



Unit 4- Share capital and Debentures

Marks: 10 marks

Time: 20 minutes

Q1) XYZ unlisted company passed a special resolution in a general meeting on January 5th, 2019 to buy back 30% of its own equity shares. The Articles of Association empowers the company to buy back its own shares. Earlier the company has also passed a special resolution to buy back its own shares on January 15th, 2018. The company further decided that the payment for buyback be made out of the proceeds of the company's earlier issue of equity share. In the light of the provisions of the Companies Act, 2013,

(i) Decide, whether the company's proposal is in order.

(ii) What will be your answer if buy back offer date is revised from January 5th, 2019 to January 25th 2019 and percentage of buyback is reduced from 30% to 25% keeping the source of purchase as above? (5 marks)

Q2) State whether the following statement is correct or incorrect:

Right shares are those shares which are issued by newly formed company. (2 marks)

Q3) '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 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 voting right of such members. (3 marks)

DISCUSS AND CHECK YOUR SOLUTION WITH ME!!

For Answer Discussion video follow the link

<https://www.youtube.com/watch?v=91KYDA6Y02M&list=PL0sBEDN99Ti5pajh79FrnXfk6EfcbrFXv&index=4>



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