

**(GI-10, GI-11, VI-2(A) & AI-2(A), DI-1+2 & Drive)**

DATE: 08.03.2024

MAXIMUM MARKS: 100

TIMING: 3¼ Hours

**CORPORATE AND OTHER LAW**

Answer to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate who has not opted for Hindi Medium. His/her answer in Hindi will not be valued.

Question No. 1 & 2 is compulsory.

Candidates are also required to answer any three questions from the remaining four questions.

**Question 1:****Case Study**

Jai and Veeru, two friends, formed a private limited company as Basanti Taanga Private Limited and got it registered on 10th January, 2018. The registered office of the company was situated at Kolkata, West Bengal. The company had an authorised share capital of Rs. 50 lacs divided into 5 lacs equity shares of

Rs. 10/- each. The issued, subscribed and paid-up share capital of the company was of Rs. 30 lacs divided into 3 lacs equity shares of Rs. 10 each. The company was engaged in supplying various motor parts to the vehicles companies. 'Basanti' was a registered Trade mark of Basanti Motorwala Private Limited of

Mumbai since 15th January, 2016 under the Trade Marks Act, 1999. This company was also engaged in manufacturing and supplying various auto parts to the vehicles companies.

Basanti Motorwala Private Ltd. of Mumbai came to know on 20th January, 2022 about Basanti Taanga Private Limited of Kolkata who was using identical name and mark. Being a registered proprietor of a trade mark, Basanti Motorwala Private Ltd. filed an objection with an appropriate authority under Companies Act, 2013 on 15th March, 2022 that the name Basanti Taanga Private Limited or the mark the company was using is found to be identical with or too nearly resembles to the registered trade mark of Basanti Motorwala Private Ltd. and as such the appropriate authority should direct Basanti Taanga Private Limited to change its name. The appropriate authority after going through all the details rejected the application of Basanti Motorwala Private Ltd.

Thereafter on 14th July, 2020, Basanti Motorwala Private Ltd. requested Basanti Taanga Private Limited to change its name and Basanti Taanga Private Limited accepted the same in good relationship. Basanti Taanga Private Limited complied with all the formalities under Companies Act, 2013 such as passing of all necessary resolutions, taking approval from appropriate authority, filing of documents with the Registrar of Companies etc. The name of the company Basanti Taanga Private Limited was changed to Jai Veeru Private Limited. A fresh certificate of incorporation was issued to the company by the Registrar after being satisfied with the name change application of the company. Subsequent to the issuance of the new incorporation certificate, steps were taken up to incorporate the new name in all copies of the Memorandum of Association, Articles of Association and other documents of the company.

**Multiple Choice Questions [3 MCQs of 2 Marks each: Total 6 Marks]**

1. In the above case scenario, what can be the most evident reason for the appropriate authority to reject the application of Basanti Motorwala Private Ltd?
  - (a) The appropriate authority rejected the application on the basis that the names of both the companies are different- Basanti Motorwala Private Ltd and Basanti Taanga Private Limited.
  - (b) The appropriate authority rejected the application as Basanti Motorwala Private Ltd (owner of the registered mark) should had filed the objection within three years of the registration of company with identical name.

- (c) The appropriate authority could have rejected the application on the basis that both the companies are located in different cities and thus can use almost similar names.
- (d) The appropriate authority could have rejected the application on the basis that both the companies have different years of incorporation and both are located in different cities.

**(2 Marks)**

2. In the above case scenario, what ought to have been the time limit within which Basanti Motorwala Private Ltd, should have filed the objection for wrong name:

- (a) On or before 9th January, 2021
- (b) On or before 9th January, 2022
- (c) On or before 9th January, 2023
- (d) They can file the objection at any time

**(2 Marks)**

3. According to above case, a fresh certificate of incorporation was issued to the company by the Registrar after being satisfied with the name change application of the company. Which of the following statements is correct in this context?

- (a) The change in name of the company is said to be complete and effective from the date of passing of resolution in the general meeting of members.
- (b) The change in name of the company is said to be complete and effective from the date of issue of fresh certificate of incorporation by the Registrar.
- (c) The change in name of the company is said to be complete and effective from the date on which documents were filed with the Registrar.
- (d) The change in name of the company is said to be complete and effective from the date of the order of Ministry of Corporate Affairs approving the change of name.

**(2 Marks)**

4. What among the following could be considered in the term 'Immovable Property' as defined under section 3(26) of the General Clauses Act, 1897?

- (i) The soil for making bricks
  - (ii) Right to catch fish
  - (iii) Right to drain water
  - (iv) Doors and Windows of the house
- (a) Only (i) and (iv)
  - (b) Only (i), (ii) and (iv)
  - (c) Only (i) and (ii)
  - (d) Only (ii), (iii) and (iv)

**(2 Marks)**

5. State whether the following Companies are "Foreign Companies"

- (i) A Company incorporated in US, having a Share Registration Office in Mumbai.
  - (ii) Indian Citizens forming a Company in Singapore, for the purposes of carrying on business there and also having place of business in India
  - (iii) A Company incorporated in UK, having a Liaison Office in Chennai.
  - (iv) A Company incorporated in India but all the Shares are held by Foreigners.
- (a) (i), (ii) (iii) are foreign Companies
  - (b) (i), (iii), (iv) are foreign Companies
  - (c) (ii), (iii), (iv) are foreign Companies
  - (d) All are Foreign Companies

**(1 Mark)**

6. \_\_\_\_\_ means that when two or more words that are susceptible of analogous meaning, are coupled together they are understood to be used in their cognate sense.
- (a) Noscitur a Sociis
  - (b) Contemporanea Expositio
  - (c) prima facie
  - (d) absoluta sententia expositore non indiget
- (1 Mark)**
7. As per the provisions of the General Clauses Act, 1897, where an act or omission constitutes an offence under two or more enactments, then the offender shall be liable to be prosecuted and punished under:
- (a) Under either or any of those enactments
  - (b) Twice for the same offence
  - (c) Either (a) or (b) as per the discretion of the court
  - (d) Under the cumulative effect of both the enactments
- (1 Mark)**
8. Where an act of parliament does not expressly specify any particular day as to the day of coming into operation of such Act, then it shall come into operation on the day on which:
- (a) It receives the assent of the President
  - (b) It receives the assent of the Governor General
  - (c) It is notified in the official gazette
  - (d) It receives assent of both the houses of Parliament
- (1 Mark)**
9. Jackson Communications LLC, incorporated in Arizona, USA, has established a principal place of business at Kolkata, West Bengal. It is required to deliver requisite documents to the specified authority. You are required to select an appropriate option from the four given below which indicates the number of days within which such documents shall be delivered:
- (a) Jackson Communications LLC shall, within 10 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority.
  - (b) Jackson Communications LLC shall, within 15 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority.
  - (c) Jackson Communications LLC shall, within 30 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority.
  - (d) Jackson Communications LLC shall, within 45 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority.
- (2 Marks)**
10. The Best Dry Fruits Ltd was incorporated under the Companies Act, 1913. Whether the provisions of the Companies Act, 2013 shall apply on it:
- (a) No, the provisions of the Companies Act, 2013 shall not apply on it.
  - (b) Yes, the provisions of the Companies Act, 2013 shall apply on it.
  - (c) The Companies Act, 1913 was enacted by the British Government, hence only an Act made by British Government shall apply on such company.

- (d) Since, this company was incorporated by the British Government, hence the Companies Act of UK Govt shall apply.
- (2 Marks)**
11. \_\_\_\_\_ is the cardinal rule of construction that words, sentences and phrases of a statute should be read in their ordinary, natural and grammatical meaning so that they may have effect in their widest amplitude.
- (a) Rule of Literal Construction  
(b) Rule of Harmonious Construction  
(c) Rule of Beneficial Construction  
(d) Rule of Exceptional Construction
- (1 Mark)**
12. Goals Limited, a listed company has authorised share capital of Rs. 25,00,000 (issued, subscribed and paid up capital of Rs. 20,00,000). The company has planned to buy back shares worth Rs. 10,00,000. What is the maximum amount of equity shares that the company is allowed to buy back based on the total amount of equity shares?
- (a) Rs. 2,00,000  
(b) Rs. 5,00,000  
(c) Rs. 6,25,000  
(d) Rs. 8,00,000
- (2 Marks)**
13. During the half year ended September 2022, the board of directors (BOD) of Gold Leaf Limited has made an application to the Tribunal for revision in the accounts of the company for the financial year ending on March 2020. Further during the year ended March 2023, the BOD has again made an application to the Tribunal for revision in the board's report pertaining to the year ended March 2022. You are required to state the validity of the acts of the Board of directors.
- (a) The act of the BOD is valid only to the extent of application made for revisions in accounts as board's report are not eligible for revision.  
(b) The act of the BOD is valid as application made for revision in the accounts and board's report pertains to two different financial year.  
(c) The act of the BOD is invalid as the law provides for only one time application to be made in a financial year for revision of accounts and boards report.  
(d) The act of the BOD is invalid as to the application made for revision in accounts pertains to a period beyond 2 years immediately preceding the year 2023. The application made for revision in the Board report is however valid in law.
- (2 Marks)**
14. Statutory interpretation is a practice through which the courts break down the words of a legislation and give true intent to it. While the legislature makes the laws, the judiciary performs the art of interpretation to give meaning to the words of the law maker. It is correctly said that "The purpose of Interpretation of Statutes is to help the Judge to ascertain the intention of the Legislature – not to control that intention or to confine it within the limits, which the Judge may deem reasonable or expedient". For interpretation of statutes various tools are used, you are required to pick the option depicting correct sequence of tools in order their application.
- (a) Internal Aids to Construction, External Aids to Constructions, and Literal Construction

- (b) Literal Construction, Internal Aids to Construction, and External Aids to Constructions
- (c) Internal Aids to Construction, Literal Construction, and External Aids to Constructions
- (d) External Aids to Constructions, Internal Aids to Construction, and Literal Construction

**(1 Mark)**

15. The approved name of LLP shall be valid for a period of \_\_\_\_\_ from the date of approval:
- (a) 1 Month
  - (b) 2 Months
  - (c) 3 months
  - (d) 6 months

**(1 Mark)**

### **Case Study**

Mr. M. Mishra is a director of Superior Carbonates and Chemicals Limited (SCCL). SCCL was incorporated by Mr. S. K. Mishra (father of Mr. M. Mishra) on 05th July 1995 as a public company. SCCL accepts a loan of Rs. 1.5 crores from Mr. M. Mishra for short term purpose and the loan is expected to be repaid after twenty four months. SCCL in its books of account, records the receipt as a loan under non-current liabilities. At the time of advancing loan, Mr. M. Mishra affirms in writing that such amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others and complete details of his loan transactions are furnished in the boards' report.

DBSL which is an unlisted public company, also accept the deposits from the public as on 1st November 2018, which is due for repayment on 30th September 2023. DBSL also accepts a LAP (Loan against property) for a term of 10 years from a financial institution on 18th June 2020. Charge was created on that day, but DBSL has neglected to register the charge with the registrar. Finally, the application for registration of charge is furnished on 18th August 2020.

SCCL has registered office in Paonta-sahib (Himachal Pradesh) and corporate office is situated in Dehradun (Uttarakhand) but around 15% of members whose name is entered in members register are residents of Nainital (Uttarakhand). SCCL has a liaison Office at Nainital. Management of the company is willing to place, the Register of Members at the Nainital Liaison Office.

DBSL convene its 7th AGM on 10th September 2020 at the registered office of the company. Notice for same was served on 21st August 2020. 78% of members gave consent to convening AGM at shorter notice due to ambiguity and possibility of another lockdown starting from 11th September 2020 on account of the second wave of COVID-19.

16. Pick the right statement regarding SCCL's willingness to keep and maintain the register of members at the Nainital liaison office.
- (a) Register of members shall be kept at either registered office or within the same city that too after passing the resolution, hence SCCL is not correct in placing it at the Nainital liaison office
  - (b) Register of members cannot be kept at any other place by SCCL, without passing an ordinary resolution
  - (c) Register of members can be kept at Nainital liaison office, after passing a special resolution, because more than 1/10th of the total members entered in the register of members reside there

- (d) Register of members cannot be kept at Nainital liaison office, even after passing a special resolution, because less than 1/5th of the total members entered in the register of members reside there  
**(2 Marks)**
17. With reference to deposit accepted by DBSL and its duration, you are required to identify which of the following statements is correct:
- (a) There is no requirement relating to the duration of deposit, DBSL can accept a deposit for any duration.
  - (b) Since DBSL is an unlisted company, provision relating to the duration of the deposit is not applicable.
  - (c) There is a provision of a minimum duration of six months, but no upper cap to length is provided. Hence deposit accepted by DBSL is in compliance to provisions of Law.
  - (d) Acceptance of deposits by DBSL is in violation of provision of law, because the maximum period of acceptance of deposit cannot exceed thirty -six months.  
**(2 Marks)**
18. With reference to application to the registrar for registration of charge by DBSL, which of the following statements is correct?
- (a) The charge cannot be registered now, even if the Registrar permits the same.
  - (b) The charge can be registered, if registrar permits with payment of ad-valorem fee.
  - (c) The charge can be registered, if registrar permits but with payment of an additional fee.
  - (d) The charge can be registered, with payment of a standard fee.  
**(1 Mark)**
19. With reference to the loan advanced by Mr. M. Mishra to SCCL, state whether the same is to be classified as a deposit or not?
- (a) Deposit, because any sum advanced by the director whether loan or otherwise is always classified as a deposit.
  - (b) Deposit, because the tenor of the loan is for a period of more than six months.
  - (c) Not a deposit, because such amount is recorded as loan in books of account of SCCL.
  - (d) Not a deposit, because the written declaration is provided by Mr. M. Mishra, who was a director when the loan was advanced that the loan is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others.  
**(1 Mark)**
20. Considering the provision relating to length of Notice for AGM, pick out the right option:
- (a) Notice served by DBSL is not valid, because notice given within a shorter duration has to be consented to by all the members entitled to vote at AGM.
  - (b) Notice served by DBSL is not valid, because notice given within a shorter duration has to be consented to by at-least 95% of members entitled to vote thereat.
  - (c) Notice served by DBSL is valid because the shorter length has been consented to by 75% of members entitled to vote thereat.

- (d) Notice served by DBSL is not valid, because notice given within a shorter length duration needs to be by at-least 50% of the members entitled to vote at AGM that too in writing.

**(1 Mark)**

**Question 2:**

- (a) (i) A General Meeting was scheduled to be held on 15th April, 2019 at 3.00 P.M. As per the notice the members who are unable to attend a meeting in person can appoint a proxy and the proxy forms duly filled should be sent to the company so as to reach at least 48 hours before the meeting. Mr. X, a member of the company appoints Mr. Y as his proxy and the proxy form dated 10-04-2019 was deposited by Mr. Y with the company at its registered Office on 11-04-2019. Similarly, another member Mr. W also gives two separate proxies to two individuals named Mr. M and Mr. N. In the case of Mr. M, the proxy dated 12-04-2019 was deposited with the company on the same day and the proxy form in favour of Mr. N was deposited on 14-04-2019. All the proxies viz., Y, M and N were present before the meeting.

According to the provisions of the Companies Act, 2013, who would be the persons allowed to represent as proxies for members X and W respectively?

**(4 Marks)**

- (ii) Pristine Limited, a listed public company, conducted its Annual General Meeting on 31st August, 2020. However, 10 days have passed since 31st August, 2020, but it has still not filed report on Annual General Meeting. The Accountant of the company has approached you to advise them whether Pristine Limited is required to file report on Annual General Meeting?

**(2 Marks)**

- (b) Shiva Cement Limited is engaged in the manufacture of different types of cements and has got a good brand value. Over the years, it has built a good reputation and its Balance Sheet as at March 31, 2020 showed the following position:

1. Authorized Share Capital (25,00,000 equity shares of Rs. 10/- each) Rs. 2,50,00,000
2. Issued, subscribed and paid-up Share Capital (10,00,000 equity shares of Rs. 10/- each, fully paid-up) Rs. 1,00,00,000
3. Free Reserves Rs. 3,00,00,000

The Board of Directors are proposing to declare a bonus issue of 1 share for every 2 shares held by the existing shareholders. The Board wants to know the conditions and the manner of issuing bonus shares under the provisions of the Companies Act, 2013.

**(6 Marks)**

- (c) The Board of Directors of GEN X Fashions Limited at its meeting recommended a dividend on its paid-up equity share capital which was later on approved by the shareholders at the Annual General Meeting. Thereafter, the directors at another meeting of the Board passed a board resolution for diverting the total dividend to be paid to the shareholders for purchase of certain short-term investments in the name of the company. As a result, dividend was paid to shareholders after 45 days.

Examining the provisions of the Companies Act, 2013, state whether the act of directors is in violation of the provisions of the Act and if so, state the consequences that shall follow for the above violative act.

**(3 Marks)**

- (d) AB Limited issued equity shares of Rs. 1,00,000 (10000 shares of Rs. 10 each) on 01.04.2020 which have been fully subscribed whereby XY Limited holds 4000 shares and PQ Limited holds 2000 shares in AB Limited. AB Limited is also holding 20% equity shares of RS Limited before the date of issue of equity shares stated above. RS Limited controls the composition of Board of Directors of XY Limited and PQ Limited from 01.08.2020. Examine with relevant provisions of the Companies Act, 2013:
- (i) Whether AB Limited is a subsidiary of RS Limited?
  - (ii) Whether AB Limited can hold shares of RS Limited?
  - (iii) Whether AB Limited can vote at Annual General Meeting of RS Limited held on 30.09.2020?

**(4 Marks)**

**Question 3:**

- (a) Ram Limited is planning to make a private placement of securities. The Managing Director arranged to obtain a brief note from some source explaining the salient features of the issue of private placement that the Board of Directors shall keep in mind while approving the proposal on this subject. The brief note includes, inter alia, the information / suggestions on the following points:

- (i) A private placement shall be made only to a select group of identified persons not exceeding 200 in a financial year.  
The aforesaid ceiling of identified persons shall not apply to the offer made to the qualified institutional buyers but is applicable to the employees of the Company who will be covered under the Company's Employees Stock Option Scheme.
- (ii) The offer on private placement basis shall be made only once in a financial year for any number of identified persons not exceeding 200.  
The Company solicits your remarks on the points referred above as to whether they are valid or not? Reasoned remarks should be given in accordance with the provisions of the Companies Act, 2013.

**(5 Marks)**

- (b) In what way are the following terms considered as external aid in the interpretation of statutes:
- (i) Historical Setting
  - (ii) Use of Foreign Decisions

**(4 Marks)**

- (c) Mr. Govind Ram is a partner and in-charge (and certifies financial statements) of P & Associates. The firm is appointed as an auditor firm of Kanha Limited (listed company). Mr. Govind Ram retires from P & Associates and after some time join Gupta & Gupta firm as a partner, on 20/05/22. In the general meeting of Kanha Limited held on 15/06/22, the company appointed Gupta & Gupta firm as next auditor of the company. Advise Kanha Limited, whether the company has adhered to the provision of the Company Act, 2013, by appointing Gupta & Gupta as auditor for the company?

**(4 Marks)**

- (d) A Limited Company raised the secured deposit of Rs. 80 crore on 30th June, 2023 from the public on interest @ 12% p.a. repayable after 3 years. The charges have been created within prescribed time in favour of trustee of depositors against the deposit taking following assets of the company as security:
- Land & Building      Rs. 55 crore



Plant & machinery	Rs. 15 crore
Factory Shed	Rs. 10 crore
Trade Mark	Rs. 10 crore
Goodwill	Rs. 15 crore

Decide on the validity of the charges created with reference to the provisions of the Companies Act, 2013.

**(4 Marks)**

**Question 4:**

**(a) (i)** Who can be a "Designated Partner"?

**(2 Marks)**

**(ii)** Whether a 'partner by holding out' will be liable under the Act?

**(2 Marks)**

**(b)** In the light of the provisions of the Companies Act, 2013, examine whether the following Companies can be considered as a 'Foreign Company':

- (i) Red Stone Limited is a Company registered in Singapore. The Board of Directors meets and executes business decisions at their Board Meeting held in India.
- (ii) Xen Limited Liability Company registered in Dubai has installed its main server in Dubai for maintaining office automation software by Cloud Computing for its client in India.

**(4 Marks)**

**(c)** AX, resident in India had gone to London [UK] on a temporary visit in August, 2022 and to Bhutan in February, 2023. He brought in India at the time of his return, currency notes of Government of India and RBI Notes Rs. 20,000 from London and Rs. 1,00,000 from Bhutan in the denomination of Rs. 50. Referring to the provisions of the Foreign Exchange Management Act, 1999, examine and decide:

- (i) Whether import of Indian currency in the above situations are prohibited?
- (ii) What would be your answer in case Rs. 1,00,000 from Bhutan was brought in the denomination of Rs. 100 by AX?

**(4 Marks)**

**(d)** New Limited is a listed company having a paid-up share capital of Rs. 25 crore as at 31st March, 2023 and turnover of Rs. 100 crore during the financial year 2022-23. The Company Secretary has advised the Board of Directors that New Limited is not required to appoint 'Internal Auditor' as the company's paid up share capital and turnover are less than the threshold limit prescribed under the Companies Act, 2013. Do you agree with the advice of the Company Secretary? Explain your view referring to the provisions of the Companies Act, 2013.

**(5 Marks)**

**Question 5:**

**(a)** Kiran and Naman had a long dispute regarding the ownership of a land for which a legal suit was pending in the court. The court fixed the date of hearing on 29.04.2023, which was announced to be a holiday subsequently by the Government. What will be the computation of time of the hearing in this case under the General Clauses Act, 1897?

Income Tax Act, 1961 provides that the gratuity paid by the government to its employees is fully exempt from tax. You are required to explain the scope of the term 'government' and clarify whether the exemption from gratuity income will be

available to the State Government Employees? Give your answer in accordance with the provisions of the General Clauses Act, 1897.

**(5 Marks)**

- (b)** What will be the role of Government in regulation of LLPs? How will the Act able to prevent 'fly-by-night' promoters or LLPs vanishing after incorporation?

**(4 Marks)**

- (c)** A Flying Club in Indore, India was established in the year 2016. The principal activity of the club is to impart classroom and field training to the aspiring pilots. After running smoothly for first five years the club became defunct. With the initiative and support of the Government it could be revived during the year 2021. To restart the training activity the club exported two aircraft engines and spare parts for repairs abroad and getting them back to India within six months for functioning of the club activities.

The club had with it one imported aircraft on lease basis which was also re-exported abroad permanently by cancelling the lease agreement and obtaining the requisite approvals / permissions of the government agencies. However, the club failed to furnish declaration to the Reserve Bank of India and other authorities with respect to this export. Referring to the provisions of the Foreign Exchange Management Act, 1999, analyse, whether the club has contravened the provisions of the Act relating to export and re-export of the said goods.

**(4 Marks)**

- (d)** Om Limited served a notice of General Meeting upon its members. The notice stated that the following resolutions will be considered at such meeting:

- (i) Resolution to increase the Authorised share capital of the company.
- (ii) Appointment and fixation of the remuneration of Mr. Prateek as the auditor.

A shareholder complained that the amount of the proposed increase and the remuneration was not specified in the notice. Is the notice valid under the provisions of the Companies Act, 2013.

**(4 Marks)**

**Question 6:**

- (a)** "The act done negligently shall be deemed to be done in good faith."  
Comment with the help of the provisions of the General Clauses Act, 1897.

**(3 Marks)**

- (b)** Hello Limited received share application money of Rs. 50 Lakh on 01.06.2023 but failed to allot shares within the prescribed time limit.

The share application money of Rs. 5 Lakh received from Diwas, a customer of the Company, was refunded by way of book adjustment towards the dues payable by him to the company on 30.07.2023. The Company Secretary of Hello Limited reported to the Board that the entire amount of Rs. 50 Lakh shall be deemed to be 'Deposits' as on 31.07.2023 and the Company is required to comply with the provisions of the Companies Act, 2013 applicable to acceptance of deposits in relation to this amount.

You are required to examine the validity of the reporting of the Company Secretary in the light of the relevant provisions of the Companies Act, 2013.

**(5 Marks)**

**OR**

- (b) Dhiman Limited, is a company incorporated in India. Dhiman Limited is a leading manufacturer of sports shoes. It has many subsidiaries, one of them being Best Shoes Limited which is based in Morocco. Dhiman Limited is in the process of finalization of the consolidated financial statements of the company for the year ended 31 March 2022. The accounts section of Dhiman Limited has requested the management of Best Shoes Limited to provide its standalone financial statements to Dhiman Limited. The subsidiary company prepares its financial statements in the local language of the country and the same is provided to the Indian parent company. Further, audit of financial statement is not required by the Best Shoes Limited under the Moroccan laws.
- Advise, how would Dhiman Limited deal with the consolidation of such financial statements.

**(5 Marks)**

- (c) P Cricket Club was formed as a Limited Liability Company under Section 8 of the Companies Act, 2013 with the object of promoting cricket by arranging introductory cricket courses at district level and friendly matches. The club has been earning surplus. Of late, the affairs of the company are conducted fraudulently and dividend was paid to its members. Mr. Y, a member decided make a complaint with Regulatory Authority to curb the fraudulent activities by cancelling the license given to the company.

(i) Is there any provision under the Companies Act, 2013 to revoke the license? If so, state the provisions.

(ii) Whether the Company may be wound up?

(iii) Whether the P Cricket Club can be merged with Z Net Private Limited, a company engaged in the business of networking?

**(5 Marks)**

- (d) Nehul, a director of a Company, not being personally concerned or interested, financially or otherwise, in a matter of a proposed motion placed before the Board Meeting, did not disclose his interest although he has knowledge that his sister is interested in that proposal. He restrains from making any disclosure of his interest on the presumption that he is not required by law to disclose any interest as he is not personally interested or concerned in the proposal. He made his presumption relying on the 'Rule of Literal Construction'. Explaining the scope of interpretation under this rule in the given situation, decide whether the decision of Nehul is correct?

**(4 Marks)**

\_\_\*\*\_\_