

**Intermediate Course: Group – I****DATE: 22.07.2024****MAXIMUM MARKS: 100****(Mock Test Series : 1)****TIMING: 3¼ Hours****PAPER 2 : CORPORATE AND OTHER LAW**

1. The question paper comprises two parts, Part I and Part II.
2. Part I comprises Case Scenario based Multiple Choice Questions (MCQs).
3. Part II comprises questions which require descriptive type answers.

**PART I – CASE SCENARIO BASED MCQs (30 MARKS)****PART - I IS COMPULSORY****Q. 1 to Q. 4****CASE SCENARIO**

Shree Tyres Ltd. is an unlisted public limited company. The company's accounts for the financial year ending on 31st March, 2022 were finalised and audited by the Statutory Auditor. The meeting of the Board of Directors was convened and approved the financial accounts of the company and proposed to convene the Annual General Meeting of the shareholders on Thursday, the 25th August, 2022 at 10 am.

The total number of members is 3500. The Article of the company provides that the quorum for the general meeting of the shareholders shall be at least fifty members. On the day of the meeting only 10 members were physically present. Even after waiting of 30 minutes, the quorum was not present. Accordingly, the meeting was adjourned. According to the provisions of the Companies Act, 2013, the meeting shall adjourn to the same day in the next week at the same time and place.

However, on the same day in the next week i.e., on Thursday, the 1st September, 2022, the same venue (which is a Hotel's Conference Hall) was available from 3 pm only. The Board agreed to conduct the meeting from 3 pm and the all the members were informed individually via mail and also published it in the newspapers (one in English and another in vernacular language)

The adjourned meeting started at 3 pm on 1st September, 2022, the quorum required as per the Articles was 50, however 75 members were present. Out of the 75 members attending the meeting 25 persons were having the residence near the venue of Annual General Meeting and rest of the members were staying far away. Due to heavy rainfall and scarce availability of public transportation, 40 persons left the meeting so that they can reach home on time. By that time only the ordinary business resolutions were approved and two special business agendas were pending for approval by the members.

Based on the above facts, answer the following MCQs:

1. In the light of the given facts, the General Meeting of the shareholders was decided to be scheduled . Determine by which date the notices to the shareholder should have been given to the members:
  - (a) 1st August, 2022
  - (b) 2nd August, 2022
  - (c) 3rd August, 2022
  - (d) 4th August, 2022
2. Whether adjournment of the general meeting of shareholders of Shree Tyres Ltd. for want of quorum, was justified as per the requirement of the Companies Act, 2013:
  - (a) Yes, it was justified, since the quorum was not present within 30 minutes from the time appointed for holding the meeting
  - (b) No, it was not justified since the waiting time for the arrival of the requisite quorum is 30 minutes as per the provisions of the Companies Act, 2013, whereas the decision of the adjournment of the meeting was just taken after

- 15 minutes.
- (c) Yes, if the quorum is not present at the given time (sharp) of meeting, the meeting stands to be adjourned, and there is no requirement of waiting time.
- (d) Yes, it was justified, since the quorum was not present within 45 minutes (as per statutory requirement) from the time appointed for holding the meeting.
3. What shall be the quorum for the General Meeting of the Shareholders, where the number of members is 3500:
- (a) Five
- (b) Fifteen
- (c) Thirty
- (d) Fifty
4. As some members left the meeting, the quorum was not present all the time during the Annual General Meeting. The agendas for special business transactions remained un-approved. What is your opinion:
- (a) The quorum once present in the beginning of the meeting is enough.
- (b) The quorum should be present all the time when the meeting is in progress. Any items which could not approved by members for want of quorum, shall be treated as NIL.
- (c) When the quorum is present in the beginning of the meeting, it may be assumed that all the resolutions have been approved, until and unless objected later on by the members present therein.
- (d) The Board may seek special written consent from the all the members later on.

**MCQ [4 MCQ of 2 Marks Each : Total 8 Marks]**

**Q. 5 to Q. 7**

**CASE SCENARIO**

The aggregate value of the paid-up share capital of Sai Ram Limited, a listed company, was Rs. 200 crore divided into 20 crore equity shares of Rs.10/- each at the end of the financial year 2021-22 having its registered office at Pune. This company had been registered with an authorised share capital of Rs. 300 crore divided into 30 crore equity shares of Rs.10/- each. The company has very good reputation in compliance of all legal requirements on time. The company produces health related products such as ayurvedic medicines, medical instruments, sanitizers, masks, medical soaps etc. The extract of Balance Sheet of the company as on 31st March, 2022 showed the following figures–

Particulars	Amount (Rs. in crore)
Free reserves created out of profits	200
Securities Premium account	80
Credit balance of Profit & Loss account	50
Reserves created out of revaluation of assets	25
Miscellaneous expenditure not written off	10

Turnover of the company during the financial year 2021-22 was Rs. 700 crore and the net profit calculated in accordance with section 198 of the Companies Act, 2013 with other adjustments as per CSR Rules was Rs. 4 crore only.

The Board of Directors of the company constituted of the following persons as directors- a Chartered Accountant 'Sai Ram' as the Managing Director, 'Roshan' and 'Prachita' as independent directors, 'Hari Om', 'Bindu', 'Reddy' and 'Komal'. Prakash, Chief compliance officer of the company informed the Board on 20th April, 2022 that the company attracts the provisions of section 135 of the Companies Act, 2013 and all the formalities have to be complied with accordingly. Thereafter, on 30th April, 2022 a CSR committee was formed to

act and comply the provisions of Corporate Social Responsibility.

The company proposed a list of activities to spend 4% of the average net profits of the company made during the three immediately preceding financial years in pursuance of its CSR Policy as under –

1. The CSR projects for the benefit of employees of the company and their families only.
2. A contribution of Rs. 10,000/- to a political party under section 182 of the Companies Act, 2013.
3. A contribution to the PM CARES Fund during Covid pandemic.
4. Local activities like promotion of child and women education.
5. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.
6. CSR projects undertaken through a Section 8 company.

On the basis of above facts and by applying applicable provisions of Companies Act, 2013 and the applicable Rules therein, choose the correct answer.

5. Prakash, Chief compliance officer of the company informed the Board on 20th April, 2022 that the company attracts the provisions of section 135 of the Companies Act, 2013. On what basis of the following he arrived at this conclusion-
  - (a) On the basis of turnover of the company.
  - (b) On the basis of turnover and net profit of the company taken together.
  - (c) On the basis of net worth of the company.
  - (d) On the basis of net worth and turnover of the company taken together.
6. For the purpose of section 135 of the Companies Act, 2013, the net worth has to calculated as defined under section 2(57) of the Act. In this context, which of the following statements is correct with reference to the above case –
  - (a) The net worth of Sai Ram Limited during the financial year 2021-22 was Rs. 520 crore.
  - (b) The net worth of Sai Ram Limited during the financial year 2021-22 was Rs. 530 crore.
  - (c) The net worth of Sai Ram Limited during the financial year 2021-22 was Rs. 555 crore.
  - (d) The net worth of Sai Ram Limited during the financial year 2021-22 was Rs. 620 crore.
7. Sai Ram Limited constituted a Corporate Social Responsibility Committee as per the provisions of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, therein consisting of-
  - (a) Sai Ram, Hari Om, Bindu and Reddy
  - (b) Hari Om, Bindu, Reddy and Prakash
  - (c) Sai Ram, Hari Om, Bindu and Prakash
  - (d) Sai Ram, Hari Om, Bindu and Roshan

**MCQ [3 MCQ of 2 Marks Each : Total 6 Marks]**

### **Q. 8 to Q. 10**

#### **CASE SCENARIO**

Vidhya Masterminds LLP was incorporated on 15th April, 2023. Sagar, Manthan, Vishnu and Vasuki were partners in the firm. Sagar and Manthan were also the designated partners in this firm. The firm was incorporated with the object of manufacturing and trading of cycles. The business was going too smoothly.

But on 30th April, 2023, some Mr. Vidhyaram Tolaramani filed an application to registrar that he has a registered trademark in the name of "Vidhya Masters" which he has got

registered before 15.04.2023. Therefore, the LLP "Vidhya Masterminds LLP" should change its name. On the basis of basic investigation, registrar found that Mr. Vidhyaram Tolaramani was correct in contention. The registrar sent a direction to Vidhya Masterminds LLP to change its name as it too nearly resembles with the trademark of Mr. Vidhyaram Tolaramani i.e. "Vidhya Masters". The notice was issued by the registrar on 5th May, 2023 by post but due to some internal problem of postal department, notice reached the LLP on 10th May, 2023. Vidhya Masterminds LLP ignored the notice and continued working under the same name. On 15th August, 2023 the registrar suo-moto allotted the LLP a new name "Sahitya Masterminds LLP" and entered this new name in the register of LLP and also issued a fresh certificate of incorporation to Vidhya Masterminds LLP with new name. Vidhya Masterminds LLP, now "Sahitya Masterminds LLP" was not comfortable with new name. It started the process to change the name allotted by the registrar.

Meanwhile, Vishnu was appointed as designated partner in Vidhya Masterminds LLP on 25th July, 2023 but this information was not sent to the registrar. On 20th June, 2023, Mr. Vasuki had given a written notice to the LLP that he could not continue as a partner in LLP with effect from 22nd July, 2023. This cessation from the LLP was also not informed by either LLP or Mr. Vasuki, to the Registrar.

On the basis of above facts and by applying applicable provisions of the Limited Liability Partnership Act, 2008 and the applicable Rules therein, choose the correct answer (one out of four) of the following MCQs (8- 10) given herein under: -

8. When the registrar directed Vidhya Masterminds LLP to change its name, by which date the LLP should have changed the name of LLP?
  - (a) By 5th August, 2023 i.e. within a period of 3 months from the date of issue of such direction by registrar.
  - (b) By 10th August, 2023 i.e. within a period of 3 months from the date of receiving of such direction by the firm.
  - (c) By any time according to the convenience of Vidhya Masterminds LLP.
  - (d) Vidhya Masterminds LLP is not liable to change its name.
  
9. Vishnu was appointed as designated partner in the Vidhya Masterminds LLP on 25th July, 2023. By what time limit the LLP should have informed the registrar?
  - (a) 9th August, 2023 i.e. within 15 days of appointment
  - (b) 24th August, 2023 i.e. within 30 days of appointment
  - (c) 25th August, 2023 i.e. within 1 month of appointment
  - (d) 25th October i.e. within 3 month of appointment.
  
10. Whether Mr. Vasuki will be liable for penalty for not intimating the registrar about the appointment of Mr. Vishnu as designated partner?
  - (a) No, as he was not partner in LLP on the date of appointment of designated partner.
  - (b) Yes, as former partner is to be regarded still being a partner of the LLP unless a notice has been delivered to the Registrar by former partner or LLP.
  - (c) Yes, even if a notice has been delivered to the Registrar by LLP about his retirement.
  - (d) No, in any case Mr. Vasuki will not be liable.

**MCQ [3 MCQ of 2 Marks Each : Total 6 Marks]**

### **Q. 11 to Q. 13 CASE SCENARIO**

Tech Inspiration Private Limited was incorporated on 30.06.2018. The main object of the company was to provide guidance classes for engineering aspirants. For this purpose, they opened a coaching center at Freedom Plaza, Near Bhagwan Talkies, Bye Pass Road, Agra. The premise was owned by the company. The company also made a "Employee

Appointment Committee” for the systematic selection and appointment of employees including faculties for teaching. In the first slab, committee appointed nine teachers, 3 clerical staff and one peon. For the purpose of expansion of business, company decided to open a branch of the company at nearby city of Agra. After the due research, the company decided to open its branch at city “Bharatpur” which was just 50 kilometers far from Agra. The company approached Mr. Raghuram Meena owner of land at Bharatpur suitable for company. Mr. Raghuram Meena leased his land for ten years to Tech Inspiration Private Limited. The land had a small temple of lord Ganpati at its centre. The company constructed the classrooms on the land and many students joined the coaching classes. Besides it, the temple generated some income in the form of

“Chadhava” (donation). Mr. Raghuram Meena claimed the income of temple with the contention that he had leased only the land and not the temple.

Further one more problem arose in the company. “Employee Appointment Committee” found that one of the faculties, Mr. Nitesh Gupta was not performing well. He was not justifying his duties. Therefore, “Employee Appointment Committee” decided to terminate him with effect from 31.01.2024 and send him notice of termination by properly addressing and by registered post to Mr. Nitesh Gupta. Mr. Nitesh Gupta refused to accept the notice and returned back it to the postman. After two months, on 01.04.2024, Mr. Nitesh Gupta filed a suit against the company for claiming the salary for the period from 01.01.2024 to 31.03.2024 with the view that his appointment cannot be terminated because of two reasons:

- (i) “Employee Appointment Committee” was established just to appoint the employees. They are not authorised for their termination.
- (ii) Mr. Nitesh Gupta’s refused to accept the notice of termination with the contention that it was not properly served to him.

On the basis of above facts and by applying applicable provisions of the Limited Liability Partnership Act, 2008 and the applicable Rules therein, choose the correct answer (one out of four) of the following MCQs (11-13) given herein under: -

11. Whether Mr. Raghuram Meena is correct in his claim? Whether he may claim the income of temple:
  - (a) Yes, Mr. Raghuram Meena was correct in his views as he leased only land not the temple, situated on such land.
  - (b) Yes, as temple is a constructed building, not land.
  - (c) No. ‘Immovable Property’ in terms of the General Clauses Act, 1897 includes land, benefits to arise out of land, and things attached to the earth, or permanently fastened to anything attached to the earth. So, benefits attached to land and income from temple will be of Tech Inspiration Private Limited.
  - (d) No. It is the right of Tech Inspiration Private Limited to decide that who will claim the income of temple.
  
12. Whether “Employee Appointment Committee” may terminate Mr. Nitesh Gupta even the authority letter given to “Employee Appointment Committee” has no specific clause authorizing it for termination of employees?
  - (a) No, as “Employee Appointment Committee” was authorised only for appointment and not for termination of employees.
  - (b) Yes, because section 16 of the General Clauses Act, 1897, provides that unless a different intention appears, power to appoint to include power to suspend or dismiss.
  - (c) No, because section 16 of the General Clauses Act, 1897, provides that power to appoint does not include power to suspend or dismiss.

- (d) No, It's only board of directors of Tech Inspiration Private Limited who has the right to terminate its employees in board meeting.
13. Whether the refusal to accept the notice sent by post, by Mr. Nitesh Gupta would be termed as not serving of notice of termination?
- (a) Yes, as Mr. Nitesh Gupta had not accepted the notice.  
(b) Yes, refusal to accept the post will always be considered as not served.  
(c) No, because as per section 27 of the General Clauses Act, 1897 the service by post shall be deemed to be effected by properly addressing, pre-paying, and posting by registered post.  
(d) No, Mr. Nitesh Gupta had the information of sending of notice.

**MCQ [3 MCQ of 2 Marks Each : Total 6 Marks]**

14. Mr. Amar (a resident individual) want to remit US\$ 60,000 to his son in the USA after winning a big lottery. Considering the provisions of the Foreign Exchange Management Act, 1999, choose the correct action which Mr. Amar would take to remit the said amount to his son in the USA.
- (a) Visit a local bank and request a direct transfer to his son's US bank account.  
(b) Cannot remit the said amount as remittance out of lottery winnings is prohibited.  
(c) Travel to the USA personally with the cash winnings, to give it to his son.  
(d) Convert the US Dollar winnings into a different currency before sending it to his son.

**(2 Marks)**

15. Mr. Prakhar, an Indian Resident individual, wishes to obtain Foreign Exchange for a gift remittance totaling US\$ 50,000. Which of the following statements accurately reflects the regulatory requirement under the Foreign Exchange Management Act, 1999 (FEMA)?
- (a) Mr. Prakhar can freely remit US\$ 50,000 for the gift as it is a current account transaction and the amount of gift remittance is less than US\$ 2,50,000.  
(b) Mr. Prakhar must seek prior approval from the RBI for the remittance exceeding US\$ 50,000.  
(c) Mr. Prakhar must seek prior approval from the RBI for any gift remittance, regardless of the amount.  
(d) Mr. Prakhar does not need to comply with any FEMA requirements as gift remittance does not fall under the purview of the FEMA 1999.

**(2 Marks)**

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**PART II - DESCRIPTIVE QUESTIONS (70 MARKS)**

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**QUESTIONS NO. 1 IS COMPULSORY. CANDIDATES ARE REQUIRED TO ANSWER ANY FOUR QUESTIONS FROM THE REMAINING FIVE QUESTIONS**  
**Wherever necessary, suitable assumptions may be made and disclosed by way of a note. Working Notes should form part of the answer.**

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**Question 1:**

- (a) As at 31st March, 2023, the paid up share capital of Sanjay Ltd. is Rs. 1,00,00,000 divided into 10,00,000 equity shares of Rs. 10 each. Of this, Harsh Ltd. is holding 6,00,000 equity shares and 4,00,000 equity shares are held by others. Simultaneously, Sanjay Ltd. is holding 5% equity shares of Harsh Ltd. out of which 1% shares are held as a legal representative of a deceased member of Harsh Ltd. On the basis of the given information, examine and answer the following queries with reference to the provisions of the Companies Act, 2013:

- (i) Can Sanjay Ltd. make further investment in equity shares of Harsh Ltd. during 2023-24?
- (ii) Can Sanjay Ltd. exercise voting rights at Annual general meeting of Harsh Ltd.?
- (iii) Can Harsh Ltd. allot or transfer some of its shares to Sanjay Ltd.?

**(4 Marks)**

- (b)** The balances extracted from the financial statement of ABC Limited are as below:

Sr. No.	Particulars	Balances as on 31-03-2020 as per Audited Financial Statement (Rs. in crore)	Balances as on 30-09-2020 (Provisional Rs. in crore)
1.	Net Worth	100.00	100.00
2.	Turnover	500.00	1000.00
3.	Net Profit	1.00	5.00

Explaining the provisions of the Companies Act, 2013, you are requested to examine whether ABC Limited is required to constitute 'Corporate Social Responsibility Committee' (CSR Committee) during the second half of the financial year 2020-21.

**(3 Marks)**

- (c)** What are provisions of the Companies Act, 2013 relating to the appointment of 'Debenture Trustee' by a company? Whether the following can be appointed as 'Debenture Trustee'?

- (i) A shareholder of the company who has shares of Rs. 10,000.
- (ii) A creditor whom the company owes Rs. 999 only.
- (iii) A person who has given a guarantee for repayment of amount of debentures issued by the company.

**(4 Marks)**

- (d)** State which kind of approval is required for the following transactions under the Foreign Exchange Management Act, 1999:

- (i) X, a Film Star, wants to perform along with associates in New York on the occasion of Diwali for Indians residing at New York. Foreign Exchange drawal to the extent of US dollars 20,000 is required for this purpose.
- (ii) R wants to get his heart surgery done at United Kingdom. Up to what limit Foreign Exchange can be drawn by him and what are the approvals required?

**(3 Marks)**

**Question 2:**

- (a)** What is a Shelf-Prospectus? State the important provisions relating to the issuance of Shelf-Prospectus under the provisions of Companies Act, 2013.

**(5 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.

**(5 Marks)**

- (c) What do you understand by the term 'Good Faith'. Explain it as per the provisions of the General Clauses Act, 1897. Mr. X purchased a watch from Mr. Y carelessly without proper enquiry. Whether the purchase made could said to be made in good faith.

**(4 Marks)**

**Question 3:**

- (a) Discuss the following situations in the light of 'Deposit provisions' as contained in the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.
- (i) Rameshwar, one of the Directors of Moon Technology Private Limited, a start-up company, requested his close friend Praveen to lend to the company Rs. 20.00 lacs in a single tranche by way of a convertible note repayable within a period of six years from the date of its issue. Advise whether it is a deposit or not.
  - (ii) Shyam Readymade Garments Limited wants to accept deposits of Rs. 50.00 lacs from its member for tenure, which is less than six months. Is there any possibility to do so?
  - (iii) The turnover of Y Ltd. is Rs. 400 crore as per last audited financial statement and net worth is Rs. 50 crores. Can Y Ltd. accept deposits from the public as per section 73 of the Companies Act, 2013?

**(6 Marks)**

- (b) Mr. A is working with a reputed Chartered Accountant firm in Delhi. After gaining an experience of 5 years, now Mr. A is planning to open his own firm A and Associates. He has now purchased a commercial property in Delhi belonging to Kesha Limited after entering into an agreement with the company. At the time of registration, Mr. A comes to know that the title deed of the company is not free and the company expresses its inability to get the title deed transferred in his name contending that he ought to have the knowledge of charge created on the property of the company. Explain, whether the contention of Kesha Limited is correct? Give your answer with respect to the provisions of the Companies Act, 2013.

**(4 Marks)**

- (c) Mr. Rohan, an Indian Resident individual desires to obtain Foreign Exchange for the following purposes:
- (A) US\$ 120,000 for studies abroad on the basis of estimates given by the foreign university.
  - (B) Gift Remittance amounting US\$ 10,000.
- Advise him whether he can get Foreign Exchange and if so, under what condition(s)?

**(4 Marks)**

**Question 4:**

- (a) "The offer of buy-back of its own shares by a company shall not be made within a period of six months from the date of the closure of the preceding offer of buy-back, if any and cooling period to make further issue of same kind of shares including allotment of further shares shall be a period of one year from the completion of buy back subject to certain exceptions." Examine the validity of this statement by explaining the provisions of the Companies Act, 2013 in this regard.

**(5 Marks)**



- (b) G Medical Instruments Limited is a manufacturing company & has proposed a dividend @ 10% for the year 2021-2022 out of the profits of current year. The company has earned a profit of Rs. 910 crores during 2021-2022. The company does not intend to transfer any amount to the general reserves out of the profits. Is G Medical Instruments Limited allowed to do so, as per the provisions of the Companies Act, 2013?  
**(4 Marks)**
- (c) Explain the provision related to 'Effect of Repeal' as per the General Clauses Act, 1897.  
**(5 Marks)**

**Question 5:**

- (a) The Board of Directors of Moon Light Limited, a listed company appointed Mr. Tel, Chartered Accountant as its first auditor within 30 days of the date of registration of the Company to hold office from the date of incorporation to conclusion of the first Annual General Meeting (AGM). At the first AGM, Mr. Tel was re-appointed to hold office from the conclusion of its first AGM till the conclusion of 6th AGM. In the light of the provisions of the Companies Act, 2013, examine the validity of appointment/reappointment in the following cases:  
(i) Appointment of Mr. Tel by the Board of Directors.  
(ii) Re-appointment of Mr. Tel at the first AGM in the above situation.  
(iii) In case Mr. Bell, Chartered Accountant, was appointed as auditor at the first AGM to hold office from the conclusion of its first AGM till the conclusion of 5th AGM. i.e., 4 years tenure.  
**(4 Marks)**
- (b) Rohan and Rahul are college friends and intend to do trading in musical instruments. They have met Mr. John and Ms. Kate who are non-resident Indian and they all have decided to form a Limited Liability Partnership (LLP) under the name and style of Rohan John LLP with an initial capital contribution of Rs. 1,00,000 each. The LLP was incorporated on October 15, 2020. The LLP intends to appoint Mr. John and Ms. Kate as designated partners and consults same with its Company Secretary. You as the Company Secretary advise the LLP on the appointment of Mr. John and Ms. Kate as the only designated partners of the LLP.  
**(5 Marks)**
- (c) Enumerate when does the rule of Eiusdem Generis apply.  
**(5 Marks)**

**Question 6:**

- (a) Examine the validity of the following statements in respect of Annual General Meeting (AGM) as per the provisions of the Companies Act, 2013:  
(i) The first AGM of a company shall be held within a period of six months from the date of closing of the first financial year.  
(ii) The Registrar may, for any special reason, extend the time within which the first AGM shall be held.  
(iii) Subsequent (second onwards) AGMs should be held within 6 months from closing of the financial year.  
(iv) There shall be a maximum interval of 15 months between two AGMs.  
**(4 Marks)**

- (b)** Shreen Ltd. was dealing in export of rubber to specified foreign countries. The company was willing to purchase rubber trees in A.P. State. The prospectus issued by the company contained some important extracts of the expert report and number of trees in A.P. State. The report was found untrue. Mr. Andhrey purchased the shares of Shreen Ltd. on the basis of the expert's report published in the prospectus. However, he did not suffer any loss due to purchase of such shares. Will Mr. Andhrey have any remedy against the company? State also the circumstances where an expert is not liable under the Companies Act, 2013.

**(5 Marks)**

- (c)** Ajay, a member of Sachin Electricals Ltd. gave in writing to the company that the notice for any general meeting be sent to him only by registered post at his residential address at Kanpur for which he deposited sufficient money. The company sent notice to him by ordinary mail under certificate of posting. Ajay did not receive this notice and could not attend the meeting and contended that the notice was improper.

Decide:

- (i) Whether the contention of Ajay is valid.  
(ii) Will your answer be the same if Ajay remains in London for two months during the notice of the meeting and the meeting held?

**(3 Marks)**

- (d)** Examine the validity of the following statements with reference to the General Clauses Act, 1897:

- (i) Insurance Policies covering immovable property have been held to be immovable property.  
(ii) The word "bullocks" could be interpreted to include "cows".

**(2 Marks)**

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