

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

Part VIII – Miscellaneous Topics

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

Integrated Case Study - 1

The NCLT made an order in favour of a company named as Ananya Computers Ltd (plaintiff company) on 5th March, 2021. He received the order on 7th March 2021. However, there was some clerical mistake, which can apparently be seen by reading few lines of the order mentioned at the last page under the head 'Conclusion and decision'.

The Plaintiff company approached the NCLT on 10th April, 2021 for rectification of such mistake. However, Sunayana Electronics Ltd (the defendant company) had already made an appeal before the NCLAT on 25th March, 2021.

The Appellate Tribunal gave a decision in favour of the Sunayana Electronics Ltd and reversed the decision given by the Tribunal.

Ananya Computers Ltd is now planning to move to the Supreme Court, since the matter involves the question of law.

Based on the above scenario, answer the following questions:

[MTP-Oct. 21]

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|---|---|
| 1 | <p>There was an apparent mistake in the order given by the Tribunal in favour of Ananya Computers Ltd., which was brought in the notice of the Tribunal. Whether Tribunal can amend its order passed on 5th March, 2021:</p> <p>(a) Once the order has been made Tribunal cannot amend it.</p> <p>(b) Only the Appellate Tribunal can amend or rectify the order made by the Tribunal.</p> <p>(c) The Tribunal may amend/rectify its own order, which is apparent from the record within a period of two years from the date of the order.</p> <p>(d) Only the High Court have to powers to amend/rectify the orders passed by the Tribunal.</p> |
| 2 | <p>As the order of the Tribunal has been appealed by before the NCLAT on 25th March, 2021 under dispute by Sunayana Electronics Ltd, whether such apparent mistake can be rectified by the NCLT:</p> <p>(a) Yes, since it is a mistake apparent so it can be rectified at any time.</p> <p>(b) Yes, with the permission of the Appellate Tribunal at any time.</p> <p>(c) No, such apparent mistake can not be rectified, as appeal has been already been preferred in this case.</p> <p>(d) No, neither the Tribunal nor the Appellate Tribunal can rectify such mistake.</p> |
| 3 | <p>The appeal of the order of the Tribunal can be made before the Appellate Tribunal latest by _____</p> <p>(a) Latest by 4th April, 2021.</p> <p>(b) Latest by 6th April, 2021.</p> <p>(c) Latest by 7th April, 2021.</p> <p>(d) Latest by 21st April, 2021.</p> |

4	<p>What can be the time period for disposal of the appeal filed by defendant in the given case scenario:</p> <p>(a) the appeal should be disposed of as expeditiously as possible latest by 25th May 2021 months from the date of its presentation.</p> <p>(b) the appeal should be disposed of as expeditiously as possible latest 25th June 2021 from the date of its presentation.</p> <p>(c) the appeal should be disposed of as expeditiously as possible latest 25th July 2021 from the date of its presentation.</p> <p>(d) the appeal should be disposed of as expeditiously as possible latest 25th August 2021 from the date of its presentation.</p>
5	<p>Ananya Computers Ltd aggrieved from the order of the Appellate Tribunal can file appeal to the Supreme Court:</p> <p>(a) within 30 days from the date of receipt of the order of the Appellate Tribunal.</p> <p>(b) within 60 days from the date of receipt of the order of the Appellate Tribunal.</p> <p>(c) within 75 days from the date of receipt of the order of the Appellate Tribunal.</p> <p>(d) within 90 days from the date of receipt of the order of the Appellate Tribunal.</p>

Answers - Integrated Case Study 1

Q. No	Answer
1	(c) The Tribunal may amend/rectify its own order, which is apparent from the record within a period of two years from the date of the order.
2	(c) No, such apparent mistake can not be rectified, as appeal has been already been preferred in this case.
3	(d) Latest by 21st April, 2021.
4	(b) the appeal should be disposed of as expeditiously as possible latest 25th June 2021 from the date of its presentation.
5	(b) within 60 days from the date of receipt of the order of the Appellate Tribunal.

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Integrated Case Study - 2

Listed with BSE Limited and National Stock Exchange of India Limited, Superfast Motors Limited is a top player in the category of car dealers. The company, established in 2016 at New Delhi, always endeavoured to achieve highest level of customer satisfaction and improving the buyers' experience for its customers. The company not only sells cars manufactured by Metro Motors Limited but also deals in used cars, insurance and finance. The company has showrooms in ten major cities of India. In addition, Superfast Motors Limited is also a leading original equipment manufacturer (OEM) offering an extensive range of integrated, smart and e-mobility solutions.

Superfast Motors Limited was planning for expansion in India and overseas. Accordingly, it negotiated with Jupiter Mauritius Auto Limited, a company registered in Mauritius, for merger with itself. Further, it also proposed a merger plan with Mars Ltd. of Kolkata, a company engaged in the business of manufacturing and distribution of tyres and auto accessories. Mars Ltd. is listed with BSE Limited and National Stock Exchange of India Limited and has a paid-up share capital of ₹ 40 crores. Superfast Motors Limited called a Board Meeting to draft the agreements for the merger of the aforesaid Jupiter Mauritius Auto Limited and Mars Ltd.

The paid-up share capital of Superfast Motors Limited is ₹ 90 crores consisting of 9000 members. As per the order of the National Company Law Tribunal (NCLT), the company called the general meeting of the members for the merger of Mars Ltd. with itself. The meeting was attended by 4400 members in person while 600 members appointed proxies in place of themselves to attend the said general meeting. Remaining 3000 members holding ₹ 15.00 crores worth of shares remained absent.

It is noteworthy that 3200 members representing shares of the value of ₹ 50.40 crores and 600 proxies representing shares of the value of ₹ 7.00 crores who attended the meeting, voted in favor of the scheme of merger. Thereafter, Mars Ltd. was successfully merged with Superfast Motors Limited as per the applicable laws. However, 3,000 absentee members of Superfast Motors Limited wanted the merger to be annulled because it was not valid. There was, however, not much resistance exerted by the members of Mars Ltd. against the merger and it was approved by 93% of majority of members holding shares 94% in value.

A number of directors, officers and employees of Mars Ltd. lost their assignments after the merger of Mars Ltd. with Superfast Motors Limited. Mr. Ramneek the Managing Director, Mr. Lokesh, the Wholetime Director, Mr. Botham and Mr. Srikant, the other two non-executive directors of Mars Ltd. approached the company for compensation due to the loss of their respective offices. However, the company denied compensation but in case of Mr. Lokesh who, on the basis of his outstanding record, was given appointment as Manager in Superfast Motors Limited. Certain members of Mars Ltd. were of the opinion that transfer of funds and assets of the company would be affecting their interest. Accordingly, members numbering 110 out of 2000 members decided to file an application before NCLT.

Mr. Rakesh, one of the Directors of Superfast Motors Limited, in a Board Meeting pointed out that Mr. Bhaskar, another Director, was holding directorships in 21 companies, out of which 11 were private companies including Bright Cycles Pvt. Ltd. which was subsidiary of Zeta Mechanical Products Limited and 10 other public companies. The Board asked Mr. Bhaskar to resign from his office of directorship either in Superfast Motors Limited or any other company of his choice since the number of directorships in his case was exceeding the maximum limit.

In response to the direction given by the Board to resign from directorship, Mr. Bhaskar averred that he had not violated the provisions relating to holding of maximum number of directorships. In fact, out of 10 public companies in which he was holding the office of directorships, one was a dormant company. Further, in one of the companies out of 11 private companies, he was appointed as an alternate Director. So far as his knowledge was concerned, directorship in dormant company as well as alternate directorship were not includible while counting the maximum number of directorships. Rather, he was eligible to hold directorship in one more company because he held effective directorships in only 19 companies. Therefore, in no way, he had violated the provisions relating to holding of maximum number of 20 directorships in different companies. In view of the above facts, he stressed that he would not tender resignation in any company including Superfast Motors Limited and if the Board still wanted him to remove from the office of director, it was at liberty to do so. The Board of Directors of Superfast Motors Limited agreed with the averments advanced by Mr. Bhaskar and dropped the idea of asking him to resign or moving a resolution for his removal from holding the office of director. [Study Material 16]

1 From the case scenario, it is noticed that the Board of Directors of Superfast Motors Limited agreed with the averments advanced by Mr. Bhaskar and dropped the idea of asking him to resign or moving a resolution for his removal from holding the office of director. Whether the decision of the Board is valid? Choose the correct option from those stated hereunder:

- (a) The decision of the Board of Directors of Superfast Motors Limited to drop the idea of asking Mr. Bhaskar to resign or to move a resolution for his removal is valid because alternate directorship is not includible while counting the number of 20 companies.
- (b) The decision of the Board of Directors of Superfast Motors Limited to drop the idea of asking Mr. Bhaskar to resign or to move a resolution for his removal is valid because directorship in a dormant company is not includible while counting the number of 20 companies.

	<p>(c) The decision of the Board of Directors of Superfast Motors Limited to drop the idea of asking Mr. Bhaskar to resign or to move a resolution for his removal is not valid because while counting the number of 10 public companies, directorship in a private company which is subsidiary of a public company is also includible.</p> <p>(d) The decision of the Board of Directors of Superfast Motors Limited to drop the idea of asking Mr. Bhaskar to resign or to move a resolution for his removal is valid because he holds effective directorships in only 19 companies after excluding alternate directorship and directorship in a dormant company.</p>
2	<p>In response to demand for compensation made by Mr. Ramneek, Mr. Lokesh, Mr. Botham and Mr. Srikant, Mars Ltd. was not keen to compensate them. Whether such denial by Mars Ltd. is valid? Select the correct answer from the following options:</p> <p>(a) Denial for compensation by Mars Ltd. is valid because compensation for loss of office is not available in case of merger or amalgamation.</p> <p>(b) Absolute denial for compensation by Mars Ltd. is not valid because Mr. Ramneek and Mr. Lokesh are eligible for compensation for loss of office as Managing Director and Whole-time director respectively.</p> <p>(c) Absolute denial for compensation by Mars Ltd. is not valid in case of Mr. Ramneek since only he is eligible for compensation for loss of office as Managing Director.</p> <p>(d) Absolute denial for compensation by Mars Ltd. is not valid because Mr. Ramneek, Mr. Botham and Mr. Srikant are eligible for compensation for loss of office as Managing Director and non-executive directors respectively.</p>
3	<p>Choose the correct statement from those stated below::</p> <p>(a) Jupiter Mauritius Auto Limited can get merged with Superfast Motors Limited but only after obtaining prior approval of Reserve bank of India (RBI).</p> <p>(b) Jupiter Mauritius Auto Limited can get merged with Superfast Motors Limited but only after obtaining prior approval of Securities and Exchange Board of India (SEBI).</p> <p>(c) Jupiter Mauritius Auto Limited can get merged with Superfast Motors Limited but only after obtaining prior approval of National Company Law Tribunal (NCLT).</p> <p>(d) Jupiter Mauritius Auto Limited can get merged with Superfast Motors Limited but only obtaining prior approval of Ministry of Finance.</p>
4	<p>The case scenario states that Mars Ltd. was merged with Superfast Motors Limited. However, 3,000 absentee members of Superfast Motors Limited wanted the merger to be annulled because it was not valid. You are required to advise these members whether the approval accorded by the members of Superfast Motors Limited for the merger was valid or not. Select the correct alternative from those given hereunder:</p> <p>(a) The approval accorded by the members of Superfast Motors Limited for the merger was valid because the majority of members representing requisite value of shareholding voted in favour of the scheme of merger.</p> <p>(b) The approval accorded by the members of Superfast Motors Limited for the merger was not valid because the majority of the members who voted in favour of the scheme of merger must hold 80% or more worth of shares in value considering the total value of shares held by the members who attended the general meeting.</p> <p>(c) The approval accorded by the members of Superfast Motors Limited for the merger was not valid because the majority of the members who voted in favour of the scheme of merger must hold 90% or more worth of shares in value considering the total value of shares held by the members who attended the general meeting.</p>

	(d) The approval accorded by the members of Superfast Motors Limited for the merger was not valid because only 3800 members out of total 9000 members voted in favour of the scheme of merger and it was not a majority.
5	<p>Whether the petition filed by 110 members of Mars Ltd. with National Company Law Tribunal (NCLT) would be maintainable assuming the proposal made by Superfast Motors Limited to Mars Ltd. was a takeover offer and not a merger offer? Choose the correct option from the following alternatives.</p> <p>(a) Petition filed by 110 members of Mars Ltd. with National Company Law Tribunal (NCLT) would be maintainable because more than 100 members can apply for relief against oppression and mismanagement prevailing in a company.</p> <p>(b) Petition filed by 110 members of Mars Ltd. with National Company Law Tribunal (NCLT) would not be maintainable because less than 1/10th of total number of members have applied for relief against oppression and mismanagement.</p> <p>(c) Petition filed by 110 members of Mars Ltd. with National Company Law Tribunal (NCLT) would be maintainable because 100 members or 1/10th of total number of members, whichever is lower, can apply for relief against oppression and mismanagement.</p> <p>(d) Petition filed by 110 members of Mars Ltd. with National Company Law Tribunal (NCLT) would not be maintainable because these members cannot file a case for redressal of their grievances to NCLT in case of takeover offer.</p>

Answers - Integrated Case Study 2

Q. No	Answer	
1	(c)	The decision of the Board of Directors of Superfast Motors Limited to drop the idea of asking Mr. Bhaskar to resign or to move a resolution for his removal is not valid because while counting the number of 10 public companies, directorship in a private company which is subsidiary of a public company is also includible
2	(c)	Absolute denial for compensation by Mars Ltd. is not valid in case of Mr. Ramneek since only he is eligible for compensation for loss of office as Managing Director.
3	(a)	Jupiter Mauritius Auto Limited can get merged with Superfast Motors Limited but only after obtaining prior approval of Reserve bank of India (RBI).
4	(a)	The approval accorded by the members of Superfast Motors Limited for the merger was valid because the majority of members representing requisite value of shareholding voted in favour of the scheme of merger.
5	(d)	Petition filed by 110 members of Mars Ltd. with National Company Law Tribunal (NCLT) would not be maintainable because these members cannot file a case for redressal of their grievances to NCLT in case of takeover offer.

Integrated Case Study - 3

Minerva Fabrics Limited, incorporated by Padam Kishore in the year 1985 in Bombay (now Mumbai), Maharashtra, under the Companies Act, 1956, has over 60% market share in suitings in India. It is also one of the biggest woollen fabric maker having a distribution network of more than 2,000 outlets. Interested in increasing the growth rate of the company and to diversify into new product line, Yuvraj Kishore, dynamic son of Padam Kishore, currently designated as Chief Executive Officer (CEO), planned to takeover Swati

Garments Limited. This company, having its Registered Office in Gandhi Nagar, Gujarat, was run by Patel family since 2015 whose 'He' - a premium casual wear brand - brought customers a range of semi-formal and casual clothes for men.

Initiating the move of taking over, the shareholders of Swati Garments Limited were given an offer by Minerva Fabrics Limited to acquire their shares in exchange for issue of shares as well as cash.

The purchase offer was approved by the shareholders holding ninety one percent in value of the shares. After approval, the said offer was remained open for a period of four months and was availed by the shareholders who approved it. Thereafter, a notice for acquisition of the shares of dissenting shareholders of Swati Garments Limited was issued to them by Minerva Fabrics Limited.

The dissenting shareholders within one month from the date on which the notice was served on them, made an application to the National Company Law Tribunal (NCLT) against the acquisition of their shares by Minerva Fabrics Limited. After considering the application, the NCLT disposed of the said application giving order in favour of Minerva Fabrics Limited. As per the order, the shares of the dissenting shareholders were to be transferred to Minerva Fabrics Limited.

Minerva Fabrics Limited, thereupon, sent a copy of the notice to the Swati Garments Limited together with an instrument of transfer, to be executed on behalf of the dissenting shareholders by a person appointed by Swati Garments Limited. Minerva Fabrics Limited paid to Swati Garments Limited, the consideration representing the price payable by it, for the shares of the dissenting shareholders which it was entitled to acquire.

On receipt of notice together with an instrument of transfer, Swati Garments Limited registered the name of Minerva Fabrics Limited as the holder of those shares in its Register of Members and informed the dissenting shareholders about such registration and of the receipt of the amount of consideration representing the price payable to them by Minerva Fabrics Limited.

The amount of consideration so received by Swati Garments Limited from Minerva Fabrics Limited was parked in a separate bank account and the said consideration was held by Swati Garments Limited as a trustee for the dissenting shareholders and was disbursed to them within the prescribed time limit.

Mr. Manoj was holding the office of Managing Director in Swati Garments Limited after being appointed on 15th April, 2016. Due to expertise in finance and better track records, the company had re-appointed Mr. Manoj on 1st April, 2021, for the next five years with an understanding that he will be compensated due to early vacation of office as Managing Director in case of merger or amalgamation or takeover. Because of such developments relating to takeover, Mr. Manoj lost his office as Managing Director and therefore, Swati Garments Limited wanted to compensate him as per the agreement.

Mr. Manoj had received following remuneration during the last five financial years.

Financial Years	Amount of Remuneration (in ₹)
2016-17	20,00,000
2017-18	25,00,000
2018-19	30,00,000
2019-20	35,00,000
2020-21	40,00,000

Mr. Rishabh, close friend of Mr. Manoj, is one of the Directors in TopGears Limited, an Indian automotive company that manufactures motorcycles, scooters and three-wheelers. The company is headquartered in Chennai, Tamil Nadu and owned by Ramchandran Swami. It is one of the leading motorcycle companies in India.

The retirement of Mr. Pranav, the current Managing Director of TopGears Limited, is on the cards and he will get superannuated after two months. Since Mr. Manoj was no more holding the office of Managing Director in Swati Garments Limited, Mr. Rishabh with the consent of his friend, discussed the matter of appointment of Mr. Manoj as Managing Director with the Board of Directors of TopGears Limited. The terms and conditions as well as the remuneration payable with respect to Mr. Manoj's appointment were got approved by the Board subject to the approval of shareholders of TopGears Limited at its next General Meeting. Mr. Manoj was finally appointed as the Managing Director since shareholders of TopGears Limited approved his appointment by passing a resolution at the General Meeting of the company.

With the inclusion Mr. Manoj, the total strength of Directors of TopGears Limited has reached 14 including two independent Directors. After some time, TopGears Limited felt the need to raise funds from the market. Accordingly, it floated its 'share issue' through issuing a prospectus and was able to raise funds to the tune of ₹ 300 crores from the public at large. Its equity shares got listed on BSE Limited and National Stock Exchange of India Ltd. [Study Material 26]

1	<p>According to the case scenario, the offer of acquisition of shares of Swati Garments Limited was approved by 91% shareholders and the offer remained open for four months but the dissenting shareholders did not avail the said offer. As per the provisions of the Companies Act, 2013, maximum within how much time, Minerva Fabrics Limited is required to send a notice to the dissenting shareholders indicating its intention to acquire their shares? Select the correct answer from the following options:</p> <p>(a) Maximum within one month after the expiry of first four months during which the offer of acquisition of shares was open, Minerva Fabrics Limited is required to give notice to the dissenting shareholders signifying its desire to acquire their shares.</p> <p>(b) Maximum within two months after the expiry of first four months during which the offer of acquisition of shares was open, Minerva Fabrics Limited is required to give notice to the dissenting shareholders signifying its desire to acquire their shares.</p> <p>(c) Maximum within three months after the expiry of first four months during which the offer of acquisition of shares was open, Minerva Fabrics Limited is required to give notice to the dissenting shareholders signifying its desire to acquire their shares.</p> <p>(d) Maximum within five months after the expiry of first four months during which the offer of acquisition of shares was open, Minerva Fabrics Limited is required to give notice to the dissenting shareholders signifying its desire to acquire their shares.</p>
2	<p>Swati Garments Limited needs to park the funds received from Minerva Fabrics Limited on behalf of the dissenting shareholders in a separate bank account. According to the provisions of the Companies Act, 2013, within how many days, the said funds shall be disbursed to the dissenting shareholders?</p> <p>(a) 30 days</p> <p>(b) 40 days</p> <p>(c) 60 days</p> <p>(d) 90 days</p>
3	<p>Due to the takeover of Swati Garments Limited by Minerva Fabrics Limited, Mr. Manoj lost his office as Managing Director in Swati Garments Limited. Since Swati Garments Limited wants to compensate him, how much compensation becomes payable to him:</p> <p>(a) ₹ 75 lakhs.</p> <p>(b) ₹ 105 lakhs.</p>

	(c) ₹ 120 lakhs. (d) ₹ 130 lakhs.
4	<p>According to the case scenario, appointment of Mr. Manoj as Managing Director of TopGears Limited was approved by the shareholders by passing a resolution at the General Meeting of the company. In such a situation, as per the provisions of the Companies Act, 2013, maximum within how much time the prescribed return in MR-1 is required to be filed with the Registrar of Companies? Choose the correct answer from the following options:</p> <p>(a) Maximum within 30 days. (b) Maximum within 45 days. (c) Maximum within 60 days. (d) Maximum within 90 days.</p>
5	<p>TopGears Limited got its shares listed on BSE Ltd. and National Stock Exchange of India Ltd. After becoming a listed company what changes, if any, are required to be made by TopGears Limited so far as the strength of its Board of Directors is concerned? Select the correct alternative from those given below:</p> <p>(a) After getting listed with BSE Ltd. and National Stock Exchange of India Ltd., TopGears Limited is required to appoint one more Independent Director. (b) After getting listed with BSE Ltd. and National Stock Exchange of India Ltd., TopGears Limited is required to appoint two more Independent Directors. (c) After getting listed with BSE Ltd. and National Stock Exchange of India Ltd., TopGears Limited is required to appoint three more Independent Directors. (d) There is need to appoint any new Independent Director since TopGears Limited already has two independent Directors.</p>

Answers - Integrated Case Study 3

Q. No	Answer	
1	(b)	Maximum within two months after the expiry of first four months during which the offer of acquisition of shares was open, Minerva Fabrics Limited is required to give notice to the dissenting shareholders signifying its desire to acquire their shares.
2	(c)	60 days
3	(b)	₹ 105 lakhs.
4	(c)	Maximum within 60 days.
5	(c)	After getting listed with BSE Ltd. and National Stock Exchange of India Ltd., TopGears Limited is required to appoint three more Independent Directors.

Integrated Case Study - 4

Shri Hari Textiles Limited was incorporated in the year 2010. Its Registered Office is situated in Connaught Place, New Delhi. It filed its audited annual financial statements for the financial year 2020-21 well within time with the jurisdictional Registrar of Companies. The Registrar inspected the statements and after reviewing them, felt the need to seek clarifications on certain matters. Accordingly, a written notice was sent by the Registrar to the company and its officials directing them to comply with the notice within thirty

days of its receipt. However, the company and its officials failed to reply within the time specified in the notice.

The Registrar initiated the inquiry and proceeded further for inspecting all the documents of the company. While conducting the inquiry, the Registrar on prudent grounds believed that some of the documents and other vital information in relation to the company would be destroyed or altered by the official of the company. With a view to safeguard the documents, the Registrar obtained an order from the Special Court and thereafter, seized all such material.

While inspecting some of the documents the Registrar came to know that the Board of Directors had passed a resolution in a Board Meeting held on 10.04.2020 and thereby, increased the remuneration payable to the directors including two whole-time directors and Managing Director to 12% of the net profits of the company which was a sharp increase of 5% from the preceding financial year.

Prior to the inquiry, two directors of the company, namely, Mr. X and Mr. D got retired. The Registrar found from the inspection of the documents that they were involved in certain dealings which included selling of the assets of the company. On the basis of such information gathered from the inspected documents, the Registrar sought some clarifications from both of them regarding the dubious transactions. However, both Mr. X and Mr. D refused to appear before him showing their non-availability in the town and also represented through a common representative that they were no more a part of the Board of Directors of Shri Hari Textiles Limited.

After the completion of inspection and inquiry, the Registrar submitted a written report to the Central Government in respect of his findings against the company. The reports mentioned that there were major discrepancies in the assets and liabilities as well as profit and loss statements filed by the company.

On receipt of report from the Registrar, the Central Government considered it necessary to investigate the affairs of the company by the Serious Fraud Investigation Office (SFIO). Accordingly, by an order SFIO was directed to conduct the investigation of Shri Hari Textiles Limited and submit its report within the stipulated time. As instructed by the Central Government, SFIO authorised some of its inspectors to investigate the affairs of the company. The team deputed by the SFIO included experts in the field of cost accounting, financial accounting, taxation, law and forensic auditing.

While inspecting the company, the team of SFIO came to know that the Income-tax authorities had already initiated investigation against Shri Hari Textiles Limited.

[RTP-May 21]

1 Shri Hari Textiles Limited and its officials failed to submit any reply to the written notice issued by the Registrar within the time specified in the notice. How much fine can be imposed for such failure?

- (a) The Company and every defaulting officer shall be punishable with a fine up to ₹ 1,00,000 and in case of continuing failure, with an additional fine up to ₹ 500 for every day after the first during which the failure continues.
- (b) The Company and every defaulting officer shall be punishable with a fine up to ₹ 1,50,000 and in case of continuing failure, with an additional fine up to ₹ 1,000 for every day after the first during which the failure continues.
- (c) The Company and every defaulting officer shall be punishable with a fine up to ₹ 1,00,000 and in case of continuing failure, with an additional fine up to ₹ 5,000 for every day after the first during which the failure continues.
- (d) The Company and every defaulting officer shall be punishable with a fine up to ₹ 2,00,000 and in case of continuing failure, with an additional fine up to ₹ 5,000 for every day after the first during which the failure continues.

2	<p>From the case scenario, it is observed that the Registrar seized certain important documents in the course of inquiry. After inspection what procedure is to followed pertaining to such documents?</p> <p>(a) The Registrar is required to submit such documents in the Special Court which permitted seizure.</p> <p>(b) The Registrar is required to forward all such documents along with the inquiry report to the Central Government.</p> <p>(c) The Registrar is required to return such documents back to the company after making, if considered necessary, the copies of them.</p> <p>(d) The Registrar is required to retain such documents until further instruction is received from the Special Court.</p>
3	<p>What is the requisite requirement for increasing the remuneration of directors including whole-time directors and Managing Director to 12% so that it shall be in accordance with the relevant provisions of the Companies, Act, 2013?</p> <p>(a) Board Resolution increasing the remuneration to 12% needs to be authorised at the General Meeting and thereafter, duly sanctioned by the ROC.</p> <p>(b) Board Resolution increasing the remuneration to 12% needs to be authorised at the General Meeting and thereafter, duly sanctioned by the Tribunal.</p> <p>(c) Board Resolution increasing the remuneration to 12% needs to be authorised at the General Meeting subject to Schedule V.</p> <p>(d) Board Resolution increasing the remuneration to 12% needs to be authorised at the General Meeting and thereafter, duly sanctioned by the Central Government through Regional Director.</p>
4	<p>The case scenario states that the Registrar of Companies had called ex-directors of the company for examining them during the inquiry. Is the Registrar empowered to call the ex-directors:</p> <p>(a) The Registrar cannot call ex-directors of the company, without the order of the court.</p> <p>(b) The Registrar may, by issuing a written notice, call the ex-directors for seeking the requisite information.</p> <p>(c) In case the Registrar is appointed by the Central Government to conduct investigation, then only he can call ex-directors of the company.</p> <p>(d) Except the Tribunal, no other authority is empowered to call ex-directors of a company for any examination.</p>
5	<p>According to the case scenario, while inspecting the company, the team of SFIO came to know that the Income-tax authorities had already initiated investigation against the company. From the given options, choose the correct one that indicates as to how in amidst of such a situation, SFIO will be continuing with the investigation.</p> <p>(a) SFIO has to put its investigation on hold so long as the company is being investigated by Income-tax authorities.</p> <p>(b) SFIO will proceed with its investigation on the basis of report submitted by Income - tax authorities.</p> <p>(c) SFIO will proceed with its investigation while Income-tax authorities shall keep on hold its investigation.</p> <p>(d) SFIO will simultaneously continue its investigation along with the Income-tax authorities.</p>

Answers - Integrated Case Study 4

Q. No	Answer	
1	(a)	The Company and every defaulting officer shall be punishable with a fine up to ₹ 1,00,000 and in case of continuing failure, with an additional fine up to ₹ 500 for every day after the first during which the failure continues.
2	(c)	The Registrar is required to return such documents back to the company after making, if considered necessary, the copies of them.
3	(c)	Board Resolution increasing the remuneration to 12% needs to be authorised at the General Meeting subject to Schedule V.
4	(b)	The Registrar may, by issuing a written notice, call the ex-directors for seeking the requisite information.
5	(c)	SFIO will proceed with its investigation while Income-tax authorities shall keep on hold its investigation.

