

Solved
Scanner Appendix
CS Executive Programme Module - I
(New Syllabus)
(Solution of June - 2016)

Paper - 1 : Company Law

Chapter - 2 : Types of companies

2016 - June [1] (d)

Section 149 (3) of the Companies Act, 2013, provides that every company shall have at least one director who has stayed in India for a total period of not less than 182 days in the previous calendar year. MCA clarified vide Circular No. 25/2014, dated 26-6-2014 that Companies incorporated after 30-9-2014 needs to have the resident director from the date of incorporation itself.

In the present case three nationals of Singapore have not stayed in India for a total period of not less than 182 days in the previous calendar year. Hence, none of them is a resident director.

However all the shareholders of a company can be domiciled in a country outside India.

2016 - June [2] (d)

Small company:

As per Section 2(85) “small company” means a company, other than a public company:

- (i) paid-up share capital of which does not exceed fifty lakhs rupees or such higher amount as may be prescribed which shall not be more than five crore rupees; and
- (ii) turnover of which as per its last profit and loss account does not exceed two crore rupees or such higher amount as may be prescribed

which shall not be more than twenty crore rupees:

Provided that nothing in this definition shall apply to:

- (a) a holding company or a subsidiary company;
- (b) a company registered under Section 8; or
- (c) a company or body corporate governed by any special Act;

A small company enjoys various privileges and exemptions under the Companies Act, 2013.

Inactive company:

According to explanation to Section 455 (1) of the Companies Act, 2013 “inactive company” means a company which has not been carrying on any business or operation, or has not made any significant accounting transaction during the last two financial years, or has not filed financial statements and annual returns during the last two financial years.

Inactive company may make an application under section 455 to the Registrar in prescribed manner for obtaining the status of dormant company.

2016 - June [3A] (Or) (i)

Public Financial Institutions:

According to Section 2 (72), “Public financial institution” means:

- (i) the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956;
- (ii) the Infrastructure Development Finance Company Limited, referred to in clause (vi) of sub-section (1) of section 4A of the Companies Act, 1956 so repealed under Section 465 of this Act;
- (iii) specified company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;
- (iv) institutions notified by the Central Government under sub-section (2) of Section 4A of the Companies Act, 1956 so repealed under Section 465 of this Act;
- (v) such other institution as may be notified by the Central Government in consultation with the Reserve Bank of India.

However, no institution shall be so notified unless:

- (a) it has been established or constituted by or under any Central or State Act; or
- (b) not less than fifty-one per cent. of the paid-up share capital is held or controlled by the Central Government or by any State Government or

Governments or partly by the Central Government and partly by one or more State Governments.

Chapter - 3 : Promotion and Incorporation of Companies

2016 - June [4] (a)

Section 7 (1) (c) of the Companies Act, 2013 requires the filing of an affidavit from each of the subscribers to the memorandum and from persons named as the first directors, if any, in the articles that he is not convicted of any offence in connection with the promotion, formation or management of any company or that he has not been found guilty of any fraud or misfeasance or of any breach of duty to any company under this Act or any previous company law during the preceding five years and that all the documents filed with the Registrar for registration of the company contain information that is correct and complete and true to the best of his knowledge and belief;

Rule 15 of the Companies (Incorporation) Rules, 2014 states that

For the purposes of clause (c) of sub-section (1) of Section 7, the affidavit shall be submitted by each of the subscribers to the memorandum and each of the first directors named in the articles in Form No. INC.9.

Affidavit

(To be given individually by applicant)

Name of the proposed company:

I.....,being the subscriber to the memorandum/named as first directors of above name proposed company., hereby solemnly declare and affirm that:

1. I have not been convicted of any offence in connection with the promotion, formation or management of any company during the preceding five years; and
2. I have not been found guilty of any fraud or misfeasance or of any breach of duty to any company under this Act or any previous company law during the preceding five years; and

All the documents filed with the Registrar for registration of the company contain information that is correct and complete and true to the best of my knowledge and belief.

Signature:

Date:

In the present case all the subscribers to the memorandum of Aman, Raman and Shraman have to file the affidavit individually.

Chapter - 5 : Contracts and Conversions

2016 - June [5] (a)

CONVERSION OF PRIVATE COMPANY INTO ONE PERSON COMPANY:

- (1) A private company other than a company registered under section 8 of the Act having paid up share capital of fifty lakhs rupees or less or average annual turnover during the relevant period is two crore rupees or less may convert itself into one person company by passing a special resolution in the general meeting.
- (2) Before passing such resolution, the company shall obtain No objection in writing from members and creditors.
- (3) The one person company shall file copy of the special resolution with the Registrar of Companies within thirty days from the date of passing such resolution in Form No. MGT.14.
- (4) The company shall file an application in Form No. INC.6 for its conversion into One Person Company along with fees as provided in the Companies (Registration offices and fees) Rules, 2014, by attaching the following documents, namely:
 - (i) The directors of the company shall give a declaration by way of affidavit duly sworn in confirming that all members and creditors of the company have given their consent for conversion, the paid up share capital company is fifty lakhs rupees or less or average annual turnover is less than two crores rupees, as the case may be;
 - (ii) the list of members and list of creditors;
 - (iii) the latest Audited Balance Sheet and the Profit and Loss Account; and
 - (iv) the copy of No Objection letter of secured creditors.

Chapter - 10 : Creation and Registration of Charges

2016 - June [2] (c)

Satisfaction of Charges:

According to Section 82 read with the rules, the company shall give

intimation to the Registrar of the payment or satisfaction in full of any charge within a period of thirty days from the date of such payment or satisfaction in Form No.CHG-4 along with the fee. Where the satisfaction of the charge is not filed within thirty days from the date on which such payment of satisfaction, the Registrar shall not register the same unless the delay is condoned by the Central Government, which is later discussed in this chapter.

On receipt of such intimation, the Registrar shall issue a notice to the holder of the charge calling a show cause within such time not exceeding fourteen days, as to why payment or satisfaction in full should not be recorded as intimated to the Registrar. If no cause is shown, by such holder of the charge, the Registrar shall order that a memorandum of satisfaction shall be entered in the register of charges maintained by the registrar under Section 81 and shall inform the company. If the cause is shown to the registrar shall record a note to that effect in the register of charges and shall inform the company accordingly. However the aforesaid notice shall not be sent, in case intimation to the registrar is in specified form and is signed by the holder of charge. [Proviso to Section 82(2)].

Notice of Charge:

According to Section 80, where any charge on any property or assets of a company or any of its undertakings is registered under section 77, any person acquiring such property, assets, undertakings or part thereof or any share or interest therein shall be deemed to have notice of the charge from the date of such registration. The section clarifies that if any person acquires a property, assets or undertaking for which a charge is already registered, it would be deemed that he has complete knowledge of charge from the date the charge is registered.

Chapter - 14 : Institution of Directors

2016 - June [2] (a)

Appointment of Directors by Nomination Section 161(3):

This new sub-Section now provides for appointment of Nominee Directors. It states that subject to the articles of a company, the Board may appoint any person as a director nominated by any institution in pursuance of the

provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.

Appointment of Directors In Causal Vacancy-Section 161(4):

If any vacancy is caused by death or resignation of a director appointed by the shareholders in General meeting, before expiry of his term, the Board of directors can appoint a director to fill up such vacancy. The appointed director shall hold office only up to the term of the director in whose place he is appointed.

2016 - June [3] (d)

As per Section 168 of the Companies Act, 2013 read with Rule 15 and 16 of the Companies (Appointment and Qualification of Directors) Rules, 2014 a director may resign from his office by giving notice in writing. The Board shall, on receipt of such notice within 30 days intimate the Registrar in Form DIR-12 and also place the fact of such resignation in the Directors' Report of subsequent general meeting of the company and post the information on its website. The director shall also forward a copy of resignation along with detailed reasons for the resignation to the Registrar in Form DIR -11 within 30 days from the date of resignation. The notice shall become effective from the date on which the notice is received by the company or the date, if any specified by the director in the notice, whichever is later. In case of failure of the company to intimate the Registrar, as the director has already informed the registrar of his resignation within time, the document would get registered in the records in the records of the registrar.

In the present case Resignation of Mr. Paras shall remain valid and shall be recorded by the Registrar.

2016 - June [3A] (Or) (iii)

Residence of a director in India:

Section 149 (3) of the Act has provided for residence of a director in India as a compulsory i.e. every company shall have at least one director who has stayed in India for a total period of not less than 182 days in the previous

calendar year.

Ministry of Corporate Affairs vide its circular dated June 26, 2014 has made the following clarification with respect to resident director:

1. Section 149(3) of the Companies Act, 2013 (Act) requires every company to have at least one director who has stayed in India for a total period of not less than 182 days in the previous calendar year. Government has received requests from stakeholders for clarification with regard to applicability of these provisions in the current calendar/financial year.
2. The matter has been examined. It is clarified that the, residency requirement' would be reckoned from the date of commencement of section 14 of the Act i.e. 1st April, 2014, The first, previous calendar year, for compliance with these provisions would, therefore, be Calendar year 2014. The period to be taken into account for compliance with these provisions will be the remaining period of calendar year 2014 i.e. 1st April to 31st December.
Therefore, on a proportionate basis, the number of days for which the director(s) would need to be resident in India. During Calendar year 2014, shall exceed 136 days.
3. Regarding newly incorporated companies it is clarified that companies incorporated between 1.4.2014 to 30.9.2014 should have a resident director either at the incorporation stage itself or within six months of their incorporation. Companies incorporated after 30.9.2014 need to have the resident director from the date of incorporation itself.

2016 - June [6] (b)

A special director or an executive director is a full-time employee of a company and is given this designation in appreciation of his merit and his usefulness to the company.

Such directors may not be the members of the Board and as such they cannot be called directors within the meaning of the provisions of the Companies Act. However, the Department of Company Affairs (now MCA) has, vide Circular No.2/1982 (1/1/82-CL-V;23/44/79-CL-II) dated 20th January, 1993 (ascertained by revised Circular No.11/1990)(3/5/89-CL-V) dated 29th

May, 1990), advised companies to desist from giving designations as 'Special Director', 'Director Administration', etc., to their executives, who are not members of the Board, as such designations give an impression to the public at large and those dealing with companies and the executives that they are full-fledged directors entitled to act as such on behalf of the company.

Based on these circulars Krugen Holdings Ltd. is advised not to use the designation 'Director (Administration)' for its executive Ms. Bhavana.

Chapter - 16 : Board and its Powers

2016 - June [1] (a)

Yes, it is mandatory for every director of a company to disclose his interest or nature of his concern in other companies in which he is a director. The Act provides for the disclosure by directors relating his concern or interest in any company or companies or body corporate (including shareholding interest), firms or other association of individuals by giving a notice in writing in form MBP 1 (Rule 9(1)) at the first meeting of board after being appointed as director and at first meeting of board of every financial year, in addition to this, any change required to be disclosed in next board meeting.

Every director is required to disclose the nature of his concern or interest at the meeting of board in which the contract or arrangement is discussed and he has not to participate in such meeting.

The abovementioned interest may be direct or indirect and relating to some contract or arrangement or proposed contract or arrangement entered into or to be entered into with a body corporate in which such director or such director in association with other director holds more than two percent shareholding or is a promoter, manager, Chief Executive Officer of that body corporate or with a firm or other entity in which such director is a partner, owner or member as the case maybe.

If a contract or arrangement entered into by the company without disclosure of interest by director or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

The contravention of the provisions leads to punishment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to one lakh rupees or both.

Any contract or arrangement entered into or to be entered into between two companies, where any director of any company holds more than two percent of the paid up capital in other company, the provisions of this section shall not apply.

2016 - June [2A] (Or) (ii)

In the Companies Act, 2013, there is no such restriction of holding a board meeting outside India.

The decision of Ash Ltd. to hold a meeting in New York when all the directors present there stand valid.

2016 - June [6] (a)

Nomination and Remuneration Committee

The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non executive directors out of which not less than one half shall be independent director. As per Section 178(3) of the Act, the Committee shall formulate the criteria, for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration for directors, KMPs and other employees.

Duties of the Nomination and Remuneration Committee:

The duties of the Nomination and Remuneration Committee have now been specified. They include:

- (a) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
- (b) recommend to the Board their appointment and removal;
- (c) carry out evaluation of every Director's performance;
- (d) formulate the criteria for determining qualifications, positive attributes and independence of a Director and
- (e) recommend to the Board a policy, relating to the remuneration for the Directors, KMP and other employees.

Chapter - 18 : General Meetings

2016 - June [4] (b)

Following are the material facts to be set out in the explanatory statement to

be annexed to the Notice of EGM of Bright Products Ltd. as per Section 102(1) of Companies Act, 2013:

- (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of:
 - (i) every director and the manager, if any;
 - (ii) every other key managerial personnel; and
 - (iii) relatives of the persons mentioned in sub-clauses (i) and (ii);
- (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon

Further, where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

Chapter - 19 : Loans and Investments by Companies

2016 - June [2A] (Or) (iv)

Section 187 read with Rule 14 of Companies (Meetings of Board and its Powers), Rules, 2014 provides that every company shall maintain Register of Investment in securities not held in company's name in Form MBP-3. Sub-section 3 of the section provides that such register shall be open to inspection by any member or debentureholder of the company without any charge during business hours subject to such reasonable restrictions as the company may by its articles or in general meeting impose.

Thus, in the given case Virat who is not a member of the company is not eligible to inspect the Register of Investment in securities not held in company's name.

Section 94 provides that copies of annual return filed under section 92 shall be kept at registered office of the company. Further the copies of all the returns shall be open for inspection by any member, debentureholder, other security holder or beneficial owner during business hours without payment of fees and by any other person on payment of such fees as may be

prescribed under Companies (Registration office & fee) Rules, 2014. Further he may take a copy of the return on payment of such fees as may be prescribed in above said rules.

Hence, Virat may inspect and take copy of Annual Return and not the Register of Investment in securities not held in company's name.

Chapter - 20 : Deposits

2016 - June [2A] (Or) (iii)

According to the Section 2(31) of the Act read with Rule 2(c) of Companies (Acceptance of Deposits) Rules, 2014 "deposit" includes any receipt of money by way of deposit or loan or in any other form by a company, but does not include any amount received in the course of or for the purposes of the business of the company as an advance for the supply of goods or provision of services provided that such advance is appropriated against supply of goods or provision of services within a period of three hundred and sixty five days from acceptance of such advance. In case of any advance which is subject matter of any legal proceedings before any court of law, the said time limit of three hundred and sixty five days shall not apply.

In the present case Prism Ltd. has accepted ₹ 10 lakhs as advance towards the supply of goods to certain parties on an agreement to supply goods after two years from date of deposit. Considering the legal provision the amount so accepted by the company is deposit.

2016 - June [6] (c)

As per Rule 3(6) of the Companies (Acceptance of Deposits) Rules, 2016 no company under Section 73(2) or any eligible company shall invite or accept or renew any deposits in any form, carrying a rate of interest or pay brokerage thereon at a rate exceeding the maximum rate of interest or brokerage prescribed by the Reserve Bank of India for acceptance of deposits by non-banking financial companies.

Green Field Ltd. is advised to go ahead with the proposal carrying a rate of interest not exceeding the maximum rate of interest or brokerage prescribed by the Reserve Bank of India for acceptance of deposits by non-banking financial companies.

Chapter - 21 : Accounts and Audit

2016 - June [1] (c)

There is no time prescribed in Companies Act, 2013 between the date of approval of financial statements by the Board of Directors of a company and the date of notice of Annual General Meeting.

Section 101 of the Companies Act, 2013 notice of AGM must be issued at least 21 clear days before the date of Annual General Meeting.

Hence, the gap between the board meeting in which the financial statements are approved and the AGM, should have a minimum gap of 21 clear days, unless the meeting is at a shorter notice.

2016 - June [2A] (Or) (i)

According to Section 141(3)(b) of the Companies Act, 2013 an officer or employee of the company is not eligible to be appointed as statutory auditor of a company.

In the present case Mr. Sanjay is working as Financial controller of Sonik Industries (Pvt.) Ltd., and hence not eligible to be appointed as statutory auditor of the company.

2016 - June [3A] (Or) (ii)

The provisions of Corporate Social Responsibility are covered under Section 135 of the Act and Companies (CSR Policy) Rules, 2014. The CSR provisions apply to the following classes of companies during any financial year: (i) Companies having Net Worth of rupees five hundred crore or more; or (ii) Companies having turnover of rupees one thousand crore or more; or (iii) Companies having Net Profit of rupees five crore or more. The companies specified above shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board. The CSR Committee shall consist of three or more Directors (Except in case of private company, where the no. of directors is lesser than three, the committee shall consist of all the directors), out of which at least one Director shall be an Independent Director (if there is any). After taking into account the recommendations of the CSR Committee, the Board shall approve the CSR

Policy for the company covering the activities to be undertaken as per Schedule VII of the Act. The contents of the Policy shall be disclosed in the Board's report and the Company's website, if any, in a manner to be prescribed by the Central Government. The eligible companies are required to spend in every financial year, at least two per cent of the Average Net Profits of the Company made during the three immediately preceding financial years in pursuance of its CSR Policy. If the Company fails to spend the amount, the Board shall specify the reasons for not spending the amount in the Board's Report.

2016 - June [4] (c)

Re-opening of Accounts on Court's or Tribunals's Orders (This section is not yet to be notified)

Section 130 provides for provisions relating to re-opening or re-casting of books of accounts of the company. Accordingly,

- (i) A company shall not re-open its books of account and shall not recast its financial statements, unless an application in this regard is made by any one or more of the following:
 - (a) the Central Government, or
 - (b) the Income-tax authorities, or
 - (c) the Securities and Exchange Board of India (SEBI), or
 - (d) any other statutory regulatory body or authority or any person concerned, and
 - (e) an order in this regard is made by a court of competent jurisdiction or the Tribunal.
- (ii) The re-opening and recasting of financial statements is permitted only for the following reasons:
 - (a) the relevant earlier accounts were prepared in a fraudulent manner; or
 - (b) the affairs of the company were mismanaged during the relevant period, casting a doubt on the reliability of financial statements.

- (iii) The Court or the Tribunal, as the case may be, shall give the notice to:
 - (a) the Central Government,
 - (b) the Income-tax authorities,
 - (c) the Securities and Exchange Board,
 - (d) any other statutory regulatory body or authority concerned and shall take into consideration the representations, if any, made by Central Government or the income tax authorities, Securities and Exchange Board or the body or authority concerned before passing any order under this section.
- (iv) Director's report of the year in which such provisions are invoked, should provide for the reasons or circumstances in which such revisions were warranted.

Further, Section 131 deals with power of Board to make application to tribunal and obtain approval for voluntary revision of financial statements and Board's Report of any of the preceding three financial years.

Hence, one time revision of financial accounts of the company may be made after obtaining approval of the tribunal subject to applicability and enforceability of Section 131 of Companies Act, 2013.

This is for information and record please.

2016 - June [6] (d)

Persons responsible to maintain books:

The person responsible to take all reasonable steps to secure compliance by the company with the requirement of maintenance of books of accounts etc. shall be: (sub-section 6):

- (i) Managing Director,
- (ii) Whole-Time Director, in charge of finance
- (iii) Chief Financial Officer
- (iv) Any other person of a company charged by the Board with duty of complying with provisions of section 128.

Therefore, a Company Secretary being a Chief Financial Officer of the

company can be held liable for maintenance of books of accounts of the company.

Chapter - 22 : Divisible Profits and Dividends

2016 - June [3A] (Or) (iv)

Punishment For Failure To Distribute Dividends:

Section 127 of Companies Act 2013 provides that when a dividend has been declared by a company but has not been paid or the warrant in respect thereof has not been posted within thirty days from the date of declaration to any shareholder entitled to the payment of the dividend, every director of the company shall, if he is knowingly a party to the default, be punishable with imprisonment which may extend to two years and with fine which shall not be less than one thousand rupees for every day during which such default continues and the company shall be liable to pay simple interest at the rate of eighteen percent. per annum during the period for which such default continues.

Exceptions:

Proviso to section 127 has provided a list where no offence under this section shall be deemed to have been committed:

- (a) where the dividend could not be paid by reason of the operation of any law;
- (b) where a shareholder has given directions to the company regarding the payment of the dividend and those directions cannot be complied with and the same has been communicated to him;
- (c) where there is a dispute regarding the right to receive the dividend;
- (d) where the dividend has been lawfully adjusted by the company against any sum due to it from the shareholder; or
- (e) where, for any other reason, the failure to pay the dividend or to post the warrant within the period under this section was not due to any default on the part of the company.

Chapter - 24 : Registers, Forms and Returns

2016 - June [4] (d)

As per Section 92 of the Act, every company shall prepare a return in E-form MGT 7 containing the required particulars as they stood on the close

of

the financial year and signed by a director and the Company Secretary, or where there is no Company Secretary, by a Company Secretary in practice. The annual return, filed by a listed company or, by a company having paid-up capital of ten crore rupees or more or turnover of fifty crore rupees or more, shall be certified by a Company Secretary in practice (Form No. MGT 8), stating that the annual return discloses the facts correctly and adequately and that the company has complied with all the provisions of this Act.

Here, it may be noted that borrowed amount is not any criteria for deciding about the authority/eligibility of the person to sign and certify the annual return.

Thus, in the absence of information about whether the company falls under the listing or paid up share capital or Turnover category discussed above, it would not be wise to pronounce whether its annual return shall be signed and certified by a practicing Company Secretary or not.

Chapter - 29 : Limited Liability Partnerships

2016 - June [1] (b)

As per Section 43 the Central Government may appoint one or more competent persons as inspectors to investigate the affairs of a limited liability partnership and to report on them in such manner as it may direct.

- (a) if not less than one-fifth of the total number of partners of the limited liability partnership make an application along with supporting evidence and security amount as may be prescribed; or
- (b) if the limited liability partnership makes an application that the affairs of the limited liability partnership ought to be investigated; or
- (c) if, in the opinion of the Central Government, there are circumstances suggesting:
 - (i) that the business of the limited liability partnership is being or has been conducted with an intent to defraud its creditors, partners or any other person, or otherwise for a fraudulent or unlawful purpose, or in a manner oppressive or unfairly prejudicial to some or any of

- its partners, or that the limited liability partnership was formed for any fraudulent or unlawful purpose; or
- (ii) that the affairs of the limited liability partnership are not being conducted in accordance with the provisions of this Act; or
 - (iii) that, on receipt of a report of the Registrar or any other investigating or regulatory agency, there are sufficient reasons that the affairs of the limited liability partnership ought to be investigated.

2016 - June [3] (c)

Section 34(4) of the LLP Act, 2008 provides that the accounts of the LLP shall be audited in accordance with such rules as may be prescribed unless the LLP is exempted from audit under Rule 24(8) of LLP Rules, 2009, An auditor/(s) of LLP shall be appointed for each financial year of the LLP, unless exempt from the provisions of audit requirement under rule. The audit of LLP may be done by a Chartered Accountant in Practice only.

Proviso to Rule 24(8) of the LLP Rules, 2009 provides that a LLP shall be exempted from the audit of its accounts if:

- (a) its turnover does not exceed, in any financial year, forty lakh rupees or
- (b) its contribution does not exceed twenty-five lakh rupees.

FDI in Limited Liability Partnerships (LLPs):

- FDI in LLPs is allowed, through the government approval route, only for LLPs operating in sectors/activities where 100% FDI is allowed through automatic route and there are no FDI linked performance related conditions (Such as 'Non-Banking Finance Companies' or 'Development of townships, housing, built-up infrastructure and Construction-development projects' etc.)
- FDI in LLP is not allowed at all even through government route in those sectors where 100% FDI is not allowed under automatic etc.).

LLPs are not be permitted to avail External Commercial Borrowings (ECBs). Therefore, Sun & Moon LLP is advisable not to avail ECB.

Chapter - 31 : Offences, Penalties and their Compounding

2016 - June [3] (b)

Punishment Where No Specific Penalty or Punishment is Provided (Section 450):

If a company or any officer of the company or any other person contravenes any of the provisions of proposed Act or the rules there-under or any condition, limitation, or restriction subject to which any approval is given or granted for which no penalty or punishment is provided elsewhere, then the company and every officer thereof who is in default or such other person is punishable with fine extending it to rupees ten thousand and where the contravention is a continuing offence, with a further fine extending it to rupees one thousand for every day during which the contravention continues.

Therefore Sweet (Pvt.) Ltd. for the violation of the provisions of Companies Act, 2013 shall be governed under Section 450.

Chapter - 32 : Winding up - Concept and Modes

2016 - June [5] (b)

Notice of Extraordinary General Meeting:

Notice is hereby given that an Extraordinary General Meeting of the members of Desire Ltd. will be held on 30th June, 2016 at 11 : 00 a.m. at the registered office of the company to transact the following special business:

To consider, and if thought fit, to pass, with or without, modification the following resolution as special resolution:

“Resolved that pursuant to Section 306 of Companies Act, 2013 the company be wound up voluntarily by the creditors.

Resolved further that Mr. ___ be and is hereby appointed as a liquidator of the company at a remuneration of 2% of the amount credited to the realization account and 1% of the amount debited to the realization account subject, however, to a minimum of ₹ 5,000 per month plus actual out of pocket expenses incurred in connection with performance of duties and that the said liquidator be and is hereby authorized to exercise all powers as specified under sections 314 and 343 read with Section 290 of Companies Act, 2013.

Resolved further that a committee of inspection consisting of the following members be and is hereby constituted and that the said committee of inspection be authorized to discharge the functions specified under the

Companies Act, 2013."

Mr. ___

Mr. ___

Place

Date:

By order of Board of Directors

___ Ltd.

Secretary

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

In the context of dwindling income and mounting liabilities, it is proposed to initiate winding up of the company by creditors as provided for in Section 306 of the Companies Act, 2013. A copy of the statement of position of the company's of the affairs together with a list of creditors is attached with the notice. It is also propose to appoint a liquidator and constitute a committee of inspection to carry out the creditors' winding up.

No directors, key managerial personnel or their relatives is interested or concerned in the resolution.

The Board recommends the resolution for the approval of members.

Chapter - 34 : An Introduction to E-Governance and XBRL

2016 - June [2] (b)

Approval Services (Registrar of Companies)	
One Person Company- Application for Conversion	Form INC-6
Application for approval of Central Government for change of name	Form INC-24
Application to Registrar for obtaining the status of dormant company	Form MSC-1
Application for seeking status of active company	Form MSC-4
Applications made to Registrar of Companies	Form GNL-1
Application for striking off the name of company under the Fast Track Exit (FTE) Mode	Form FTE

Informational Services:

Intimation to Registrar of revocation/surrender of license issued under section 8	Form INC-20
Notice of Order of the Court or any other competent authority	Form INC-28
Information to be furnished in relation to any offer of a scheme or contract involving the transfer of shares or any class of shares in the transferor company to the transferee company	Form 35A

2016 - June [3] (a)**XBRL Filing:**

The Ministry of Corporate Affairs has mandated the following select class of companies mentioned below to file financial statements in XBRL (extensible Business Reporting Language) mode and by using the XBRL taxonomy:

- (i) all companies listed with any Stock Exchange(s) in India and their Indian subsidiaries; or
- (ii) all companies having paid-up capital of Rupees five crore and above; or
- (iii) all companies having turnover of Rupees one hundred crore and above; or
- (iv) all companies who were required to file their financial statements for FY 2010-11, using XBRL mode.

However, banking companies, insurance companies, power companies and Non-Banking Financial Companies (NBFCs) are exempted from XBRL filing till further orders.

In present case Prudent General Insurance company Ltd. is engaged in general insurance business, thus XBRL filing is not applicable to the company.

Shuchita Prakashan (P) Ltd.

25/19, L.I.C. Colony, Tagore Town,
Allahabad - 211002

Visit us : www.shuchita.com

