

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) A Branch Office can be established by a body incorporated outside India, including a firm or association of persons, involved in manufacturing or trading activities. The permission to set-up a Branch Office has to be obtained from the RBI under the FEMA, 1999 provisions. In light of the RBI Master Circular of 2016, highlight the activities which are permitted by the RBI.

(5 marks)

- (b) ABC Ltd. was incorporated on 11th December, 2018 as a Government Company with the main object to provide examination services to other Public Sector Undertakings where the employees are recruited through advertisement. The Secretary, Education informed the Managing Director that there are recent changes with respect to “Active Company Tagging Identities and Verification” in Companies (Incorporation) Rules, 2014. Comment about applicability of Active Compliance with respect to ABC Ltd., a Government Company.

(5 marks)

: 2 :

- (c) Smt. H is head of the family consisting of her husband (who is physically challenged person) and two sons. She heard that there are numerous benefits in terms of management, decision making and taxation, if she forms a Hindu Undivided Family (HUF), form of organization which is peculiar to India. As a professional, advise key points to Smt. H in creation of HUF covering taxation aspects.

(5 marks)

- (d) Can a Navratna Company in Oil and Gas sector in India, which are duly approved by the Government of India, invest in Overseas Unincorporated entities in oil sector without any limit under automatic route ?

(5 marks)

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

2. (a) X is planning to start a mobile based and web based business. In selection of suitable form of a business organisation, 'degree of control and management' plays a significant role. Explain how this factor affects the choice of form of organisation.

(4 marks)

- (b) PQR Ltd. was incorporated as a Government Company. The Authorised Share Capital of the Company is ₹ 15 Crore. The Paid-up Share Capital of the Company is ₹ 3 Crore. What provisions of section 203 of the Companies Act, 2013 are applicable to a Government Company with respect to appointment of Key Managerial Personnel ?

(4 marks)

: 3 :

- (c) Crowd Funding is a recent phenomena being practiced for getting seed funding usually through the internet. Elucidate.

(4 marks)

- (d) The Paid-up Capital of X Ltd. is ₹ 10 Crore and Reserve and Surplus are negative (due to huge losses since previous few years) amounting ₹ 300 Crore. To pay the dues to Creditors, the Board of Directors passed the resolution for borrowing of ₹ 50 Crore and got funded through Financial Institution in term of Medium Term Loan for 3 years. Entire amount was utilized to pay the Debts.

The Financial Institution when got the information that such act was ultra vires transaction, filed a suit against the Directors of the Company. The Plea of the Directors were that Shareholders and Directors have limited liability and doctrine of indoor management is applicable. Therefore, they are not personally liable.

Comment.

(4 marks)

- (e) B is the Sole Proprietor of BN Metals. The business of the Company is to manufacture the parts of Boiler used in Turnkey Power Projects. The previous year's turnover was ₹ 348 Crore. B is now participating in a big tender having cost estimates of ₹ 145 Crore. However, as per tender specification, B is qualified to submit the tender but in view of the consultant appointed by him, the form of business should be Company or LLP. Explain limitations of Sole Proprietorship form of business organisation.

(4 marks)

OR (Alternate question to Q. No. 2)

- 2A. (i) What are the duties of Designated Partner of LLP ?
- (ii) What penalty can be imposed on One Person Company or Officer of such company who contravenes the provisions with respect to conversion of Private Company into One Person Company ?
- (iii) 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
- (iv) What are the Tax Exemptions available to Private Trust ?
- (v) Define the term 'Net Owned Fund'.

(4 marks each)

PART-B

3. (a) Z, a resident of Bangalore, desires to set up a food manufacturing unit where he will cook variety of food items like Idly, Dosa, PaniPuri, Pongal, Dry Samosa, Club Kachori and many more with the help of imported & automatic machines and pack itself for retail selling in the market under his brand name. Advise him on the registration requirement before starting any petty food business.

(5 marks)

- (b) J Ltd. is a Public Sector Undertaking in business of Cement Manufacturing. For education to children of Employees and near villages, through a Trust, the Company also runs the Primary School within the Premise of the Society of the Company. Some persons of the Village are differentially able Physically challenged. Right of Persons with Disabilities

: 5 :

Act, 2016 speaks about provisions relating to education of children with disabilities as well as duties of educational institutions. Explain the duties of educational institutions as mentioned therein.

(5 marks)

- (c) If a lyricist copy a very catching phrase from another lyricist's song, there is likely to be infringement even if that phrase is very short. Referring to the statement, mention commonly known acts which are termed as infringement of copyright along with the penalty of infringement.

(5 marks)

- (d) Whether National Green Tribunal (NGT) has power to hear civil matters related to environmental laws ? If yes, under which enactments ? Also, explain whether the provisions of the Civil Procedure Code applies to the proceedings before NGT ?

(5 marks)

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

4. (a) Government of India is taking various steps towards "Ease of Doing Business" and "Make in India". Apart from these initiatives, Govt. is also strengthening the principles ensuring the minimal impact of environment and one of the major steps is enforcement of Hazardous and Other Wastes (Management & Transboundary Movement) Amendment Rules, 2019. Highlight the key provisions of these rules.

(3 marks)

: 6 :

- (b) State Government has decided to sell the loss making Undertaking in the sector of water supply. The workers employed in this sector announced strike to protest the said decision. In such situation, what are the circumstances under which the said strike shall be treated as breach of contract ?
(3 marks)
- (c) You are Company Secretary of U Ltd. The Board of Directors has required to prepare a check list of Sector Specific Laws to be complied with by the Company in Human Health Sector. Prepare the check list to be submitted before the Board.
(3 marks)
- (d) Ms N is studying in Mass Media and under the syllabus; she needs to prepare a project report on Propaganda supported by Political Moto. Ms N wants to use the report of one of News channels but the same is protected under the Copyright Act. What are the exceptions where Ms N can use the material of copyright ?
(3 marks)
- (e) You are appointed as Secretarial Officer of A Ltd., a BSE Listed company. Apart from the day to day secretarial work, you need to check & verify the purchase invoice and purchase order. Being an officer in that area, prepare the note on maintenance of Expense and Purchase Record and its advantage.
(3 marks)

OR (Alternate question to Q. No. 4)

- 4A. (i) What are the purpose and objective of The Plantation Labour Act, 1951 and which ministry administers the same ?
(3 marks)

: 7 :

- (ii) What forms are required to be filed with ROC for registration of a new company where the registration of GST, EPFO and ESIC is also applied simultaneously ?
(3 marks)
- (iii) Can a woman be employed in the Mine Industry ? If yes, on what terms and conditions, a woman may be employed in any mine below the ground ?
(3 marks)
- (iv) Registration of Import-Export Code (IEC) has lifetime validity. In view of the statement, mention essential features of IEC registration.
(3 marks)
- (v) Public Liability Insurance Act, 1991 is to save owner of establishment producing hazardous substance from hefty penalties. Elucidate.
(3 marks)

PART-C

5. (a) Dormant company status is an excellent tool for keeping the assets in the company for its future usage. Explain.
(3 marks)
- (b) State the powers of the Registrar in regard to 'fraudulent application for removal of name' of the company from the Register of companies.
(3 marks)
- (c) Explain the term 'Insolvency Resolution Process Cost' as defined under the Insolvency and Bankruptcy Code, 2016.
(3 marks)

(d) What are the duties of an “Interim Resolution Professional” ?
(3 marks)

(e) List out the Companies, which cannot be removed through procedure prescribed under section 248 of the Companies Act, 2013.
(3 marks)

6. (a) In case of application for removal of the name is filed, what are the attachments required to be enclosed with STK 2 ?

(b) ABC Ltd. was incorporated in April, 2018. Due to the recession in the market and technical reasons, the Company could not commence its business till now. In the current situation, promoters of the company are willing to apply for removal of the name. Advise them :

(i) the various grounds on which promoters of the company can close down the company being non-operational.

(ii) whether your answer will change if the company has changed its registered office from Delhi to Noida in two months back.

(5 marks each)

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