

CA – Inter (New Syllabus)
Paper – 2 “Corporate and Other Laws”

M.M.: 35

Time allowed: 60 Mins.

Instructions: All Questions of Division A are compulsory.

Division A – Multiple Choice Questions

Marks

Case Scenario 1

Mr. Mohit Aggarwal is a director of Superior Carbonates and Chemicals Limited (SCCL). SCCL was incorporated by Mr. S. K. Aggarwal (father of Mr. Mohit) on 05th July, 1995, as a public company. SCCL accepts a loan of ₹ 1.5 crores from Mr. Mohit and the loan is expected to be repaid after twenty four months. SCCL in its books of account, records the receipt as a loan under non-current liabilities. At the time of advancing loan, Mr. Mohit affirms in writing that such amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others and complete details of such loan transaction is furnished in the boards' report.

DBSL which is an unlisted public company, also proposed to accept the deposits from the public as on 1st November, 2022, which would be due for repayment on 30th September, 2027. DBSL also accepts a LAP (Loan against property) for a term of 10 years from a financial institution on 18th June 2022. Charge was created on that day, but DBSL failed to register the charge with the registrar within the prescribed time. The Registrar granted a grace period of further 30 days to DBSL in respect of application filed by it for the same, however, still it failed to register the charge within the prescribed time. Finally, the application for registration of charge was furnished on 18th August 2022.

SCCL has registered office in Paonta-sahib (Himachal Pradesh) and corporate office is situated in Dehradun (Uttarakhand) but around 15% of total members whose name is entered in members register are residents of Nainital (Uttarakhand). SCCL has a liaison Office at Nainital. Management of the company is willing to place the register of members at the Nainital Liaison Office.

DBSL convene its 7th AGM on 10th September, 2022 at the registered office of the company. Notice for same was served on 21st August 2022. 78% of members gave consent to convening AGM at shorter notice due to ambiguity and possibility of another lockdown starting from 11th September 2022, on account of the Omicron variant of COVID-19.

Q.1 Pick the right statement regarding SCCL's willingness to keep and maintain the register of members at the Nainital liaison office.

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Register of members shall be kept at either registered office or within the same city that too after passing the resolution, hence SCCL is not correct in placing it at the Nainital liaison office

Register of members cannot be kept at any other place by SCCL, without passing an ordinary resolution

Register of members can be kept at Nainital liaison office, after passing a special resolution, because more than 1/10th of the total members entered in the register of members reside there

Register of members cannot be kept at Nainital liaison office, even after passing a special resolution, because less than 1/20th of the total members entered in the register of members reside there

- Q.2 With reference to deposit proposed to be accepted by DBSL and its duration, you are required to identify which of the following statements is correct:** 2
- (a) There is no requirement relating to the duration of deposit, DBSL can accept deposit for any duration.
 - (b) Since DBSL is an unlisted company, provisions relating to the duration of the deposit are not applicable to it.
 - (c) There is a provision of a minimum duration of six months, but no upper cap to length is provided. Hence deposit proposed to be accepted by DBSL would be in compliance to provisions of Law.
 - (d) Acceptance of deposits by DBSL would be in violation of provisions of law, because the maximum period of acceptance of deposit cannot exceed thirty-six months.
- Q.3 With reference to application to the registrar for registration of charge by DBSL, which of the following statements is correct?** 2
- (a) The charge cannot be registered now, even if the Registrar permits the same.
 - (b) The charge can be registered, if registrar permits with payment of ad-valorem fees.
 - (c) The charge can be registered, if registrar permits but with payment of additional fees as prescribed.
 - (d) The charge can be registered, with payment of standard fees.

General MCQs

- Q.4 The Annual General Meeting (AGM) of Green Limited was held on 31.8.2022. Suppose the Chairman of the company after two days of AGM went abroad for next 31 days. Due to the unavailability of the Chairman, within time period prescribed for submission of copy of report of AGM with the registrar, the report as required was signed by two Directors of the company, of which one was additional Director of the company. Comment on the signing of this report of AGM.** 1
- (a) Yes, the signing is in order as the report can be signed by any director in the absence of Chairman.
 - (b) No, the signing is not in order as only the Chairman is authorised to sign the report
 - (c) Yes, the signing is in order, as in the absence of Chairman at least two directors should sign the report.
 - (d) No, the signing is not in order, since in case the Chairman is unable to sign, the report shall be signed by any two directors of the company, one of whom shall be the Managing director, if there is one and company secretary of the company.
- Q.5 Yellow Limited’s General Meetings are held at its registered office situated in Kochi. The minute book of General meetings of Yellow Limited will be kept at:** 1
- (a) That place where members of Yellow Limited will decide.
 - (b) That place where all employees of Yellow Limited will decide.
 - (c) Registered office of the company Yellow Limited.
 - (d) That place where senior officials of Yellow Limited will decide.
- Q.6 Red Limited is accepting deposits of various tenures from its members from time to time. The current Register of Deposits, maintained at its registered office is complete. State the minimum period for which it should mandatorily be preserved in good order.** 1
- (a) Four years from the financial year in which the latest entry is made in the Register.
 - (b) Six years from the financial year in which the latest entry is made in the Register.
 - (c) Eight years from the financial year in which the latest entry is made in the Register.
 - (d) Ten years from the latest date of entry.

- Q.7** Every company shall pay a penal rate of interest of ----- per annum for the overdue period in case of deposits, whether secured or unsecured, matured and claimed but remaining unpaid: 1
- (a) 9%
 (b) 14%
 (c) 18%
 (d) 24%

DIVISION B - DESCRIPTIVE QUESTION

Q. No. 1 is compulsory

Attempt any four questions from the Rest

- Q.1 (a)** TST Limited has Equity Share Capital of 10000 shares @ ₹ 10 each. The Company has received a requisition from Mr. A & Mr. B each holding 1500 equity shares to call an Extraordinary general Meeting to remove Managing Director of the company who has been found to be involved in some malpractices. The company failed to call the said meeting. The requisitionists desires to call the meeting by themselves to pass the resolution to remove the Managing Director. Explain the validity of such resolution passed in the said meeting referring the provisions of the Companies Act, 2013. 5
- (b)** Perfect Limited Company raised the secured deposit of ₹ 100 crores on 30th June, 2021 from the public on interest @ 12% p.a. repayable after 3 years. The charges has been created within prescribed time in favour of trustee of depositors against the deposit taking following assets of the company as security: 4
- | | |
|-------------------|-------------|
| Land & Building | ₹ 60 crores |
| Plant & Machinery | ₹ 20 crores |
| Factory Shed | ₹ 20 crores |
| Trade mark | ₹ 20 crores |
| Goodwill | ₹ 25 crores |
- Explain the validity of the charges created with reference to the Companies (Acceptance of Deposit) Rules, 2014.
- Q.2** Krish (Private) Limited on 7th May 2022 obtained ₹ 25 lakhs working capital loan by offering its Stock and Accounts Receivables as security and ₹ 5 Lakhs adhoc overdraft on the personal guarantee of a Director of Krish (Private) Limited, from a financial institution. Is the company required to create charge for working capital loan and adhoc overdraft in accordance with the provisions of the Companies Act, 2013? 4
- Q.3** Sasha Private Limited received ₹ 3,00,000 from one of the relatives of a Director. The said relative has furnished a declaration that the amount was received by him from his mother as a gift. Decide as per the relevant provisions of the Companies Act, 2013, whether the said amount received by the company will be considered as deposits or not. 4
- Q.4** 'A' and his wife 'B' has joint Demat Account in Vrinda Limited. The company's Annual General Meeting is to be held on 28.08.2022. In such a case, who will cast the vote in the Annual General Meeting? Give your answer as per the provisions of the Companies Act, 2013. 4

- Q.5** Bows Limited is required to create a charge on one of its assets. However, the above charge could not be registered within the required period of 30 days. State the provisions related to extension of time and procedure for registration of charges, in case when the charge was not registered within 30 days of its creation. 4
- Q.6** The Articles of Association of ABC Limited require the personal presence of 7 members to constitute quorum of General Meetings. The company has 870 members as on the date of meeting. The following persons were present in the extra-ordinary meeting to consider the appointment of Managing Director: 4
- (i) A, the representative of Governor of Karnataka.
 - (ii) B and C, shareholders of preference shares,
 - (iii) D, representing Green Limited and Blue Limited
 - (iv) E, F, G and H as proxies of shareholders.
- Can it be said that the quorum was present in the meeting?

