

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 8

NOTE : Answer ALL Questions.

PART-A

1. (a) Neeraj Walia is head of family consisting of his wife and two sons. Fore-fathers of Neeraj Walia have accumulated huge wealth in the form of land and immovable properties. Now, with the ancestral wealth Neeraj Walia plans to carry on real estate and resorts business by creating HUF. He has approached you to create a HUF Deed, advise him on key points including taxation aspects to be considered in creation of HUF Deed. (5 marks)
- (b) Nidhi Companies can provide loans to its members' subject to certain limits as per Nidhi Rules, 2014. Rakesh being a member of a Nidhi Company wants to know the limits mentioned under Nidhi Rules, 2014 and also seek your advice whether a second loan can be granted within limits specified, if 1st loan is overdue, outstanding and remains unpaid. (5 marks)
- (c) State the consequences in each of the following cases giving reasons for your answers :
- (i) A Private Company has 210 members in total out of which 10 are the employees of the company. Will your answer differ, if 5 of these employees leave the employment of the company ?
- (ii) A Public Company has 150 shareholders in total of which 47 members and 2 out of 4 directors dies due to epidemic. What is the time frame allowed under the Companies Act for compliance in case of non-compliance of provisions regarding status of the Company ? (5 marks)

: 2 :

- (d) Somit Kapoor is an Indian businessmen dealing in manufacturing of antique designer jewels. He has retail shops across all major cities in India. He wants to diversify his business geographically and plans to open retail outlets outside India. What are the aspects he should look into in choosing investment locations outside India ?

(5 marks)

Attempt all parts of either Q. No. 2 or Q. No. 2A

2. (a) Melta LLC is a Limited Liability Corporation registered in California (USA). The company has no place of business in India by itself or through agent, but it's doing online business through electronic mode in India. Explain whether Melta LLC will be treated as a Foreign Company as per the provisions of the Companies Act, 2013.
- (b) The Article of Association of XYZ Ltd. provides that the Board of directors has authority to issue bonds provided such issue is authorized by the shareholders by a necessary resolution in the general meeting of the company. The company was in dire need of funds and therefore it issued the bonds to X without passing any such resolution at general meeting. Can X recover the money from the company ? Decide referring the relevant case laws and provisions of the Companies Act, 2013 ?
- (c) PQ Pvt. Ltd. is the newly incorporated company engaged in manufacturing of machinery parts proposes to raise the funds through Private Equity and Angel Investors. Explain these equity financing options available to the company.
- (d) EFG Pvt. Ltd. wants to convert the Private Company into a One Person Company (OPC). The Company seeks your advice on the following matters :
- (i) Provisions regarding notice of general meeting
 - (ii) Whether company required to obtain 'No Objection Certificate'.
 - (iii) Types of e-forms required to be filed with ROC for such conversion
 - (iv) Penalty for contravention of provisions with respect to conversion.
- (e) Contractual joint venture is useful where the establishment of a separate legal entity is not needed or creation of such a separate legal entity is not feasible - Comment.

(4 marks each)

OR (Alternate question to Q. No. 2)

- 2A. (i) PQR Power Corporation is a Government Company incorporated on 01.12.2018. The Comptroller and Auditor General of India (CAG) has appointed the Auditors for the Company on 09.01.2019. Akshay, filed an RTI on 05.03.2019, to know the status of appointment of Auditors of the Company and further he writes to the Registrar of Companies stating that the appointment of the First Auditor is invalid and company has contravened the provisions of the Companies Act, 2013. Whether the contention of Akshay is tenable ? Also state the conditions for appointment of subsequent Auditors of PQR Power Corporation.
- (ii) U & P wants to create a Trust. Advise them in the following matters :
- (I) What are the various aspects to be decided before registration of a Trust ?
 - (II) Provision regarding signature and witnesses on the Trust deed.
 - (III) Basis of chargeability of stamp duty at the time of Registration ?
 - (IV) Can a Trust open a Bank Account in its name, if yes, then other than Trust deed what other documents are required to open the bank account ?
- (iii) Nataasha Dalvi was appointed as a Director of a Company imparting online education. She checked the MCA website to know the status of the Company and found that Company name is marked as 'ACTIVE – non-compliant'. Explain to her reasoning for such status and also brief her what types of Forms cannot be filed when Company is in 'ACTIVE – non-compliant' status.
- (iv) A Special Purpose Vehicle (SPV) or Special Purpose Entities (SPE) are generally formed for a special purpose. Elucidate.
- (v) Hemanth, who is interested in making overseas investment (financial commitment) in an energy sector in Vietnam, which exceeds the prescribed limit of the net worth of his Company as per the latest audited Balance Sheet. Accordingly, investment falls under Approval route instead of Automatic route. What are factors to be taken into account by Reserve Bank of India for considering such application ?

(4 marks each)

PART-B

3. (a) A Textile Mill workers have shown interest in starting a Trade Union for the collective benefit of all the workers, seeks your guidance in the following matters :
- (i) Registration of the Union
 - (ii) Forms required for registration
 - (iii) Minimum requirement for membership of Trade Union
 - (iv) Disqualification of office bearers of Trade Union
 - (v) Cancellation of Registration.
- (b) Cartoons Children Foundation is a charitable trust, formed with an objective of enhancing the standard of living of slum children and it carries out various welfare projects for children. The trust was registered during November, 2020. This foundation receives many donations from outside India, which is utilized for the activities like education, healthcare, livelihood of the needy and poor children. Explain whether the trust is eligible to receive such foreign contribution under Foreign Contribution Regulation Act, 2010 in Financial Year 2021-22. State the eligibility criteria for FCRA registration.
- (c) Srinivas, a resident of Telangana, wishes to set up a Cigarette manufacturing unit. He is of the view that after availing FSSAI registration, he can start his Cigarette factory and no other licensing is required for the same. Explain Srinivas on the requirements of Industrial licensing based on category of Industries.
- (d) Dilip would like to carry on the business of manufacturing of Industrial chemicals and gases. One of his friend informs him that there are strict compliance norms under Air (Prevention and Control of Pollution) Act, 1981 for such type of Industry. Brief, Dilip on the various requirements to be complied under the aforesaid Act at the time of setting up of Industry.

(5 marks each)

: 5 :

Attempt all parts of either Q. No. 4 or Q. No. 4A

4. (a) XYZ Pvt. Ltd., is engaged in manufacture of engineering components. The Company has investment of ₹ 5 Crore and Turnover of ₹ 25 Crore. The Company wants to know their category as per new definition of MSME. Will your answer differ, if XYZ Pvt. Ltd. is in service sector with the aforesaid limits of investment and turnover ?
- (b) State with reasons whether the following Companies require registration as NBFC with Reserve Bank of India, if not who is regulating authority for these Companies :
- (i) Infrastructure Debt Fund Company
 - (ii) Asset Finance Company
 - (iii) Merchant Banking Companies.
- (c) PT Pvt. Ltd., is engaged in the business of textile related products and employs 20 employees. Out of which, 11 employees draw a monthly salary of more than ₹ 25,000 each and 9 employees draw a monthly salary of less than ₹ 20,000 each. Because of this the Management of the Company is of the view that the Company is not covered under Employee's State Insurance (ESI) Act, 1948. Referring to relevant provisions clarify whether the contentions of the Management of PT Pvt. Ltd. is correct.
- (d) Brief on the applicability of Contract Labour (Regulation and Abolition) Act, 1970 for Contractor and Establishment. Also state the welfare measures to be taken by the Contractors.
- (e) 'Geographical indications are a special kind of Trademarks' — Analyze the correctness of the statement highlighting the differences between Geographical indications and Trademarks.

(3 marks each)

OR (Alternate question to Q. No. 4)

- 4A. (i) Ameer is a registered Pharmacist under State Pharmacy Council wants to start his own pharmacy shop in India, for which he requires Drug license. Suggest him the minimum requirements for obtaining the Drug license.
- (ii) Pratap, a civil engineer devises a new principle of construction. He would like protect his new construction principle and approaches you to suggest for suitable Intellectual Property (IP) protection measures. Suggest Pratap, a suitable IP protection registration for his new principle of construction and brief him some of the salient features of the Act which provides such protection.
- (iii) Define Internal Complaints Committee under Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (iv) A Company already engaged in the business of marine and fire insurance would like to take-up the business of life insurance. Discuss the possibility of taking on this business. Also briefly describe under what circumstances registration of Insurance Companies may be suspended.
- (v) State the Register to be maintained under Companies Act 2013 corresponding to the following forms :
- (I) MGT-2
 - (II) MBP-2
 - (III) SH-6.

(3 marks each)

PART-C

5. (a) Some officers from Registrar of Companies (ROC), Mumbai, Maharashtra carried out a physical verification of the premises of a Company registered under Companies Act and found that there is no business operations being carried at that place.

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Whether ROC is empowered to carry out any physical verification under the Companies Act, 2013. Also brief whether ROC, based on such physical verification can initiate *suo moto* action to remove the name of the company from the Register of Companies maintained by his office.

(3 marks)

(b) State the purpose of the following Forms under the Companies Act, 2013 :

- (i) Form STK – 2
- (ii) Form 24
- (iii) Form MSC – 4

(3 marks)

(c) A Company is not carrying on any business for last two years, the Management of the Company decided to make an application for obtaining the status of Dormant Company. One of the Director stated that since, the Company is having unsecured loans from Shareholders and relatives of Directors, the Company cannot obtain the Dormant status.

Citing relevant provisions of the Companies Act, 2013 and Rules made thereunder, explain whether the statement of the Director of the Company is correct ? Will your answer differ, if the Company have also obtained Loans from Shareholders and relatives of Directors in the form of secured Debentures ?

(3 marks)

(d) A Company is in the process of Liquidation under Insolvency and Bankruptcy Code, 2016. Citing relevant provisions of the Code state where the following will rank in the order of priority on distribution of the assets of the Company :

- (i) Workmen's dues for the period of 12 months preceding the liquidation commencement date.
- (ii) Costs of Liquidation
- (iii) Employees dues for the period of 15 months preceding the liquidation commencement date.

(3 marks)

(e) A Company is having a paid-up Capital of ₹ 50 Lakhs and a Turnover of ₹ 1 Crore. The Company does not have any loans and outstanding deposits. The Board of Directors of the Company have decided not to carry on further business and proposed to wound up the Company.

One of the Director of the Company approaches you to suggest some methods to complete the winding up without cumbersome processes. Suggest him a suitable option by explaining the recent developments in this regard.

(3 marks)

6. (a) 'The ROC had failed to prove the allegation that proper steps were taken in compliance of the mandatory provisions of Section 252 (4), (5), (6) of the Act which are a prerequisite for striking off the name of Company from the Register.'—Comment on this statement referring suitable case law with the decision in that case.

(b) Diamond Home Finance Limited (DHFL) is a housing finance company incorporated on 31.12.2018. It has failed to commence its business and now proposes to make an application to Registrar of Companies (ROC) for removing its name from the Register of Companies maintained by ROC.

What type of specific certificate required to be submitted by DHFL to ROC along with its Application ? Also list out the types of Companies which are required to submit such certificate and brief the penalty for non-compliance.

(5 marks each)