

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) Bindu Mediatech Private Ltd. is having paid-up capital of ₹ 40 lakh, its Securities Premium Account is ₹ 30 lakh and its free reserves are ₹ 30 lakh. The company has accepted ₹ 95 lakh as loans from its members and term loan from a scheduled bank to the extent of ₹ 75 lakh. State whether the company can accept loans/deposits from its members. Is there any maximum limit upto which the company can accept as loan/deposit from its members ? Discuss the applicability of exemptions to the Private Ltd. Company from some of the provisions of Section 73 of the Companies Act, 2013. (Assume the Company has not made any defaults in loan repayments).
- (5 marks)
- (b) An unlisted Public Ltd. Company is having 220 members, 5 directors and is having public deposits of ₹ 5 crores and shareholders deposits of ₹ 3 crores (paid-up capital is ₹ 1 crore and free reserves ₹ 1 crore and Bank Loan ₹ 2 crores) is proposing to convert it into a Private Ltd. Company. Mention conditions to be satisfied before conversion of the Company into Private Ltd. Also list out important procedures to be complied for such conversion.

(5 marks)

: 2 :

(c) TP Private Ltd. Company registered under the Companies Act, 2013 with paid up capital of ₹ 35 lakh and turnover of ₹ 2.5 crore. Explain the meaning of 'Small Company' and examine the following in accordance with the provision of the Companies Act, 2013 :

(i) Whether the TP Pvt. Limited can avail the status of 'Small Company' ?

(ii) Will your answer be different if the turnover of the company is ₹ 1 crore ?

(5 marks)

(d) Axar is in plant research and he has invented a process for extracting bio-fuel from certain plants, now he is proposing to commercialize his invention by promoting a One Person Company (OPC). But he proposes his name and his wife name as directors of the Company. As a Company Secretary clarify Axar on number of shareholders and directors OPC can have. Also brief him the provisions on Board, Annual General Meeting, signing of Financial statements, Board's Report and Annual Return.

(5 marks)

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

2. (a) 'Alteration of Capital Clause in Memorandum of Association is a precondition to restructuring the Capital structure of the Company' — Elaborate the statement mentioning relevant provisions of the Companies Act, 2013 on types of alterations of Capital Clause.

(4 marks)

: 3 :

(b) Aryan & Aarav, an LLP having turnover of ₹ 45 lakh and contribution of the partners exceeding ₹ 30 lakh in F.Y. 2018-19 is seeking your advice in the following matters :

- (i) Is dividend distribution tax applicable on LLP ?
- (ii) Is LLP subjected to audit ? State the reason.
- (iii) Is LLP eligible to raise loan from ABC Ltd., a foreign bank ?
- (iv) State Offences & Penalties for non-filing of financial statements under the LLP Act, 2008.

(4 marks)

(c) 'Joint Ventures can be extremely valuable and chances of their failure can be reduced to a great extent, if strategically formed' — Comment on important strategies of joint venture.

(4 marks)

(d) 'Asset Reconstruction Companies are created to manage and recover Non-Performing Assets' — Comment referring the functions and benefits of Asset Reconstruction Companies.

(4 marks)

(e) Pawan incorporated a Private Ltd. Company in the year 2016 for carrying on the business of supplying freshly chopped vegetables to various food chains in and around New Delhi NCR. He wants his entity to be recognised as a start-up. Advise the process to be followed by him for recognition of his company as a start-up.

(4 marks)

OR (Alternate question to Q. No. 2)

- 2A. (i) Prathik has studied about mass farming and is keen in uniting farmers in various states by forming a Multi State Co-operative Society. Brief Prathik on the documentary requirements for formation of Multi State Co-operative Society and the Authority with whom the application needs to be filed.
- (ii) “Concept of self help group” is the most exciting discovery in the context of Microfinance. Explain the terms and features of microfinance.
- (iii) Your Company proposes to enter into Joint Venture outside India and the Management of the Company wants to know from you various methods/modes available for funding the joint venture.
- (iv) Individual or minority members cannot bring a suit except when it is intended for enforcement of personal rights of members or to prevent the company from doing any ultravires or illegal act, fraud or oppression and mismanagement. Discuss with the help of decided case laws the distinction between ultravires or illegal acts and personal rights.
- (v) X, an employee of BG Ltd., is aggrieved by the decision of shifting of the registered office of the Company from the state of Uttar Pradesh to Haryana. He has filed a Public Interest Litigation (PIL) regarding the same, considering that the business of the company will be severely affected by the said decision of shifting of registered office. In the light of decided case laws, examine the strength of argument raised in the PIL.

(4 marks each)

: 5 :

PART-B

3. (a) Aravind has recently completed Telecommunications engineering and he is keen in starting his own venture for Telecommunication support services. He has heard about OSP License and approached you to get more information on it. Brief him, on the purpose, authority authorised to issue such license, documents necessary for making application and compliance after registration.
- (b) State the circumstances under which an employee is not liable for Compensation under Employees Compensation Act, 1923.
- (c) Saravan is carrying out building contract works for industrial and commercial customers. He engages 25 workers on regular basis, wants to know about the applicability of Contract Labour (Regulation and Abolition) Act, 1970 to him and licensing requirement if any for his business. Also brief him the details regarding the Registers to be maintained by Principal Employer and the contractor.
- (d) Bhaskar is presently running a business of finance. He has planned to promote an Infrastructure Finance Company along with his friends. He seeks your advice to know whether it is a Non-Banking Finance Company requiring Reserve Bank of India's registration and criteria to be satisfied by such Company. Also clarify on how Net owned Fund is calculated.

(5 marks each)

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

4. (a) A factory has 100 male employees and 50 female employees. Factory Manager is keen to know whether the factory has to provide following welfare to the workers employed as per Factories Act :
- (i) First aid appliances
- (ii) Canteens
- (iii) Creches.

(3 marks)

- (b) Harpreet is doing Masters Degree and he is studying about environmental legislations. He is enquiring about 'Green Tribunal'. Brief him about Green Tribunal and its objectives.
(3 marks)
- (c) Tony Singh is a popular stage performer and M/s Pon Sun Studios, Chandigarh is having all the rights, titles and interests in the personality of the artist along with the trade. A company started selling miniature toys of Tony Singh to encash his popularity. In the light of statutory provision, examine the remedy available against company for infringing Tony Singh's right to publicity.
(3 marks)
- (d) Public Liability Insurance intends to provide protection to the general public against any unforeseen industrial accident. Elucidate.
(3 marks)
- (e) Prabhat is proposing to start a new business wants to know from you the mandatory annual compliances for an LLP and a partnership firm.
(3 marks)

OR (Alternate question to Q. No. 4)

- 4A. (i) One of the objectives of the Design Rules, 2001 is to enable protection of newly created designs applying to an article manufactured by a particular industrial process ? Elucidate.
(3 marks)
- (ii) Preerna has taken some books from Library and she wants to reproduce "Verbatim" some pages from the book of her Ph.D. thesis. She would like to know from you whether she will be violating any Copyright protection in doing so. Also brief her exceptions available to protect the interest of the users under Copyright law.
(3 marks)

: 7 :

(iii) Sukrit is running small fabrication unit with 5 workers. He is planning for expansion and it may require addition of 10-15 employees. He is planning to register his business under Employees State Insurance (ESI) and extend the benefit to all his employees. He is keen in knowing from you the benefits available to him as an employer in extending the ESI facilities to his employees.

(3 marks)

(iv) What are the circumstances under which RBI may cancel the license granted to a banking company regulated under the Banking Regulation Act, 1949.

(3 marks)

(v) TPS Pvt. Ltd. incorporated on 1st August, 2017 having its registered office at Saket, New Delhi. Management of the Company kept some of the statutory records in the other branch of the Company in Janakpuri, New Delhi. Explain whether Company is eligible to keep its statutory records at place other than its registered office under the Companies Act, 2013.

(3 marks)

PART-C

5. (a) ABC Ltd., has initiated insolvency proceedings against RS Ltd., for recovery of debt of ₹ 2.86 crore. ABC Ltd. intends to appoint Rahul, one of the employees of its statutory auditors, M/s ASA & Associates, *Chartered Accountants*, as its resolution professional. In the light of the statutory provisions, examine whether Rahul can be appointed as a resolution professional.

(3 marks)

(b) Describe the procedure mentioned under Section 53 of Insolvency and Bankruptcy Code (IBC), 2016 for distribution of assets in case of liquidation.

(3 marks)

- (c) Preetha has recently become Director of a Company. She wants to know about ‘active’ and ‘inactive’ status shown in MCA website. Explain the concept of ‘Inactive Company’ to her referring the relevant provisions of the Company Law and also brief her under what circumstances a company can make application for obtaining ‘dormant’ status.
(3 marks)
- (d) National Company Law Tribunal (NCLT) has passed order for Commencement of Corporate Insolvency Resolution Process (CIRP) of Dora Travels Ltd., one of its director has approached you to know the effects of “Moratorium” upon the commencement of CIRP.
(3 marks)
- (e) Mithali sports LLP has been struck off by Registrar of Companies. One of its unsecured creditors has approached you to know his eligibility in making application for revival of struck off LLP. Also brief with the procedures for the revival of struck off LLP.
(3 marks)
6. (a) Yogendra is an allottee of a flat in a real estate project promoted by the company, but he has not been delivered flat as per Agreement. He has approached you to know, whether he can make application under Insolvency and Bankruptcy Code, 2016 and in what status he can make application. Also brief the timelines for Corporate Insolvency Resolution Process.
- (b) Yuvan Infra Ltd. is continuously making losses and the Directors of the Company are planning to voluntarily wind up the Company. As a Company Secretary advise on conditions and also advise them briefly on procedures for voluntary liquidation.
(5 marks each)