

Chapter-1 Classification of Companies

RTP-May 2022		
Definition of Listed Company [Sec 2(52)]		
Q1. Following are some of the securities, issued by different companies related with each other, as follows:-		
Company	Securities Issued	Remarks
Kleshrahit Ltd.	Listed non-convertible redeemable preference shares issued on private placement basis in terms of relevant SEBI Regulations.	Has the power to appoint 2/3 directors in Indriyadaman Ltd.
Indriyadaman Ltd.	Listed non-convertible debt securities issued on private placement basis in terms of relevant SEBI Regulations.	Holding 60% voting power in Sajagta (P) Ltd.
Sajagta (P) Ltd.	Listed non-convertible debt securities issued on private placement basis in terms of relevant SEBI Regulations	The company holds 52% equity shares in Pratibodh Ltd. As an investment on behalf of another company in a capacity of a trustee
<p>Equity shares issued by the Kleshrahit Ltd. And Indriya daman Ltd. Are not listed in any of the recognized stock exchanges.</p> <p>In the context of aforesaid facts, answer the following question(s):-</p> <p>a) Whether the aforesaid companies can be considered as listed company(ies)?</p> <p>b) Explain the relationship between the aforesaid companies?</p>		

Exam-July 21, MTP March 24
Section 2(85)
<p>Q2. The information extracted from the audited Financial Statement of Smart Solutions Private Limited as at 31st March 2020 is as below:</p> <p>(1) Paid-up equity share capital '50,00,000 divided into 5,00,000 equity shares (carrying voting rights) of 10 each. There is no change in the paid-up share capital thereafter.</p> <p>(2) The turnover is 2,00,00,000.</p> <p>It is further understood that Nice Software Limited which is a public limited company is holding 2,00,000 equity shares fully paid-up of Smart Solutions Private Limited Smart Solutions Private Limited has filed its Financial Statement for the said year with the Registrar of Companies (ROC) excluding the Cash Flow Statement within the prescribed time line during the financial year 2020-21. The ROC has issued a notice to Smart Solutions Private Limited as it has failed to file the cash flow statement along with the Balance Sheet and Profit and Loss Account. You are to advise on the following points explaining the provisions of the Companies Act, 2013:</p> <p>(i) Whether Smart Solutions Private Limited shall be deemed to be a small company whose significant equity shares are held by a public company?</p> <p>(ii) Whether Smart Solution Private Limited has defaulted in filing its financial statement?</p>

Chapter-2

Incorporation of Company

RTP-May 2022/MTP Dec 2024

Definition Of Promoter

Q3. Mr. Abhi is a Chartered Accountant and MBA by profession, has been appointed as an Executive Director on the Board of XYZ Limited. His job profile includes advising the Board of Directors of the company on various compliance matters, strategies, business plans, and risk matters relating to the company. Keeping in view of above position whether Mr. Abhi can be classified as the Promoter of XYZ Limited? Please examine the same under the provisions of the Companies Act, 2013.

RTP-November 2019

Section 3A

Q4. Red Limited was incorporated on 1st April, 2014 is facing severe effects of depression of the economy. Owing to its bad financial status most of the members have started withdrawing their holding from the company. The company had 250 members on 10th January, 2019. By 15th January, 2019, 244 members had withdrawn their holding. No new member has invested in the company after 15th February till date. Now, Mr. A, an existing member has approached you to advise him regarding his liabilities in such a situation.

RTP-May 2020, MTP-April 2021, MTP July 2025

Section 5-Entrenchment Clause

Q5. Yadav Dairy Products Private limited has registered its articles along with memorandum at the time of registration of company in December, 2014. Now directors of the company are of the view that provisions of articles regarding forfeiture of shares should not be changed except by a resolution of 90% majority. While as per section 14 of the Companies Act, 2013 articles may be changed by passing a special resolution only. Hence, one of the directors is of the view that they cannot make a provision against the Companies Act, 2013. You are required to advise the company on this matter.

OR

The Articles of Association of a Company may contain provisions for entrenchment under Section 5 of the Companies Act, 2013. What is meant by entrenchment provisions in this context? Also State the relevant provisions of the said Act dealing with entrenchment provisions.

OR

Mr. Shyamlal is a B. Tech in computer science. He has promoted an IT start up and got it registered as a Private Limited Company. Initially, only he and his family members are holding all the shares in the company. While drafting the Articles of Association of the company, it has been included that Mr. Shyamlal will remain as a director of the company for lifetime. Mr. Mehra, a close friend of Mr. Shyamlal has warned him (Mr. Shyamlal) that in future if 75% or more shares in the company are held by non- family members then by passing a Special Resolution, the relevant articles can be amended and Mr. Shyamlal may be removed from the post of director. Mr. Shyamlal has approached you to advise him for protecting his position as a director for lifetime. Give your answer as per the provisions of the Companies Act, 2013.

Exam-May 2018, MTP-October 2020, RTP May 2021

Section-8

Q6. Alpha Ltd., A Section 8 company is planning to declare dividend in the Annual General Meeting for the Financial Year ended 31-03-2018. Mr. Chopra is holding 800 equity shares as on date. State whether the act of the company is according to the provisions of the Companies Act, 2013.

MTP-August 2018, MTP-March 2019, MTP Dec 2024

Section-8

Q7. Alfa school started imparting education on 1.4.2010, with the sole objective of providing education to children of weaker society either free of cost or at a very nominal fee depending upon the financial condition of their parents. However, on 30th March 2018, it came to the knowledge of the Central Government that the said school was operating by violating the objects of its objective clause due to which it was granted the status of a section 8 company under the Companies Act, 2013. Describe what powers can be exercised by the Central Government against the Alfa School, in such a case?

MTP April 2022, MTP March 2025

Section-8

Q8. One of the matters contained in the articles of Dhimaan Foundation, incorporated as a limited company under section 8 of the Companies Act, 2013, was altered by passing a special resolution in its general meeting and thereafter, intimation for the same was given to Registrar of Companies.

However, such alteration in the articles was opposed by Dhvaj & Co., a partnership firm which is its member that there such alteration was not valid.

Advise, as per the provisions of the Companies Act, 2013, whether the contention of Dhvaj & Co. was valid and whether it can be a member in such company?

MTP-April 2021

Section 10A

Q9. Mr. Dinesh incorporated a new Private Limited Company under the provisions of the Companies Act, 2013 and desires to commence the business immediately. Please advise Mr. Dinesh about the procedure for commencement of business as laid under the provisions of the Section 10A of the Companies Act, 2013

MTP APRIL 2022

Sec 20-Service Of Documents

Q10. Amar, a director of Gokul Electricals Ltd. gave in writing to the company that the notice for any general meeting and of the Board of Directors' meeting be sent to him only by registered post at his residential address at Kanpur for which he deposited sufficient money. The company sent notice to him by ordinary mail under certificate of posting. Amar did not receive this notice and could not attend the meeting and contended that the notice was improper. Decide, as per the provisions of the Companies Act, 2013:

(i) Whether the contention of Amar is valid.

(ii) Will your answer be the same if Amar remains in U.S.A. for one month during which the notice of the meeting was served and the meeting was held?

MTP-May 2020

Doctrine Of Indoor Management

Q11. The directors of Smart Computers limited borrowed a sum of money from Mr. Tridev. The company's articles provided that the directors may borrow on bonds such sums as may, from time to time, be authorized by resolution passed at a general meeting of the company. The shareholders claimed that there had been no such resolution authorizing the loan, and therefore, it was taken without their authority and the company is not bound to repay the loan to Tridev. In the light of the contention of shareholders, decide whether the company is bound to pay the loan

Chapter-6

Prospectus and Allotment of Securities

RTP May 2025

Section 29

Q12. Grab Ltd., an unlisted company, intends to make a public offer of securities. However, they are not sure about the compliance requirements for issuing securities in dematerialised form. You being an expert, guide Grab Ltd, on the relevant provisions of the Companies Act, 2013 and whether Grab Ltd. is eligible to issue its securities?

RTP-Nov 2018, PYQ Nov 2018

Section 31-Shelf Prospectus

Q13. 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?

OR

What is a Shelf-Prospectus? State the important provisions relating to the issuance of Shelf Prospectus under the provisions of Companies Act, 2013.

EXAM May 2022, MTP Aug 2024

Section 32 Prospectus

Q14. The Board of Directors of ABC Limited are proposing to raise funds 5 from the public through issue of equity shares. However, due to volatile financial markets, the price per share and the number of shares to be issued are left open and to be decided post-closure of the issue. As a financial advisor of the company, what would you suggest to the Board in this regard as per the provisions of the Companies Act, 2013?

PYQ-NOV 2010

Underwriting Commission

Q15. Unique Builders Limited decides to pay 2.5% of the value of debentures as underwriting commission of the underwriters but the articles of the company authorize only 2.0% underwriting commission on debentures. The company further decides to pay underwriting commission in the form of flats. Examine the validity of the above arrangements under the provisions of the Companies Act, 2013.

MTP-May 2019

Sec 39 & 40-Minimum Subscription & Application Money

Q16. Explain various instances which make the allotment of securities as irregular allotment under the Companies Act, 2013.

MTP-March 2021, MTP March 2025

Section 42-Private Placement

Q17. Prakash Limited wants to raise funds for its upcoming project. Accordingly, it has issued private placement offer letters for issuing equity shares to 55 persons, of which four are qualified institutional buyers and remaining are individuals. Before the completion of allotment of equity shares under this offer letter, company issued another private placement offer letter to another 155 persons in their individual names for issue of its debentures. Being a public company is it possible for Prakash Limited to issue securities under a private placement offer? By doing so, whether the company is in compliance with provisions relating to private

placement or should these offers be treated as public offers? What if the offer for debentures is given after allotment of equity shares but within the same financial year?

OR

Examine that following offers of ABC Limited are in compliance with provisions of the Companies Act, 2013, related to private placement or should these offers be treated as public:

(i) ABC Limited wants to raise funds for its upcoming project. It has issued private placement offer letters to 55 persons in their individual name to issue its equity shares. Out of these four are qualified institutional buyers.

(ii) If in case (i) before allotment under this offer letter company issued another private placement offer to another 155 persons in their individual name for issue of its debentures.

(iii) Being a public company can it issue securities in a private placement offers?

MTP March 2022

Section 42-Private Placement

Q18. Swati Limited is intending to issue its securities on private placement basis. Explain to the directors of the company, the provisions of the Companies Act, 2013, on the following matters:

(i) Meaning of Private Placement

(ii) 'Time Limit for Allotment of Securities' and 'repayment of application money in case of default in allotment.'

Chapter-7 Share and Share Capital

Exam-May 2018

Section 43-Issue Of Shares With Differential Rights

Q19. Can equity share with differential voting rights be issued? If yes, state the conditions under which such shares may be issued.

MTP August 2025

Section-52

Q20. Crystal Harvest Ltd. has an authorized share capital of 1,50,000 equity shares of Rs. 100 each, and a balance of Rs. 1.75 crore in its Securities Premium Account as of 31st March 2025. The Board of Directors is considering the use of this balance for general business purposes. Discuss whether the Securities Premium Account can be applied for such purposes under the provisions of the Companies Act, 2013.

Exam-November 2020

Sec 53-Issue Of Shares At Discount

Q21. ABC Limited is a public company incorporated in New Delhi. The Board of Directors (BOD) of the company wants to bring a public issue of 100000 equity shares of ' 10 each. The BOD has appointed an underwriter for this issue for ensuring the minimum subscription of the issue. The underwriter advised the BOD that due to current economic situation of the Country it would be better if the company offers these shares at a discount of 1 per share to ensure full subscription of this public issue. The of Directors agreed to the suggestion of underwriter and the shares at a discount of '1 per share. The issue was fully subscribed and the shares were allotted to the in due course. Decide whether the issue of shares as mentioned above is valid or not as per Section 53 of Companies Act 2013.What would be your answer in the above case if the shares are issued to employees as Sweat equity shares?

MTP-May 2020, RTP-Nov 2021

Forged Transfer

Q22. 500 equity shares of ABC Limited were acquired by Mr. Amit, but the signature of Mr. Manoj, the transferor, on the transfer deed was forged. Mr. Amit, after getting the shares registered by the company in his name, sold 250 equity shares to Mr. Abhi on the strength of the share certificate issued by ABC Limited. Mr. Amit and Mr. Abhi were not aware of the forgery. What are the liabilities/rights of Mr. Manoj, Amit and Abhi against the company with reference to the aforesaid shares?

Exam Nov 2018, RTP May 2018

Sec 58-Refusal For Registration Of Transfer Of Shares

Q23. 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?

EXAM Nov 2022, RTP Nov 2023, RTP May 2025

Section 61-Alteration Of Share Capital

Q24. Anika Limited has an Authorized Capital of 10,00,000 equity shares of the face value of 100 each . Some of the shareholders expressed their opinion in the Annual General Meeting that it is very difficult for them to trade in the shares of the company in the stock market and requested the company to reduce the face value of each share to 10 and increase the number of shares to 1,00,00,000 . Examine , whether the request of the shareholders is considerable and if so , how the company can alter its share capital as per the provisions of the Companies Act , 2013 ?

PYQ-MAY 2017

Sec 62-Right Offer

Q25. ABC company limited is holding 46% of total equity shares in SV Company Ltd. The Board of Directors of SVS Company Ltd. (incorporated on January 1, 2014) decided to raise the share capital by issuing further equity shares. The Board of Directors resolved not to offer any shares to ABC company Ltd. On the ground that it was already holding high percentage of the total number of shares already issued, in SVS company Ltd. The Articles of Association of SVS company limited provide that the new shares be offered to the existing shareholders of the company. On march 1, 2014 new shares were offered to all the shareholders except ABC Company limited. Referring to the provisions of the Companies Act, 2013, examine the validity of the decision of the Board of Directors of SVS Company Limited of not offering any further shares to ABC company limited.

MTP-March 2018

Sec 62-Preferential Allotment

Q26. Dhyan Dairy Ltd., a dairy products manufacturing company wants to set-up a new processing unit at Udaipur. Due to paucity of funds, the existing shareholders are not willing to fund for expansion. Hence, the Company approached Shayam Ltd. for subscribing to the shares of the Company for expansion purposes. Can Dhyan Dairy Ltd. issue shares only to Shayam Ltd. under the provisions of the Companies Act, 2013? If so, state the conditions.

RTP Nov 2018

Sec 62-Issue Of Shares On Preferential Basis

Q27. 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?

Exam-Nov 2019

Sec 62-Issue Of Right Shares

Q28. X Ltd. issued a notice on 1st Feb, 2018 to its existing shares holders offering to purchase one extra share for every five shares held by them. The last date to accept the offer was 15th Feb, 2018 only. Mr. Kavi has given an application to renounce the shares offered to him in favour of Mr. Ravi, who is not a shareholder of the company. Examine the validity of application of Mr. Kavi under the provisions of the Companies Act, 2013. Would your answer differ if Mr. Kavi is a shareholder of X Ltd.?

MTP March 2023

Sec-62

Q29. Shilpi Developers India Limited owed to Sunil ` 10,000. On becoming this debt payable, the company offered Sunil 100 shares of ` 100 each in full settlement of the debt. The said shares were allotted to Sunil as fully paid-up in lieu of his debt. Examine the validity of this allotment in the light of the provisions of the Companies Act, 2013.

Exam-November 2020

Sec 66-Reduction Of Share Capital

Q30. The Authorized share capital of SSP limited is Rs 5 crore divided into 50 lakhs equity shares of Rs 10 each. The company issued 30 lakhs equity shares for subscription which was fully subscribed. The company called so far Rs 8 per share and it was paid up. Later on the company proposed to reduce the Nominal value of equity share from Rs 10 each to Rs 8 each and to carry out the following proposals :

i) Reduction in authorized capital from Rs 5 crore divided into 50 lakhs equity shares of Rs 10 each to Rs 4 crore divided into 50 lakhs equity shares of Rs 8 each.

ii) Conversion of 30 lakhs partly paid up equity shares of Rs 8 each to fully paid up equity shares of Rs 8 each there by relieving the shareholders from making further payment of Rs 2 per share.
State the procedures to be followed by the company to carry out the above proposals under the provisions of the companies act, 2013

Exam-Nov 2016

Section 68-Buy-Back Of Securities

Q31. XYZ Company Limited a general meeting of members of the company passes an ordinary resolution to buy-back 30% of the equity share capital. The articles of the company empower the company for buy-back of shares. The company further decides that the payment for buy-back be made out of the proceeds of the company's earlier issue of equity shares. Explaining the provisions of the Companies Act, 2013 and stating the sources through which the buy-back of companies own shares be executed, examine:-

Whether company's proposal is in order?

Would your answer be still the same in case the company, instead of 30%, decides to buy-back only 20% of its equity share capital?

MTP-Aug 2018

Sec 71-Debenture

Q32. Write short notes on the following in respect of the provisions of the Companies Act, 2013:

(i) Creation of debenture redemption reserve account.

(ii) Appointment of 'Debenture Trustee' by a company.

Chapter-8

Acceptance of Deposits by the Company

Exam-Dec 2021

Section 2(31)- Definition

Q33. Discuss the following situations in the light of 'Deposit provisions' as contained in the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.
Bhupendra, one of the Directors of Moon Technology Private Limited, a start-up company, requested his close friend Paras to lend to the company ' 20.00 lacs in a single tranche by way of a convertible note repayable within a period of six years from the date of its issue. Advise whether it is a deposit or not.

MTP-April 2022

Section 2(31)- Definition

Q34. Comment quoting relevant provisions of the Companies Act, 2013, whether the following amounts received by a company will be considered as deposits or not:
Comment quoting relevant provisions of the Companies Act, 2013, whether the following amounts received by a company will be considered as deposits or not:
(i) ` 2,00,000 received by Yash Limited from its employee Mr. A, who draws an annual salary of ` 1,50,000, as a non-interest bearing security deposit under a contract of employment.
(ii) Textile Traders Limited received a loan of ` 30,00,000 from R who is one of its directors.

MTP MARCH 2023

Section 2(31)- Definition

Q35. Enumerate the amounts which when received by a company in the ordinary course of business are not to be considered as deposits. (Write any three)

Exam-May 2019

Section 73-Prohibition On Acceptance Of Deposits From Public

Q36. Explain provisions for 'Appointment of Trustee for Depositors' under the Companies Act, 2013.

Exam-Dec 2021

Section 73-Prohibition On Acceptance Of Deposits From Public

Q37. Discuss the following situations in the light of 'Deposit provisions' as contained in the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.
(ii) Shriram Readymade Garments Limited wants to accept deposits of ' 50.00 lacs from its member for tenure, which is less than six months. Is there any possibility to do so?
(iii) The turnover of Y Ltd. is ' 400 crore as per last audited financial statement and net worth is ' 50 crores. Can Y Ltd. accept deposits from the public as per section 73 of the Companies Act, 2013?

RTP May 2019

Sec 76-Acceptance Of Deposits From Public

Q38. Ashish 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 Ashish Ltd. for accepting deposits from public other than its members.

Exam-May 2022

Sec 76-Acceptance Of Deposits From Public

Q39. Explain, the provision relating to ' Credit Rating ' which an ' Eligible Company ' should follow to raise public deposits as per the Companies Act, 2013.

EXAM NOV 2022, RTP Nov 2023, RTP Sept 2025

Sec-76

Q40. 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:

Land & building 60 Crores

Plant & machinery 20 Crores

Factory shed 20 Crores

Trademark 20 Crores

Goodwill 25 crores

Explain the validity of the charges created with reference to the companies (Acceptance of deposits) Rules, 2014

Chapter-9

Registration of Charges

Exam-May 2022

SEC 78

Q41. Beauty Limited obtained a working capital loan from a Nationalized Bank against the hypothecation of Stocks & do Accounts receivable of the Company, An instrument creating the di charge was duly signed by the Company and the Bank. The Company is not willing to register the charges with the Registrar of Companies In the light of the provisions of the Companies Act, 2013, discuss:

- (ii) Is there any provision empowering the Nationalized Bank (charge holder) to get the charges registered?
 (iii) When can the Registrar refuse to register the charges in the present scenario?

RTP-May 2018, MTP-April 21, MTP April 22, PYQ May 2023, MTP Dec 2024

Sec 80-Date Of Notice Of Charge

Q42. Mr. A is working with a reputed Chartered Accountant firm in Delhi. After gaining an experience of 5 years, now Mr. A is planning to open his own firm A and Associates. He has now purchased a commercial property in Delhi belonging to Kesha Limited after entering into an agreement with the company. At the time of registration, Mr. A comes to know that the title deed of the company is not free and the company expresses its inability to get the title deed transferred in his name contending that he ought to have the knowledge of charge created on the property of the company. Explain, whether the contention of Kesha Limited is correct? Give your answer with respect to the provisions of the Companies Act, 2013

Or

Mr. Parth purchased a commercial property in Delhi belonging to PQR Limited after entering into an agreement with the company. At the time of registration, Mr. Parth comes to know that the title deed of the company is not free and the company expresses its inability to get the title deed transferred in his name contending that he ought to have the knowledge of charge created on the property of the company. Explain, whether the contention of PQR Limited is correct? Give your answer as per the provisions of the Companies Act, 2013.

MTP-March 2019, RTP May 2019, MTP-Oct 2020, RTP NOV 2020/ MTP Aug 2024

Sec 83-Intimation Of Satisfaction By Any Other Person

Q43. What are the powers of Registrar to make entries of satisfaction and release of charges in the absence of any intimation from the company. Discuss this matter in the light of provisions of the Companies Act, 2013.

Or

Ranjit acquired a property from ABC Limited which was mortgaged to OK Bank. He settled the dues to Ok Bank in full and the same was registered with the sub-registrar who has noted that the mortgage has been settled. But neither the company nor OK Bank has filed particulars of satisfaction of charge with the Registrar of Companies. Can Mr. Ranjit approach the Registrar and seek any relief in this regard? Discuss this matter in the light of provisions of the Companies Act, 2013.

Chapter-10

Registers and Returns

RTP-Nov 2023

Sec-88

Q44. The paid-up share capital of Golden Shoes Limited is ₹ 25,00,000 divided into 2,50,000 equity shares of ₹ 10 each. Some of the shareholders holding 2,500 equity shares are residents of London for whom a foreign register of shareholders is opened thereat on November 1, 2022. Advise Golden Shoes Limited, within how much time after opening of 'foreign register', it is required to file with the Registrar of Companies, a notice of situation of the London office.

Exam May 2018, Exam Nov 2018, MTP-October 2020, RTP-November 2021, PYQ Nov 2023, MTP July 2024

Sec 92-Annual Return

Q45. Bazaar Limited called its AGM in order to lay down the financial statements for Shareholders' approval. Due to want of Quorum, the meeting was cancelled. The directors did not file the annual returns with the Registrar. The directors were of the idea that the time for filing of returns within 60 days from the date of AGM would not apply, as AGM was cancelled. Has the company contravened the provisions of Companies Act, 2013? If the company has contravened the provisions of the Act, how will it be penalized?

OR

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.

OR

Wills Private Limited convened its Annual General Meeting (AGM) with the intention of presenting financial statements for approval by the shareholders. However, due to the absence of the required quorum, the meeting had to be cancelled. Subsequently, the company's directors forgot to submit the annual return to the RoC. The directors held the belief that the 60 days' time frame for filing return from the AGM's date would not apply, since the AGM itself was cancelled. Has the company violated the stipulations outlined in the Companies Act, 2013? In case, if the company has breached the provisions of the Act, what are the potential penalties it might face

OR

Enumerate the provisions of the Companies Act, 2013 in respect to the following:

- (i) Time limit for filing of annual return when Annual General Meeting is held.
- (ii) Time limit for filing of annual return when Annual General Meeting is not held.

RTP May 2025

Q46. ABC Pvt. Ltd. is a One Person Company (OPC) incorporated in 2024. The company has not appointed a company secretary due to its small scale of operations. At the end of the financial year 2024-25, the company needs to file its annual return. The director in state of dilemma, consulted the company law expert whether they need to submit a full- fledged annual return or an abridged version and who should sign the document. Based on the provisions of the Companies Act, 2013, advise on the following:

- (i) What form should ABC Pvt. Ltd. use to file its annual return?
- (ii) Who is authorized to sign the annual return?

Exam-May 2018, MTP July 2025

Sec 94-Inspection Of Registers, Returns

Q47. M/s. Techno 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. Ranjit, Director (but not a shareholder) of the company have the right to inspect the Register of Members?

Chapter-11

General Meeting

RTP Nov 2019

Sec 96-Annual General Meeting

Q48. Rijwan Limited, a listed company, is in the business of garment manufacturing and has its registered office at 123, N Tower, Commercial Beta Complex, Biwadi, Rajasthan. The company has called its 6th Annual General Meeting at 3 PM on 22nd August, 2019 at Ansal Plaza, Bhiwadi. Some of the members of the company have opposed to calling of the meeting at Ansal Plaza. The company has approached you to advise them in this regard. Suppose, Rijwan Limited is an unlisted company and wants to call their 6th AGM at Jaipur, will your answer differ.

Exam May 2019 RTP NOV 2020

Sec 101-Notice Of Meeting

Q49. Madurai Ltd. issued a notice for holding of its Annual general meeting on 7th November 2018. The notice was posted to the members on 16th October 2018. Some members of the company allege that the company had not complied with the provisions of the Companies Act, 2013 with regard to the period of notice and as such the meeting was valid. Referring to the provisions of the Act, decide:

(i) Whether the meeting has been validly called?

(ii) If there is a shortfall, state and explain by how many days does the notice fall short of the statutory requirement?

(iii) Can the delay in giving notice be condoned?

MTP-April 2021

Sec 101-Notice Of Meeting

Q50. P Limited had called its Annual General Meeting on 30th August 2019. Mr. Pawan has filed a complaint against the company, that he could attend the meeting as the company did not serve the notice to him for attending the annual general meeting. The company, in turn, provided the proof that they had sent the notice, by way of an email to Mr. Pawan, inviting him to attend the annual general meeting of the company. Mr. Pawan alleged that he never received the email. In the light of the provisions of the Companies Act, 2013, advise the whether the company has erred in serving the notice of Annual General Meeting to Mr. Pawan

MTP March 2023

Sec-101

Q51. With a view to transact some urgent business, Ratna, Rimpi and Ratnesh, the three directors of Shilpkkaar Constructions Limited are desirous of calling a general meeting of shareholders by giving shorter notice than 21 days' clear notice. The fourth director, Nilesh is of the opinion that such an action will attract penalty provisions since there is contravention. The paid-up share capital of the company is ` 30 crores divided into 3 crores shares of ` 10 each. Keeping in view the applicable provisions of the Companies Act, 2013, discuss the possibility of calling a general meeting by giving shorter notice.

Exam-Jan 21, MTP March 2023, MTP Nov 2023

Sec 105-Proxies

Q52. A company received a proxy form 54 hours before the time fixed for the start of the meeting. The company refused to accept the proxy form on the ground that the Articles of the company provided that a proxy form must be filed 60 hours before the start of the meeting. Define proxy and decide under the provisions of the Companies Act, 2013, whether the proxy holder can compel the company to admit the proxy in this case?

MTP-April 2018

Sec 105-Proxies

Q53. Annual General Meeting of MRF Limited is convened on 28th December, 2017. Mr. Jai, who is a member of the company, approaches the company on 28th December, 2017 and demands inspection of proxies lodged with the company. Explain the legal position as stated under the Companies Act, 2013 in this regard.

Exam Nov 2018

Sec 106- Restriction On Voting Rights

Q54. ' 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.

MTP-March 2018/ MTP Nov 2024

Sec 109-Voting By Poll

Q55. Examine the validity of the following decisions of the Board of Directors with reference of the provisions of the Companies Act, 2013.

(i) In an Annual General Meeting of a company having share capital, 80 members present in person or by proxy holding more than 1/10th of the total voting power, demanded for poll. The chairman of the meeting rejected the request on the ground that only the members present in person can demand for poll.

(ii) In an annual general meeting, during the process of poll, the members who earlier demanded for poll want to withdraw it. The chairman of the meeting rejected the request on the ground that once poll started, it cannot be withdrawn.

RTP May 2024

Sec 111

Q56. Prakash and some of his friends are members of Focus Limited, a company with a paid-up share capital of Rs. one crore. They all intend to propose a resolution at the forthcoming General Meeting of the company which is going to be held in CP, New Delhi i.e. the place where Registered Office of Focus Limited is situated.

(i) Kindly provide guidance to Prakash and his friends on the requisite minimum paid-up share capital they should hold to initiate a members' resolution.

(ii) What are the other requirements that Prakash and his friends need to keep in mind for moving a members' resolution.

MTP-October 2018, MTP-April 2019, Exam-Jan 21, MTP March 22, MTP Aug 2025

Sec 118-Minutes Of The Meeting

Q57. Miraj Limited held its Annual General Meeting on September 15, 2018. The meeting was presided over by Mr. Venkat, the Chairman of the Company's Board of Directors. On September 17, 2018, 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, examine the manner in which the minutes of the above meeting are to be signed in the absence of Mr. Venkat and by whom.

OR

Moon Light Ltd. held its Annual General Meeting on September 15, 2022. The meeting was presided over by Mr. Shreeram, the Chairman of the Company's Board of Directors. On September 17, 2022, Mr. Shreeram, the Chairman, without signing the minutes of the meeting, left India to look after his father who fell sick in USA. 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. Shreeram and by whom?

MTP-October 2018, MTP-April 2019, Exam-Jan 21, MTP March 22, MTP Aug 2025

Sec 118-Minutes Of The Meeting

Q58. In a General Meeting of PQR Limited the chairman directed to exclude certain matters detrimental to the interest of the company from the minutes. M, a shareholder contended that the minutes of the meeting must contain fair and correct summary of the proceedings thereat. Decide whether the contention of M is maintainable under the Provisions of the Companies Act, 2013

Exam-July 21, Exam-May 22

Sec 119-Inspection Of Minutes Book Of Gm

Q59. Mr. Laurel a shareholder in Hardly Limited, a listed company, desires to inspect the minutes book of General meetings and to have copy of some resolutions. In the light of the provisions of the Companies Act, 2013 answer the following :

- i) Whether he can inspect the minutes book and to have copies of the minutes at free of cost?
- ii) Whether he can authorize his friend to inspect the minutes book on behalf of him by signing a power authority?

OR

Mr. Ram, a shareholder of PQR Ltd., has made a request to company for providing a copy of minutes book of general meeting. Whether the shareholder of a company is entitled to receive a copy of minutes book? Explain, provisions of de Companies Act, 2013.

MTP April 2023

Sec-119

Q60. Mr. Krish, a shareholder of ABC Ltd., has made a request to the company for providing a copy of minutes book of general meeting. His name is already entered in the register of members of the company. Whether the Mr. Krish is entitled to receive a copy of minutes book? Explain, provisions of the Companies Act, 2013

RTP May 2021, MTP April 2023

Sec 121-Report On AGM

Q61. Pristine Limited, a listed public company, conducted its Annual General Meeting on 31st August, 2020. However, 10 days have passed since 31st August, 2020, but it has still not filed report on Annual General Meeting. The Accountant of the company has approached you to advise them whether Pristine Limited is required to file report on Annual General Meeting?

OR

Ganges Limited, a listed public company, conducted its Annual General Meeting on 31st August, 2022. However, 10 days have passed since 31st August, 2022, but it has still not filed report on Annual General Meeting. The Accountant of the company has approached you to advise them whether Ganges Limited is required to file report on Annual General Meeting?

Chapter-12

Declaration & Payment of dividend

MTP-March 2018

Sec 123-Declaration Of Dividend

Q62. During the financial year 2016-17, Perfect Limited declared an interim dividend for the second time. After declaration, the Board of Directors decided to revoke the second interim dividend as its financial position was poor, to accommodate the said interim dividend.

- (i) Examine the validity of the Board's decision under the provisions of the Companies Act, 2013.
- (ii) Examine what will be your answer, if the Board proposes to transfer more than 10% of the profits of the company to the reserves for the current year before the declaration of any dividend?

Exam Nov 2019

Sec 123-Declaration Of Dividend

Q63. Referring to the provisions of the Companies Act, 2013, examine the validity of the following : The Board of Directors of Anand Ltd. proposes to declare dividend at the rate of 20% to the equity shareholders, despite the fact that the company has defaulted in repayment of public deposits accepted before the commencement of this Act.

RTP May 2020

Sec 123-Declaration Of Dividend

Q64. MNP Ltd. has a paid up share capital of ' 10 crore and free reserves of ' 50 crore, as on 31st March, 2019. The company made a loss of ' 40 lakh after providing for depreciation for the year ended 31st March, 2019 and as a result, the company was not in a position to declare any dividend for the said year out of profits. However, the Board of directors of the company announced the declaration of dividend of 20% on the equity shares payable out of free reserves. The average dividend declared by the company in the last three years is 25%. Referring to the provisions of the Companies Act, 2013, examine the validity of declaration of dividend.

Exam-November 2020

Sec 123-Declaration Of Dividend

Q65. AB Limited is a public company having its registered office in Coimbatore. The company has incurred a net loss of 20 lakhs in the Financial Year (FY) 2019-20. The Board of Directors (BOD) wants to declare dividend for the FY 2019-20. The balances of the company as per the latest audited financial statements are as follows:

1. Equity Share Capital (' 10 each) - 100 lakhs
2. General Reserve - 150 lakhs
- 3.. Debenture redemption Reserve - 50 lakhs

The company has not declared any dividend the preceding three financial years. Decide whether AB limited is allowed to declare dividend or not for the FY 2019-20 by explaining the relevant provisions of the Companies Act this regard. If allowed to declare dividend then state the maximum amount of dividend that can be paid by AB Limited as per the Section 123 of Companies Act, 2013.

MTP Aug 2025

Sec 123

Q66. Harmony Biotech Ltd., a manufacturing company, has proposed a dividend of 7.5% for the financial year 2024 2025, to be paid out of the profits earned during the same year. The company has earned a profit of ` 735 crore for the period and does not intend to transfer any amount to its general reserves. Examine as per the provisions of the Companies Act, 2013, whether Harmony Biotech Ltd. can proceed with the proposed dividend without making any transfer to reserves.

MTP April 2019, MTP April 2025

Section 125

Q67. State any 6 amounts that can be credited to the Investor Education and Protection Fund. Give your answer as per the provisions of the Companies Act, 2013.

OR

X-Sale Ltd. declared a dividend in 2015, but some shareholders did not claim it. As per the Companies Act, 2013, the unclaimed dividend was transferred to the Unpaid Dividend Account. After 2022, the unclaimed amount was transferred to the Investor Education and Protection Fund (IEPF).

On the basis of above given facts answer the following question-

- (i) Define IEPF and write what amounts are credited to the IEPF?
- (ii) How is the IEPF utilized?
- (iii) What steps should Mr. Victor, the shareholder take to reclaim his dividend?

Exam-May 2019, RTP Nov 2021

Sec-127

Q68. The Board of Directors of ABC Limited at its board meeting declared dividend on its paid-up equity share capital which was later on approved by the company's Annual General Meeting. In the meantime, the directors diverted the amount of total dividend to be paid to shareholders for purchase of investments for the company. Due to this dividend was paid to shareholders after 45 days declaration. Examining the provisions of the Companies Act, 2013, state whether the act of directors is in violation of the provisions of the Companies Act, 2013. Also explain what the consequences of the above act of directors are.

RTP-Nov 2023

Sec-127

Q69. The dividend amounts received or receivable on equity shares held by Mr. Vaibhav for the financial year 2021-22 was as follows:

Name of the Company	Dividend Declaration Date	Dividend Amount (₹)	Remarks
Suvaas Limited	25.08.2022	800	Dividend was paid on 23.10.2022.
Bhandol Nidhi Limited	04.09.2022	100	Dividend was not paid within the stipulated time period.

Also, Mr. Vaibhav holds 100 cumulative preference shares of face value ₹ 1,00,000, in aggregate, of Jipanti Limited on which dividend payable is at the rate of 8% p.a. However, during financial year 2021-22, Jipanti Limited did not earn any profits.

In the context of aforesaid case-scenario, please answer to the following question(s):-

- (a) What could be the punishment to the company(ies) aforesaid in the table, with respect to delayed payment of dividend amount(s)?
- (b) Whether Jipanti Ltd. is required to pay dividend on cumulative preference shares for financial year 2021-22?

Chapter-13

Accounts of Companies

MTP-April 2018, EXAM-Nov 2019, MTP-March 21, RTP Nov 22, RTP May 2024, MTP Dec 2024

Sec 128-Books Of Accounts Etc. To Be Kept By The Company

Q70. State the persons responsible for complying with the provisions regarding maintenance of Books of Accounts of a Company. Support with the help of relevant provisions of the Companies Act, 2013.

RTP May 2025

Section 129

Q71. Madan Pvt. Ltd. is a partially owned subsidiary of Puri Ltd., holding 90% of its shares. The company does not have any listed securities and is not in the process of listing on any stock exchange. Puri Ltd., the holding company, prepares and files consolidated financial statements (CFS) with the Registrar in compliance with applicable Accounting Standards.

Considering the above, analyze and examine the following situations:

1. Is Madan Pvt. Ltd. required to prepare its own consolidated financial statements? What are the requisite conditions for the same?
2. How does it matters, if Madan Pvt. Ltd. had securities listed on a recognized stock exchange?

Exam May 2022, MTP April 2024, MTP July 2024

SEC 129A

Q72. XYZ Ltd. received a communication from Central Government for preparation of periodical financial results and complete audit or limited review of such periodical financial results. The Board of Directors have raised an objection on the ground that as, it is an unlisted company, periodical financial results need not to be prepared. Examine, referring the provisions of the Companies Act, 2013, in this regard.

Or

Crystal Limited recently received a communication from the Central Government requesting the preparation of periodical financial results along with the completion of either a full audit or a limited review of these financial results. The Board of Directors, however, has raised an objection, arguing that Crystal Limited, being an unlisted company, are not obligated to prepare periodical financial results.

Analyze the situation, citing relevant provisions of the Companies Act, 2013, with respect to the company's obligation regarding the preparation of periodical financial results.

MTP-Aug 2018, Exam Dec 2021, MTP March 2024

Sec 134-Financial Statement, Board Report Etc.

Q73. The Companies Act, 2013 has prescribed an additional duty on the Board of Directors to include in the Board's Report a 'Directors' Responsibility Statement'. Explain briefly the details to be furnished in the said statement.

Or

State any four contents of a Directors Responsibility Statement as required under Section 134 of the Companies Act, 2013.

MTP-May 2020, RTP-May 2020

Sec 134-Financial Statement, Board Report Etc.

Q74. ABC Limited has on its Board, four Directors viz. W, X, Y and Z. In addition, the company has Mr. D as the Managing Director. The company also has a full time Company Secretary, Mr. C, on its rolls. The financial statements of the company for the year ended 31 March, 2019 were authenticated by two of the directors, Mr. X and Mr. Y under their signatures. Referring to the provisions of the Companies Act, 2013:

(i) Examine the validity of the authentication of the Balance Sheet and Statement of Profit & Loss and the Board's Report.

(ii) What would be your answer in case the company is a One Person Company (OPC) and has only one Director, who has authenticated the Balance Sheet and Statement of Profit & Loss and the Board's Report?

Exam Nov 2018

Sec 137-Copy Of Financial Statement To Be Filed With Registrar

Q75. 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.

Exam May 2019, EXAM Nov 2022, RTP May 2024

Sec 137-Copy Of Financial Statement To Be Filed With Registrar

Q76. The Government of India is holding 51% of the paid-up equity share capital of Sun Ltd. The Audited financial statements of Sun Ltd. for the financial year 2017-18 were placed at its annual general meeting held on 31st August, 2018. However, pending the comments of the Comptroller and Auditor General of India (CAG) on the said accounts the meeting was adjourned without adoption of the accounts. On receipt of CAG comments on the accounts, the adjourned annual general meeting was held on 15th October, 2018 whereat the accounts were adopted. Thereafter, Sun Ltd. filed its financial statements relevant to the financial year 2017-18 with the Registrar of Companies on 12th November, 2018. Examine, with reference to the applicable provisions of the Companies Act, 2013, whether Sun Ltd. has complied with the statutory requirement regarding filing of accounts with the Registrar?

RTP May 2024

Sec 138

Q77. PQR Private Limited operates as a manufacturing company, generating a turnover of ₹ 150 crore and holds an outstanding loan of ₹ 75 crore from a public financial institution solely in the previous financial year (with a total loan availed of ₹ 110 crore, but ₹ 35 crore were repaid during the same year). The company's Board has delegated the authority to Chief Executive Officer (CEO) to designate an internal auditor to conduct internal audit. However, the CEO believes that the company is not legally obligated to have an internal auditor. Analyse the accuracy of the CEO's perspective by referring to the provisions outlined in the Companies Act, 2013. What would be your response if the Board of Directors wanted to appoint the Mr. Nagendra (an ex-employee who is a qualified Chartered Accountant) as an internal auditor?

Chapter-14

Corporate Social Responsibility

RTP Nov 2018

Section 135

Q78. Examine the validity of the following with reference to the relevant provisions of the Companies Act, 2013: Mary Ltd is a listed company having turnover of ' 1200 crores during the financial year 2016-17. The CSR committee of the Board formulated and recommended a CSR project which was approved by the Board. The company finalised the project under its CSR initiatives which require funds @ 5 % of average net profit of the company for last three financial years. Will such excess expense be counted in subsequent financial years as a part of CSR expenditure? Advise the company.

RTP Nov 2018

Sec 135-Corporate Social Responsibility

Q79. Tirupati 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 crores)

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 for the financial year 2017- 18.
 (ii) State the composition of the CSR committee unlisted company and a private company.

Chapter-15 Audit & Auditors

MTP-April 2018
Sec 140-Removal Of Auditor
<p>Q80. Mr. Honest, an auditor of MM company Ltd. has colluded with the company for a fraud. The Central Government has applied to Tribunal about the said fraud by Mr. Honest. State the provisions of the Companies Act, 2013 regarding the steps that can be taken by Tribunal when it finds that the auditor of a company has acted in a fraudulent manner.</p>

RTP MAY-22, Exam May 2023
SEC 140
<p>Q81. Abhiyogic Ltd. having 1,000 members with paid-up capital of ' 1 crore, decided to hold its Annual General Meeting (AGM) on 21st August, 2022, and it received a notice on 2nd July, 2022, from its 60 members holding paid-up capital of ' 7 lakhs, in aggregate, for a resolution to be passed at the AGM for appointing Vedy & Co., as its auditor from F.Y. 2022-23 onwards, instead of its existing auditor, Chepal & Co. which was originally appointed for 5 years term and had completed its 4 years term. Such a notice for resolution was forthwith send by the company to Chepal & Co. which gave its representation in writing to the company along with a request for its notification to the members of the company, but it was received too late (3 days before the meeting) by the company.</p> <p>In the context of aforesaid facts, please answer to the following question(s):-</p> <p>(A) Whether the said notice was given by adequate number of members within the prescribed time limit to Abhiyogic Ltd.?</p> <p>(B) Whether the company was bound to send to its members such representation made by Chepal & Co. and if it could not have been send, then in such case, what was the responsibility (ies) of the company?</p>

MTP MARCH 2022
SEC 141
<p>Q82. Advise as per the provisions of the Companies Act, 2013, with regard to appointment of auditor:</p> <p>(i) Mr. Shepra is a practicing Chartered Accountant. He holds shares in X Limited. The nominal value of these shares is ' 50,000. Whether X Limited can appoint Mr. Shepra as auditor?</p> <p>(ii) Mr. Showik, a practicing Chartered Accountant has business relationship with Primus Hotels Limited. The hotel used to provide services to Mr. Showik frequently, on the same price as charged from other customers. Whether Primus Hotels Limited can appoint Mr. Showik as its auditor?</p>

MTP MARCH 2022
SEC 141
<p>Q83. Gajendra Ltd. Was incorporated in 1995 in the town of Alwar. Its main business is manufacturing tiles. It is in the process of appointing statutory auditors for the financial year 2021 -22. Advise whether the following persons are qualified to be appointed as statutory auditor of the Gajendra Ltd :</p> <p>(i) Maninder, a qualified Chartered Accountant, holds equity shares of nominal value of ' 2,00,000 of Narender Ltd., which is an associate company of Gajendra Ltd.</p> <p>(ii) Dinesh, a qualified Chartered Accountant, whose son owes Gajendra Ltd. A sum of ' 99,000</p> <p>(iii) Rajender, a qualified Chartered Accountant, who has been convicted in the year 2005 by a Court for an offence involving fraud.</p>

RTP May 2024
Section 141

Q84. XYZ Ltd., a prominent manufacturing company, is in the process of appointing a new auditor for the upcoming financial years. Mr. A is a renowned auditor being considered for the role. During the due diligence process, the following details come to light:

1. Mr. B and Mr. A are partners in ABC & Co. Mr. B has taken a personal loan of ` 4 Lacs from XYZ Ltd.'s subsidiary, EFG Ltd., six months ago.
2. Mr. A's relative, Ms. C, has an outstanding debt of ` 2 Lacs with DEF Ltd., an associate company of XYZ Ltd., which was taken three months ago.

Discuss about the eligibility of Mr. A for being appointed as an auditor of XYZ Ltd. in view of the provisions of the Companies Act, 2013.

Exam May 2019, RTP May 2021, MTP APRIL 2023, Exam May 2023/ MTP Aug 2024

Sec 144-Audit Not To Render Certain Services

Q85. The Board of Directors of A Ltd. requested its Statutory Auditor to accept the assignment of designing and implementation of suitable financial information system to strengthen the internal control mechanism of the Company. How will you approach to this proposal, as an Statutory Auditor of A Ltd., taking into account the consequences, if any, of accepting this proposal?

MTP March 2025

Section 144

Q86. Under the Companies Act, 2013, an auditor appointed by a company is allowed to provide only those services that are approved by the Board of Directors or the Audit Committee. However, there are certain services that an auditor is expressly prohibited from rendering, whether directly or indirectly, to the company, its holding company, or its subsidiary company.

List any seven such restricted services that an auditor cannot provide.

Chapter-16 Misc. Definitions

RTP Jan 2025
Sec 2(10)-Books of Accounts
<p>Q87. Vishal Limited is an unlisted public company, having five directors in its board which includes two independent directors.</p> <p>Sam (P) Limited, is subsidiary company of Vishal Limited, actively carrying on its business, having paid up capital of Rs. 1.5 crore with 40 members and turnover of ` 18 crore, respectively and the said company is not a start-up company.</p> <p>It is also provided that Sam (P) Limited is not a start up company.</p> <p>In the context of aforesaid case-scenario, please answer to the following question(s):-</p> <p>Whether Sam (P) Limited is mandatorily required to prepare cash flow statement for the financial year as a part of its financial statements?</p> <p>Provide your answer by analyzing Sam (P) Limited into following category of companies:-</p> <ul style="list-style-type: none"> (i) Small company, and (ii) Dormant company, respectively

Exam-may 2022
Sec-2(76) - Related Party
<p>Q88. ABC Private Ltd. has two wholly-owned subsidiary companies, D Private Limited and E Private Limited. Examine, whether, D Private Limited and E Private Limited will be treated as related party as per the provisions of the Companies Act, 2013?</p>

Exam Nov 2019
Free Reserves
<p>Q89. MNO Limited are finalising its financial statements and found that the value of one of its properties has increased. The company came across certain other transactions also and got confused as to what should be included as 'free reserves'.</p> <p>The company has approached you to define to them the meaning of the term "free reserves" for dividend distribution as per the provisions of the Companies Act, 2013.</p>

MTP July 2024
<p>Q90. Define the term 'Book of account' as per the Companies Act, 2013.</p>

Chapter-18

Foreign Companies

Exam-Nov 2019

Documents, etc. to be delivered to registrar by Foreign Companies (Sec 380)

Q91. Transtar Limited, a company incorporated in Thailand, has a place of business through an agent in Bangalore. The agent transacts the business on behalf of the company through electronic mode. As regards Transtar Limited, answer the following:

- (i) Whether, Transtar Limited shall be called a foreign company within the meaning of the Companies Act, 2013?
- (ii) What are the regulatory requirements under the Companies Act, 2013 to be complied with by a company which has established its place of business in India with respect to delivery of documents etc. to Registrar?

Exam-Nov 2022

Documents, etc. to be delivered to registrar by Foreign Companies (Sec 380)

Q92. CNC Limited is a foreign company having its places of business in Mumbai and Ahmedabad in India. It has amended its Memorandum of Association on 1st June, 2022 and closed branch office situated at Mumbai. Referring to the provisions of the Companies Act, 2013 advise the company on the following matters:

- (i) Compliance procedure as regards to amendment of Memorandum of Association.
- (ii) Compliance procedure as regards to closure of Mumbai office and discontinuing submission of documents to the Registrar of Companies afterwards.

RTP May 2024

(Sec 380)

Q93. Fine Publishers, registered in Tokyo, began operating in India during the financial year 2009. The company has duly submitted all necessary documents to the registrar within the specified due date. On 1st March, 2023, Fine Publishers has shifted its principal office in Tokyo. Is Fine Publishers required to undertake any steps due to change in address of principal office. Give your answer in reference to the provisions of the Companies Act, 2013.

MTP March 2024

Sec 381

Q94. Gato Limited dealing in coloured contact lenses, is a company incorporated in Singapore. The said company is operating in India through its branch office in Kolkata. The company has approached its legal department to state the relevant provisions of the Companies Act, 2013 and rules made thereunder relating to preparation and filing of financial statements in case of such a company.

Exam-July 2021

Accounts of Foreign Company (Sec 381)

Q95. MNO Ltd., a foreign Joint Venture Company having its established place of business in India and following International Financial Reporting Standards (IFRS) and its financial statement being prepared in German language desires to know the following with regard to submission of its financial statements to the Registrar of Companies in India. Its area office is located at Mumbai:

- (i) Submission of financial statements in German Language;
- (ii) Format of financial statements as per IFRS;
- (iii) How authentication of its financial statements is to be done?
- (iv) Whether the documents can be submitted at the Registrar's office at Mumbai?

Exam-Dec 2021

Accounts of Foreign Company (Sec 381)

Q96. Vibay Pte, a company incorporated in Singapore is having a liaison office in Delhi. The Liaison office seeks your advice regarding the documents to be filed with the Registrar along with the financial statement under the Companies Act, 2013 read with the Companies (Registration of Foreign Companies) Rules, 2014

Exam-Jan 2021

Q97. Phil Heath Systems Incorporated (PHSI), is a foreign Company registered in Australia and has established a place of business in India. The financial statements pertaining to the Indian business operations for the year ended 31st March, 2022 were prepared by the Company. Referring to the provisions of the Companies Act, 2013, advise the Company on the following matters:

- (i) Whether the accounts of the Company pertaining to Indian business operations shall be 8.19 audited? If yes, by whom?
- (ii) What is the due date for filing the audited financial statements with the Registrar of Companies
- (iii) What is the effect of the contracts entered by an Indian Company with PHSI in case PHSI has not filed financial statements with the ROC?
- (iv) In which e-form and within what period, the annual return of the Indian operations of the foreign company shall be filed with the Registrar of Companies?

MTP Dec 2024

Section 393

Q98. XYZ Limited, a company incorporated outside India and to which provisions of Chapter XXII of the Companies Act, 2013 are applicable, entered into a contract with ABC Limited, an Indian company, for the supply of machinery. After the machinery was delivered, ABC Limited failed to make the payment citing defects in the machinery.

XYZ Limited discovered that it had failed to comply with certain provisions of Chapter XXII of the Companies Act, 2013, relating to the registration of foreign companies in India. Despite this, XYZ Limited intends to file a suit against ABC Limited for payment.

Discuss whether XYZ Limited can initiate legal proceedings against ABC Limited in light of the non-compliance with Chapter XXII of the Companies Act, 2013.

Give your answer as per the provisions of the Companies Act, 2013 [read along with the Companies (Registration of Foreign Companies) Rules, 2014].

MTP March 2025

Q99. Namaste Limited, a foreign company having its Indian principal place of business at Ranchi, Jharkhand is required to deliver various documents to Registrar of Companies under the provisions of the Companies Act, 2013. State where should the said company deliver such documents.

Chapter-19

The Limited Liability Partnership Act, 2008

RTP May 2025

Small LLP

Q100. JEET LLP is a small-scale consulting firm. For the financial year 2024-25, the firm reported a total contribution of ₹ 20 lakh and an annual turnover of ₹ 35 lakh as per its Statement of Accounts and Solvency. The LLP intends to avail benefits granted to small LLPs under the Limited Liability Partnership Act, 2008.

(a) Based on the given financial details, determine whether JEET LLP qualifies as a "Small LLP" under the LLP Act, 2008.

(b) If JEET LLP plans to expand its business and projects and resulting turnover exceeding ₹ 50 crore in the next financial year, determine the legal position as to the nature of the LLP as a "Small LLP".

MTP Aug 2024

Q101. Define the term 'Body Corporate' as per the provisions of the Limited Liability Partnership Act, 2008.

MTP Nov 2024

Q102. Define the term 'Financial Year' as per the provisions of the Limited Liability Partnership Act, 2008.

MTP March 2024

Sec 7

Q103. Mohan and Rakul are college friends and intend to do trading in musical instruments. They have met Mr. John and Ms. Kate who are non-resident Indian and they all have decided to form a Limited Liability Partnership (LLP) under the name and style of Mohan John LLP with an initial capital contribution of ₹ 1,00,000 each. The LLP was incorporated on October 15, 2020. The LLP intends to appoint Mr. John and Ms. Kate as designated partners and consults same with its Company Secretary. You as the Company Secretary advise the LLP on the appointment of Mr. John and Ms. Kate as the only designated partners of the LLP

MTP April 2024

Sec 7

Q104. Mr. Prateek (an individual) has started a Limited Liability Partnership firm along with Brown Limited and Picture Limited. As per the provisions of the Limited Liability Partnership Act, 2008, advise Limited Liability Partnership firm, about who can be the designated partners of the firm.

MTP March 2025

Section 13

Q105. XYZ LLP was incorporated on 15th March, 2023, with its registered office in Mumbai. The LLP received a legal notice from a supplier at this address. However, the partners claim they never received the notice, as they had shifted their office to Pune on 10th January, 2024, but had not informed the Registrar about the change.

Based on the provisions of the provisions of the Limited Liability Partnership (LLP) Act, 2008, advise whether the service of notice at the Mumbai address is legally valid.

MTP Aug 2024

Section 15 and 17

Q106. M/s Sulbha LLP was incorporated on 01.09.2022. On 01.01.2023, one partner of a partnership firm named M/s Sulbha which is registered with Indian Partnership Act, 1932 since 01.01.2000 requested ROC that as the name of LLP nearly resembles with the name of already registered partnership firm, the name of LLP should be changed. Explain whether M/s Sulbha LLP is liable to change its name under the provisions of Limited Liability Act, 2008?

MTP July 2024/MTP Nov 2024

Section 24

Q107. Priya, Smita, Shilpa, and Shefali were partners in Sharma & Associates LLP. Shilpa resigned from the firm effective 7th May 2024. However, neither Sharma & Associates LLP nor Shilpa informed the Registrar of Companies about her resignation. Is Shilpa still liable for any losses incurred by the firm from transactions entered into after 7th May 2024? Analyze this situation with reference to the provisions of the Limited Liability Partnership Act, 2008.

Chapter-1

The General Clauses Act, 1897

Exam May 2018/ MTP April 2024/MTP Nov 2024

Definition

Q1. What is the meaning of the following as per provisions of the General Clauses Act, 1897?

(i) Movable Property

(ii) Person

Exam Nov 2019

Sec 3(3)-Definition Of Affidavit

Q2. Define the term "Affidavit" under the General Clauses Act, 1897.

MTP April 2025

Definition of Document

Q3. CCTV recording of an incident can be considered as a document. Explain what do you understand by the word document and how will you justify your answer in accordance with the provision of the General Clauses Act, 1897?

RTP May 2024, MTP Aug 2025

Definitions = Immovable property

Q4. Yogveer Singh has a mango orchard at Manchanga Village, Bilaspur. The orchard has more than one hundred Mango trees. Yogveer Singh has sold orchard along with all the mango trees. Explain, in the lights of provisions of the General Clauses Act 1897, whether the sale of trees will be considered as sale of Immovable Property?

RTP May 2025

Definitions = Imprisonment

Q5. Mr. N is caught stealing a bicycle, an offense punishable under the Indian Penal Code. According to Section 379 of the IPC, the punishment for theft was charged against him. Elaborate how the term "imprisonment" levied under the General Clauses Act, 1897, can be applied in line with the relevant law specified in the IPC?

MTP Nov 2023, Exam-Jan 2021, Exam-July 2021

Sec 10-Computation Of Time

Q6. PK and VK had a long dispute regarding the ownership of a land for which a legal suit was pending in the court. The court fixed the date of hearing on 29.04.2018, which was announced to be a holiday subsequently by the Government. What will be the computation of time of the hearing in this case under the General Clauses Act, 1897?

RTP NOV 2021

Sec 10-Computation Of Time

Q7. Mr. Sohan has issued a promissory note of '1000 to Mr. Mohan on 17th May 2021 payable 3 months after date. After that, a sudden holiday was declared on 20 th August 2021 due to Moharram. As per the provisions of the General Clauses Act 1897, what should be the date of presentment of promissory note for payment? Whether it should be 19 th August 2021 or 21st August 2021?

Exam Nov 2020

Sec 11-Measurement Of Distance

Q10. There are two ways to reach city A from city B. the distance between the two cities by roadways is 100 kms and by water ways 80 kms. How is the distance measured for the purpose of any central act under the provisions of the general clauses act, 1897 ?

MTP Dec 2024

Section 11

Q11. ABC Limited operates a factory situated near a river. As per a recent Central Act, factories must be located at least 5 kilometers away from any river. A dispute arises when an environmental agency claims that ABC Limited's factory is only 4.5 kilometers away from the river, while ABC Limited contends that the distance is 5.3 kilometers as per the road distance measured along the winding path leading to the river. Based on the provisions of the General Clauses Act, 1897, advise whether the contention of ABC Limited is correct.

RTP May 2024

Section 12

Q12. Mr. Chaggan Lal is an importer dealing in luxury perfumes. Recently, a new enactment was passed which imposes a duty of 15% on the value of luxury goods, including perfumes. Now Mr. Chaggan Lal has approached you to explain to him the provisions in relation to 'Duty to be taken pro rata in enactments' of the General Clauses Act, 1897. Also, help him to calculate the amount of duty on a Shipment of 100 bottles of perfumes, each valued at \$50.

Exam Nov 2018/ MTP Aug 2024

Sec 23- Provisions Applicable To Making Of Rules Or Bye-Laws After Previous Publications

Q13. 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.

Exam May 2022

Sec 23- Provisions Applicable To Making Of Rules Or Bye-Laws After Previous Publications

Q14. The Ministry of Corporate Affairs (MCA) published in the Gazette of India, the proposed draft of Rules further to amend certain rules under the Companies Act, 2013. The MCA made some modifications in the draft Rules already published. In the light of the provisions of the General Clauses Act, 1897, answer the following:

- (i) Is it required for MCA to publish a draft of the Proposed Rules?
- (ii) In case of any irregularities in the publication of the draft, can it be questioned?
- (iii) Is MCA entitled to make suitable changes in the draft?
- (iv) Is it necessary to re-publish the Rules in the amended form when the changes made are ancillary to the earlier draft?

RTP May 2018

Sec 27- Meaning Of Service By Post

Q15. A notice when required under the Statutory rules to be sent by "registered post acknowledgment due" is instead sent by "registered post" only. Whether the protection of presumption regarding serving of notice by "registered post" under the General Clauses Act is tenable? Referring to the provisions of the General Clauses Act, 1897, examine the validity of such notice in this case.

MTP March 2019

Sec 27- Meaning Of Service By Post

Q16. A notice was served on Mr. P for appearing in the court. However, the notice could not be served on account of the fact that the house of the Mr. P was found locked. Thus, Mr. P. did not appear in the court at the said date. Examine the situation as per the provisions of the *General Clauses Act, 1897* and determine whether Mr. P. will be liable in the given situation

MTP August 2018, Exam Nov 2022, RTP May 2020, MTP-March 2024

Sec 27- Meaning Of Service By Post

Q17. Mr. Vyas is the owner of House No. 20 in Geeta Colony, Delhi. He has rented two rooms in this house to Mr. Iyer. The Income Tax Authority has served a show cause notice to Mr. Vyas. The said notice was received by Mr. Iyer and returned the notice with an endorsement of refusal. Decide with reference to provisions of "*General Clauses Act, 1897*", whether the notice was rightfully served on Mr. Vyas.

Chapter-2

Interpretation of Statutes

MTP-March 2018, Exam Nov 2018, MTP-October 2019, MTP-October 2020, MTP-March 2021, MTP July 2025

Q18. Explain the rule of 'beneficial construction' while interpreting the statutes quoting an example.

Or

Explain Mischieve Rule for interpretation of statute. Also, give four matters it considers in construing an Act.

Or

Explain the rule in 'Heydon's Case' while interpreting the statutes quoting an example

MTP-March 2018, MTP-March 2019, MTP-April 2019, MTP-March 21

Q19. Explain the principles of "Grammatical Interpretation" and "Logical Interpretation" of a Statute. What are the duties of a court in this regard?

RTP May 2018, RTP May 2019, MTP-May 2020, Exam Nov 2020, Exam May 2022, MTP Nov 2024

Q20. Explain the meaning of term 'Proviso'.

Or

What is the effect of proviso? Does it qualify the main provisions of the enactment? Explain it with reference to Interpretation of Statutes

RTP NOV 2018, RTP May 2024

Q21. "The Statute should be read as a Whole". Explain the statement with the help of an example.

Exam May 2019/ RTP Nov 2020/ MTP Aug 2018/ RTP -May 22/ MTP April 2023/ Exam May 2023/
MTP July 2024, MTP Aug 2025

Q22. "Preamble does not over-ride the plain provision of the Act." Comment. Also give suitable example.

Or

Preamble in an enactment helpful in interpreting any of the parts of an enactment?

Or

When can the Preamble be used as an aid to interpretation of a statute?

Exam Nov 2019, MTP-October 2020, RTP May 2021, RTP-Nov 2021, RTP Jan 2025

Q23. At the time of interpreting a statutes what will be the effect of 'Usage' or 'Practice'?

Exam Nov 2018, MTP Oct 2019, Exam-Jan 21, MTP Nov 2023, MTP Aug 2025

Q24. What is External Aid to interpretation? Explain how the Dictionary definitions are the External Aids to Interpretations?

Or

Explain how ' Dictionary Definitions' can be of great help in interpreting / constructing an Act when the statute is ambiguous

Exam -Dec 2021, MTP March 2024

Q25. In what way are the following terms considered as external aid in the interpretation of statutes:

- (i) Historical Setting
- (ii) Use of Foreign Decisions

MTP -APRIL 2022

Q26. Radha Limited has entered into a contract with Gopal Limited. You are invited to read and interpret the document of contract. What rules of interpretation of deeds and documents would you apply while doing so?

RTP May 2022

Q27. Ayush and Vipul are good friends and pursuing CA course. While doing group studies for the paper of "Corporate and Other Law", they are confused about the provisions of section 3 of the Companies Act 2013. Section 3 provides "A company may be formed for any lawful purpose by....." Both Ayush and Vipul are in difficulty about the meaning of word "may". Whether it should be taken as mandatory or directory?

Exam -MAY 2022, MTP APRIL 2021, MTP March 2022, MTP April 2023, MTP Nov 2024, MTP March 2025

Q28. Does an explanation added to a section widen the ambit of a section?

Or

Explanation, with reference to interpretation of Statutes, Deeds and Documents.

MTP April 2024

Internal Aid

Q29. In what way is 'Heading and Title of a Chapter' considered as internal aid in the interpretation of statutes

RTP May 2024

Notwithstanding

Q30. Imagine you are a legal advisor for a company drafting a new contract. One of the clauses in the contract states: "Notwithstanding anything contained in any other provisions of this agreement, the company reserves the right to terminate the agreement without notice if there is a breach of confidentiality by the employee." Explain to the management of the company the meaning of a non-obstante clause in legal documents and its effect on overriding other provisions with reference to decided case law.

PYQ Sept 2024

Q31. Explain the rule which suggests that the 'Plain word requires no explanation' and 'Technical words be understood in technical sense only'.

Chapter-3

Foreign Exchange Management Act, 1999

MTP July 2025

Q32. 'Lalji' is a Singapore based company having several business units all over the world. It has a unit for manufacturing computer chips with its Headquarters in Pune. It has a Branch in Dubai which is controlled by the Headquarters in Pune. What would be the residential status under the Foreign Exchange Management Act (FEMA), 1999 of printer chips in Pune and that of Dubai branch?

EXAM DEC-2021

Q33. MZ Limited, a listed public company having a turnover 1,000 crores earned a foreign exchange 225 crores during last financial year. MZ Limited wishes to create a chair in a reputed university in U.S. This chair is for the department of computer science. The company wishes to obtain your advice as regard to the following with reference to the FEMA, 1999:

(i) Is such "chair" creation permissible?

(ii) What is the maximum amount that can be donated for such chair?

EXAM MAY-2022

Q34. Mr. MGJ, a person resident outside India, is contemplating to invest his foreign currency funds through equity contribution in an Indian company engaged in a huge township development project consisting commercial and residential complex in Bangalore (India). Examine, referring to the provisions of the Foreign Exchange Management Act, 1999, the feasibility of his proposal of investing funds in the said company

MTP March 2024/ MTP Aug 2024/ MTP Nov 2024

Q35. Mr. Pravesh, an Indian National desires to obtain Foreign Exchange for the following purposes:

(i) US\$ 140,000 for studies abroad on the basis of estimates given by the foreign university.

(ii) U.S. \$ 10,000 for remittance towards hiring charges of transponders.

Advise him whether he can get Foreign Exchange, as per the provisions of the Foreign Exchange Management Act, 1999.?

MTP March 2024

Q36. Ms. Prabha, a classical dancer of Bharatnatyam, wants to go to the USA for a performance. In this connection she requires foreign exchange drawal of US\$ 50,000. Explain Ms. Prabha, the provision of the Foreign Exchange Management Act, 1999, in respect of permission required for such drawal of foreign exchange.

MTP April 2024

Q37. Mr. Rohan Sharma, an international cricket player has started its cricket academy, namely, Rohan Sharma Cricket Academy, a private coaching club, which provides coaching for cricket. The Academy has a cricket team which participates in cricket matches all over India as well as outside India.

Rohan Sharma Cricket Academy in a collaboration with Melbourne Cricket Academy is organizing a cricket event in Melbourne, Australia in the month of May 2024 and June 2024. Rohan Sharma Academy is required to remit USD 200,000 to Melbourne Cricket academy as a part of its share for organizing the cricket event in Melbourne. Advise whether it can get Foreign Exchange and if so, under what conditions?

RTP May 2024

Q38. Mr. Shivesh, an Indian National desires to obtain Foreign Exchange for the following purposes:

- (i) Remittance of US Dollar 50,000 out of winnings on a lottery ticket.
(ii) US Dollar 100,000 for sending a cultural troupe on a tour of U.S.A.
Advise him whether he can get Foreign Exchange and if so, under what conditions?

MTP July 2024

Q39. Analyse the below mentioned situation in the light of the provisions of the Foreign Exchange Management Act, 1999.

- (i) Mr. Vinod has won a big lottery and wants to remit US Dollar 20,000 out of his winnings to his son who is in Singapore.
(ii) Mr. Shyam requires US Dollar 5,000 for remittance towards hiring charges of transponders.

MTP Dec 2024

Q40. Referring to the provisions of the Foreign Exchange Management Act, 1999, state the kind of approval required for Payment of commission of U.S. \$ 20,000 on exports made towards equity investment in Joint Ventures/Wholly Owned Subsidiaries abroad of Indian companies.

MTP March 2025

Q41. List any seven permissible classes of Capital account transactions that a person resident in India can undertake, under the Foreign Exchange Management Act (FEMA), 1999.

MTP April 2025

Q42. Analyse the following situations and comment upon the legal validity of the transactions in the light of the FEMA, 1999.

- (1) John, a foreign national (not of Indian origin), wants to buy agricultural land in India.
(2) An NRI wants to open a fixed deposit account in an Indian bank using foreign currency.

RTP May 2025

Q43. (i) Mr. Amrish has been admitted to a postgraduate program at a foreign university and intends to join soon. The annual course fee is approximately ` 3,50,000. Kindly advise his parents on how they can make the remittance for the fees under the provisions of the Foreign Exchange Management Act (FEMA), 1999.

(ii) After completing his studies, Mr. Amrish is employed by a joint venture of a foreign company in India. The company intends to send him on deputation to handle business operations abroad. His family resides in India, and he would like to know if he can remit his salary to support their maintenance in India. Advise Mr. Amrish as per the provisions of the Foreign Exchange Management Act, 1999.

PYQ May 2025

Q44. Mr. V is a person of Indian origin who had moved to USA along with his wife in the year 1998 and had been living there until 2024. He was holding joint bank accounts with his wife in USA since 1998) On the demise of his wife on 17th November, 2024, he had returned permanently to India on 24th November, 2024. He also inherited his wife's money after her death, which got transferred to his bank account in USA, After few days of his return to India, he has paid premium from his bank account in USA of his insurance policy, which he had taken when he was in USA. Referring to the provisions of the Foreign Exchange Management Act, 1999, examine whether Mr. V is permitted to carry out the above transactions.

PYQ May 2025

Q 45. Define "Foreign Exchange" and "Foreign Security" as per the provisions of the Foreign Exchange Management Act, 1999.