

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) ABC Private Ltd., a ‘start-up’ company, received an amount of ₹ 25 lakh in a single tranche from an investor by way of a Note, convertible into equity shares (convertible after 3 years but within 5 years from the date of issue). CFO of the Company was of the view that the said amount is not a deposit. In the light of the statutory provisions, explain whether the view of the CFO is correct ?

(5 marks)

- (b) Actavis Ireland Ltd. a pharma firm incorporated in Ireland :
- (i) has a share transfer office in Kanpur
 - (ii) Directors of the company frequently stayed in a hotel in Noida and Mumbai for looking after matters of business, the company does not have any physical office or property in India

As a practising Company Secretary, advise under the provisions of the Companies Act, 2013, whether the company will be treated as having place of business in India ?

(5 marks)

: 2 :

- (c) The majority of the shareholders of Kasi Textiles Private Ltd., passed a special resolution to alter its Articles of Association and gave the directors a power to require any shareholder who is doing competing business with that of the company's business to transfer his shares. Swaroop, who is carrying on a competing business, challenged the validity of the alteration. Decide whether Swaroop will succeed in the light of the provisions of the Companies Act, 2013 and decided case law.

(5 marks)

- (d) The paid up share capital of PKA India Pvt. Ltd. is ₹ 20 crore, consisting of 150 lakh fully paid up Equity Shares of ₹ 10 each, and 50 lakh fully paid up Cumulative Preference Shares of ₹ 10 each. PKA India Capital Pvt. Ltd. and PKA India Tele Services Pvt. Ltd. are holding 55 lakh and 25 lakh Equity Shares respectively in PKA India Pvt. Ltd.

PKA India Capital Pvt. Ltd. and PKA India Tele Services Pvt. Ltd. are subsidiaries of Lord Krishna Pvt. Ltd. Referring to the provisions of the Companies Act, 2013 examine whether PKA India Pvt. Ltd. is a subsidiary of Lord Krishna Pvt. Ltd. ? Would your answer be different if Lord Krishna Pvt. Ltd. has five out of total seven directors on the Board of Directors of PKA India Pvt. Ltd. ?

(5 marks)

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

2. (a) Ragavi and her six more relatives & friends want to incorporate a Nidhi Company. They seek your advice on the following issues with respect to the formation of company :
- (i) Whether Nidhi Company can be formed as a private company ? Is there any specific law for the Nidhi Companies ?

: 3 :

- (ii) Whether the approval of Reserve Bank of India (RBI) is required ?
- (iii) Whether Nidhi is allowed to raise funds through issue of equity shares and preference shares ?
- (iv) Whether Nidhi is allowed to carry on business other than the business of borrowing or lending in its own name ?

As a practising Company Secretary, advise with reference to the provisions of the Companies Act, 2013.

(4 marks)

- (b) Divyesh Digital Networks LLP wants to expand its business through investment in an overseas Joint Ventures (JV) or/and Wholly Owned Subsidiaries (WOS). The partners of the firm seek your advice about the various sources/modes of funding through which overseas investment can be made. Advise them in light of the provisions of Foreign Exchange Management Act, 1999.

(4 marks)

- (c) Moorthy wants to form a society to promote the 'Beti Bachao, Beti Padoo Movement' of Government of India. He seeks your advice on the following :
- (i) The purposes for which a society can be formed under the Societies Registration Act, 1860;
 - (ii) Whether the foreigners and other registered societies can be members of a society ?

(4 marks)

- (d) 'Every equity based joint venture gives birth to a new entity'. Discuss in brief the different types of entities which are permitted by Government of India to form a joint venture entity.

(4 marks)

: 4 :

- (e) Paramvir & Associates, a firm of Practising Professionals consists of three partners Ashok, Paramvir and Vir having one third share each in the firm. According to Ashok and Paramvir, the activities of Vir are not in the interest of the firm and thus want to expel Vir from the firm. Advise Ashok and Paramvir whether they can do so quoting the relevant provisions of the Indian Partnership Act, 1932.

(4 marks)

OR (Alternate question to Q. No. 2)

2A. Comment on the following :

- (i) A Company under Section 8 can be registered as a Small Company under the provisions of the Companies Act, 2013.
- (ii) Choice of business locations outside India involves consideration of many factors.
- (iii) The promoters can avail numerous benefits by incorporating a Special Purpose Vehicle.
- (iv) Requirement of Capital affects the choice of suitable form of a business organization.
- (v) The Financial Statements of Limited Liability partnership are nor mandatorily required to be audited by a Chartered Accountant.

(4 marks each)

PART-B

3. (a) Rajkumar is running a business of handicraft in Jaipur. He has explored some opportunities for handicraft products abroad and he wants to encash the huge demand outside India for such products. He seeks your advice whether he would be required to get himself registered with Directorate General of Foreign Trade (DGFT) for exporting goods, if yes what are all the documents required for such registration ? And also enlighten him the features/benefits available from such Registration.

(5 marks)

: 5 :

(b) Govind, has newly started a ready to eat food products Manufacturing Company, he seeks your advice for the selection of a trade mark for his products. Brief him with example on the following Categories of Trade marks referring to the provisions of the Trade Marks Act, 1999 :

- (i) Generic marks
- (ii) Descriptive marks
- (iii) Arbitrary marks
- (iv) Suggestive marks and
- (v) Invented/Coined marks

Also suggest him which Category or Categories are Strong Marks and which are weak with respect to protection of Trade mark rights.

(5 marks)

(c) Satvik is running a dyeing factory seeks your guidance in knowing various responsibilities imposed upon his business and to be complied under the Water (Prevention and Control of Pollution) Act, 1974.

(5 marks)

(d) Harischander wants to start a manufacturing business but he is not able to decide on the form of business (Type of Business Entity). He seeks your advice about the legal implications and requirements for the various business forms in India on the basis of the following parameters :

- (i) Registration
- (ii) Member's liability
- (iii) No. of members required
- (iv) Taxation
- (v) Legal Status

(5 marks)

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

4. (a) Abishek has recently been appointed as Finance and Legal Compliance officer of a Charitable Organisation — doing palliative care services to aged persons, seeks to receive foreign funds, has approached you to find out the eligibility criteria for obtaining registration. Brief him the provision of the Foreign Contribution (Regulation) Act, 2010 on eligibility criteria for registration.
- (b) List out the grounds under which the Insurance Regulatory and Development Authority of India (IRDAI) is compulsorily required to cancel the Certificate of Registration granted for Insurer/Insurance business.
- (c) Srivastva is the owner of a unit manufacturing Beedi in Jabalpur. 22 persons are employed in the unit. Of these 22 employees, one is a graduate for supervising the work and another apprentice learning work. The remaining 20 are employed not on the time wage system, but on the piece work system. Is the unit, a 'factory' within the meaning of the term under the Factories Act, 1948 ?
- (d) In the light of the provision of Copyright Act, 1970, in the following cases who are the owners of the copyrights :
- (i) Musical Sound Recordings
- (ii) Works by Journalists
- (e) Bermuda Sports Manufacturing Unit, a Micro and Small Enterprise, seek registration under Single Point Registration Scheme of NSIC. State the various benefits/facilities available to the registered units.

(3 marks each)

: 7 :

OR (Alternate question to Q. No. 4)

4A. Write short notes on :

- (i) Public Liability Insurance
- (ii) Industrial Entrepreneurs Memorandum (IEM)
- (iii) Enforcement of Trade mark rights
- (iv) Labour Welfare Fund for social assistance to workers
- (v) Arbitral Award for industrial disputes

(3 marks each)

PART-C

5. (a) Glory Technology LLP is not carrying on any business for a period of two years desirous of striking off its name from the register of Limited Liability Partnership maintained by Registrar of Companies. Whether LLP is allowed to do so ? Examine.

(3 marks)

(b) Cute Garments Ltd., has recently obtained the status of dormant company. The Board of Directors seeks your advice about the required compliances in respect of the following :

- (i) Minimum number of Directors
- (ii) Requirement of Return filing
- (iii) Meeting of Board of Directors

(3 marks)

(c) Comment on the following :

- (i) The term 'Winding up' and 'Dissolution' can be used inter-changeably to denote cessation of existence of a legal entity.
- (ii) Situations under which a company cannot apply for Strike off.
- (iii) Time limit and extension of period in Corporate Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016.

(3 marks each)

6. (a) Elaborate on 'Waterfall Arrangement' under the Insolvency and Bankruptcy Code, 2016.
- (b) RoC can Strike off the name of a company on *Suo Moto* basis only after following certain procedures — Comment.

(5 marks each)

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