies Act, 2013, whether quorum was present in the meeting.

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- (ii) What will be your answer if P4 representing ABC Ltd., reached in the meeting after 11:30 A.M. ?
- (iii) In case lack of Quorum, discuss the provisions as applicable for an adjourned meeting in terms of date, time & place.
- (iv) What happens if there is no Quorum in the Adjourned meeting ?
- (b) 'X' a member of LKM Ltd. is holding 250 shares, which are partly paid. The company held its general meeting where voting right was denied to 'X' claiming he has not paid the calls on the shares held by him. Examine the validity of company's denial to 'X' with reference to the relevant provisions of the Companies Act, 2013, assuming that Articles of association of the Company do not restrict the voting right of such members. 4
- (c) What does the term Financial Statements include in relation to a company under the Companies Act, 2013 ? Which companies need not prepare a cash flow statement ? 4
- (d) (i) Explain 'Mischieve Rule' for interpretation of statute. Also, give four matters it considers in construing an Act. 4
- (ii) Explain how 'Dictionary Definitions' can be of great help in interpreting / constructing an Act when the statute is ambiguous. 2
- (e) 'Repeal' of provision is different from 'deletion' of provision. Explain. 2
5. (a) Teresa Ltd. is a company registered in New York (U.S.A.). The company has no place of business established in India, but it is doing online business through data interchange in India. Explain with reference to relevant provisions of the Companies Act, 2013 whether Teresa Ltd. will be treated as Foreign Company. 6

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- (b) Discuss the provisions relating to private placement of shares under the Companies Act, 2013. 5
- (c) Due to heavy rains and floods Chennai Handloom Limited was unable to convene annual general meeting upto 30th September, 2017. The company has not filed the annual financial statements, or the annual return as the directors of the company are of the view that since the annual general meeting did not take place, the period of 60 days for filing of annual return is not applicable and thus, there is no contravention of Section 92 of the Companies Act, 2013. Discuss whether the contention of directors is correct. 3
- (d) What are the rights available to the finder of lost goods under Section 168 and Section 169 of the Indian Contract Act, 1872. 3
- (e) Amar bailed 50 kg of high quality sugar to Srijith, who owned a kirana shop, promising to give ₹ 200 at the time of taking back the bailed goods. Srijith's employee, unaware of this, mixed the 50 kg of sugar belonging to Amar with the sugar in the shop and packaged it for sale when Srijith was away. This came to light only when Amar came asking for the sugar he had bailed with Srijith, as the price of the specific quality of sugar had trebled. What is the remedy available to Amar ? 3
6. (a) The persons (not being members) dealing with the company are always protected by the doctrine of Indoor management. Explain. Also, explain when doctrine of Constructive Notice will apply. 6

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- (b) Explain the conditions and the manner in which a company may issue Global Depository Receipts in a foreign country.

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What is the time limit for registration of charge with the registrar ? Where should the company's Register of charges be kept ? State the persons who have the right to inspect the Company's Register of charges.

- (c) Azar consigned electronic goods for sale to Aziz. Aziz employed Rahim a reputed auctioneer to sell the goods consigned to him through auction. Aziz authorized Rahim to receive the proceeds and transfer those proceeds once in 45 days. Rahim sold goods on auction for ₹ 2,00,000 but before transferring the proceeds of the auction, became insolvent. Assess the liability of Aziz according to the provisions of the Indian Contract Act, 1872.

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- (d) What are the circumstances under which a bill of exchange can be dishonoured by non-acceptance ? Also, explain the consequences if a cheque gets dishonoured for insufficiency of funds in the account.

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