

CA Final – Paper 4 (Law) – Integrated Case Studies

Part VI – Companies Incorporated Outside India (Chapter 8)

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(Covering ICAI SM, MTPs & RTPs till Nov. 2022 applicable for May/Nov. 2023 Exams)

Integrated Case Study - 1

Rashiq Dior SE is a French Company. The company is engaged in the business of selling branded garments for all seasons.

The company decided to open its outlet in Mumbai-India for which it filed the necessary papers with the Registrar. After having obtained the necessary permission, it opened its business outlet in Mumbai. The signboard displayed outside the showroom shows the company's brand name of garments in French and the name of the company is displayed in French and in Marathi.

The members have the limited liability. The company has filed Annual Return with delay of 30 days from the due date.

Based on the above scenario, answer the following questions:

[MTP-Oct. 21]

1	<p>A company incorporated in French and establishing its business outlet in Mumbai shall display its name and the country where it was incorporated, at its business place in:</p> <p>(a) English language. (b) French & Marathi Languages. (c) Hindi & English Languages. (d) English & Marathi languages.</p>
2	<p>In how many days, Rashiq Dior SE, a French company, shall submit the necessary papers / documents with the Registrar:</p> <p>(a) Within 15 days of its place of business in India. (b) Within 30 days of its place of business in India. (c) Within 45 days of its place of business in India. (d) Within 60 days of its place of business in India.</p>
3	<p>Rashiq Dior SE, a French company, shall in every calendar year, make out a balance sheet and profit and loss account of its Indian Business operations in accordance with:</p> <p>(a) French Companies Act. (b) Schedule III of the Companies Act, 2013. (c) International Standards of Accounting. (d) Usage and practices prevailing in the country of incorporation.</p>
4	<p>Rashiq Dior SE, shall be required to file Annual Return:</p> <p>(a) Within a period of 60 days from the last day of its financial year. (b) Within a period of 60 days form the last day of its calendar year.</p>

	(c) Within a period of 90 days from the last day of its financial year. (d) Within a period of 90 days from the last day of its calendar year.
5	The Annual Return was filed by the company with delay of 30 days from the due date. Penalty of continuing default on the company shall be of: (a) ₹ 3 lakh. (b) ₹ 4.50 lakh. (c) ₹ 10 lakh. (d) ₹ 15 lakh.

Answers - Integrated Case Study 1

Q. No	Answer	
1	(d)	English & Marathi languages.
2	(b)	Within 30 days of its place of business in India.
3	(b)	Schedule III of the Companies Act, 2013.
4	(a)	Within a period of 60 days from the last day of its financial year.
5	(d)	₹ 15 lakh.

Integrated Case Study - 2

Parfum International SA, founded by Charlotte and Charles in Nice, France, is a key player in the perfume industry since 1980. Dealing in perfumes, fragrances, colognes, incenses, etc., its products are considered as a scent of energy, liveliness and happiness. The classic bottles containing the admirable products of the company signify personal luxury and are a welcome addition to any dressing table. The fragrances comprise notes of bergamot, lemon, jasmine, patchouli, vetiver, opoponax, sandalwood and ambergris. Parfum International SA has an extensive distribution network consisting of subsidiaries and joint ventures. Its products are sold world over occupying space in 25 countries. The perfumes are very successful in Europe, Asia, Middle East and in North and South America.

A market survey conducted by Parfum International SA in India astonishingly revealed that the company was missing a vital market of the world. In order to make its presence felt in India, Parfum International SA decided to open its first business outlet in Bandra East, Mumbai, by investing around ₹ 5.00 crore. Ratnesh Shah was appointed as company secretary of the company to look after legal and secretarial matters.

Under the supervision of Ratnesh Shah, various documents were prepared for submission to the jurisdictional Registrar of Companies. These documents included a certified copy of the Charter of the company defining its constitution, a list of the directors and secretary of the company containing the prescribed particulars, names and addresses of two persons resident in India who were authorised to accept on behalf of the company service of process and any notices or other documents required to be served on the company, full address of its principal place of business in India, a declaration which stated that none of the directors of the company or the authorised representative in India had ever been convicted or debarred from formation of companies and management in India or abroad, etc. Since the Charter of the company was in French language, it was translated into English for the purpose of filing. As regards particulars of opening and closing of a place of business in India on earlier occasions, a 'Nil' statement was prepared for submission since Parfum International SA was opening its very first outlet in Mumbai.

Further to this, a signboard exhibiting the name of the company i.e. Parfum International SA and the name of the country of its incorporation i.e. France, in French and also in Marathi was prepared for hanging outside the business outlet in Bandra East.

Various documents, as prepared under the guidance of Ratnesh Shah, were duly filed with the Registrar of Companies.

It is obligatory on the part of Parfum International SA to make out every calendar a balance sheet and profit and loss account of its Indian business operations in the prescribed form containing prescribed particulars and annexing thereto specified documents. The company is also required to prepare and file its Annual Return in the prescribed form containing the particulars as they stood on the close of the financial year.

As per the plans of the company, during next three years, it will open at least 10 outlets in major cities of the country like Delhi, Bangalore, Kolkata, Chandigarh, Lucknow, etc. [MTP-April 22]

1	<p>According to the case scenario, Parfum International SA, incorporated in France, established its first business outlet in Bandra East, Mumbai and exhibited on the signboard its name and the name of the country of its incorporation in French and Marathi. From the following options, choose the one which indicates the correct combination of languages to be used by the company to display its name and name of the country of its incorporation:</p> <p>(a) Since Parfum International SA established its business outlet in Bandra East, Mumbai, it needs to use English and Marathi languages on the signboard which displays its name and the name of the country of its incorporation.</p> <p>(b) Since Parfum International SA established its business outlet in Bandra East, Mumbai, it needs to use Hindi and Marathi languages on the signboard which displays its name and the name of the country of its incorporation.</p> <p>(c) Since Parfum International SA is a French company, it has correctly used French and Marathi languages to display its name and the name of the country of its incorporation on the signboard hanging outside its business outlet in Bandra East, Mumbai.</p> <p>(d) Since Parfum International SA established its business outlet in Bandra East, Mumbai, it needs to use French and Hindi languages on the signboard which displays its name and the name of the country of its incorporation.</p>
2	<p>Maximum within how much time, Parfum International SA, after establishing its business outlet in Mumbai, is required to file various documents with the jurisdictional Registrar of Companies? Select the correct answer from the following options:</p> <p>(a) Parfum International SA is required to file various documents with the jurisdictional Registrar of Companies maximum within 15 days of establishment of its business outlet in Mumbai.</p> <p>(b) Parfum International SA is required to file various documents with the jurisdictional Registrar of Companies maximum within 30 days of establishment of its business outlet in Mumbai.</p> <p>(c) Parfum International SA is required to file various documents with the jurisdictional Registrar of Companies maximum within 45 days of establishment of its business outlet in Mumbai.</p> <p>(d) Parfum International SA is required to file various documents with the jurisdictional Registrar of Companies maximum within 60 days of establishment of its business outlet in Mumbai.</p>
3	<p>According to the case scenario, it is obligatory on the part of Parfum International SA to make out every calendar a balance sheet and profit and loss account of its Indian business operations in the prescribed form containing prescribed particulars and annexing thereto specified documents. Out of the four options given below, which one is applicable for making out a balance sheet and profit and loss account of its Indian business operations:</p>

	<p>(a) Being a French company, Parfum International SA is required to make out every calendar a balance sheet and profit and loss account of its Indian business operations in accordance with French Commercial Code.</p> <p>(b) Being a French company, Parfum International SA is required to make out every calendar a balance sheet and profit and loss account of its Indian business operations in accordance with Schedule III of the Companies Act, 2013.</p> <p>(c) Being a French company, Parfum International SA is required to make out every calendar a balance sheet and profit and loss account of its Indian business operations in accordance with International Accounting Standards.</p> <p>(d) Being a French company, Parfum International SA is required to make out every calendar a balance sheet and profit and loss account of its Indian business operations in accordance with French Generally Accepted Accounting Principles (French GAAP), called Plan Comptable Général (PCG).</p>
4	<p>Maximum within how much time, Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies? Choose the correct option from those stated below:</p> <p>(a) Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies maximum within a period of thirty days from the last day of its financial year.</p> <p>(b) Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies maximum within a period of sixty days from the last day of its financial year.</p> <p>(c) Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies maximum within a period of ninety days from the last day of its financial year.</p> <p>(d) Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies maximum within a period of one hundred and twenty days from the last day of its financial year.</p>

Answers - Integrated Case Study 2

Q. No	Answer	
1	(a)	Since Parfum International SA established its business outlet in Bandra East, Mumbai, it needs to use English and Marathi languages on the signboard which displays its name and the name of the country of its incorporation.
2	(b)	Parfum International SA is required to file various documents with the jurisdictional Registrar of Companies maximum within 30 days of establishment of its business outlet in Mumbai.
3	(b)	Being a French company, Parfum International SA is required to make out every calendar a balance sheet and profit and loss account of its Indian business operations in accordance with Schedule III of the Companies Act, 2013.
4	(b)	Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies maximum within a period of sixty days from the last day of its financial year.