

12. CORRESPONDENCE WITH STATUTORY AUTHORITIES

Q.1 A. Select the correct answer from the options given below and rewrite the statements.

1) us the main authority to regulate the administration of Companies Act, 2013 in

a) MCA b) Company Secretary c) Board of Directors

2) The headquarters of MCA is at

a) Mumbai b) New Delhi c) Pune

3) To administer the provisions of the Companies Act, 2013 is the objective of..... .

a) MCA b) ROC c) Directors

4)..... Is responsible for registering companies.

a) ROC b) SEBI c) Auditors

5) The Certificate of Incorporation is issued by

A) ROC b) MCA c) NCLT

6) can strike off or remove the name of a company from the Register of Companies,

a) MCA b) ROC c) SEBI

7) Central Government exercises administrative control over ROCs through the -----.

a) MCA b) SEBI c) Regional Director

8)is the Quasi judicial body set up by Central Government to grant certain approval and decide disputes under the provisions of Companies Act.

a) MCA b) ROC c) NCLT

9)..... can hear appeals against the orders issued by NCLT.

a) NCLAT b) SEBI c) MCA

10) An appeal against the order of NCLAT can be filed in the.....

a) MCA b) SEBI c) Supreme Court

11) was established as a statutory body to regulate the securities market in India.

a) NCLT b) MCA c) SEBI

12)..... regulates the functioning of Stock Exchange in India.

a) SEBI b) MCA c) ROC

B) Match the pairs:

Sr no	Group A	Answer
1	Administrative of companies act 2013	MCA
2	ROC	Incorporation of companies
3	NCLAT	Hears appeals against order of NCLT
4	Regulator of securities markets	SEBI
5	Quasi- judicial body	NCLT

C) Write a word or a term or a phase which can substitute each of the following:

(1) The main authority concerned with administration of Companies Act.

Ans: Ministry of Corporate Affairs (MCA)

(2) Organization responsible for administering Companies Act and regulating professional bodies like ICAI, ICSI, etc.

Ans: Ministry of Corporate Affairs (MCA)

(3) Authority which issues Certificate of Incorporation to company.

Ans: Registrar of Companies (ROC)

(4) Every company has to apply for incorporation to this authority situated in the state where its head office is to be located.

Ans: Registrar of Companies (ROC)

(5) Authority that handles corporate civil disputes in India.

Ans: National Company Law Tribunal (NCLT)

(6) An appeal against the orders of NCLT is heard by this authority.

Ans: National Company Law Appellate Tribunal (NCLAT)

(7) Regulator of securities market in India.

Ans: Securities Exchange Board of India (SEBI)

(8) Institution that regulates functioning of stock exchanges and intermediaries in the securities market.

Ans: Securities Exchange Board of India (SEBI).

D) State whether the statement are true or false:

1) MCA regulates the functioning of corporate sector as well as administers the Companies Act.

Ans: True

2) MCA has no supervisory authority over professional bodies like ICSI, ICAI, etc.

Ans: False

3) ROC is concerned with registration of companies.

Ans: True

4) On payment of fees, ROC allows the public to inspect certain documents filed with it.

Ans: True

5) NCLT has jurisdiction over proceedings on matters of disputes arising under Companies Act.

Ans: True

6) NCLAT can hear appeals against order of NCLT.

Ans: True

7) NCLAT may confirm, modify or reject the orders passed by the NCLT.

Ans: True

8) SEBI protects the interest of investors in securities market.

Ans: True

9) ROC is the regulator of securities market.

Ans: False

E) Complete the sentences.

1) Administration of Companies Act and other Laws related to corporate world is the responsibility of.....

Ans: Ministry of corporate affairs

2) Registration of companies is done by.....

Ans: Register of companies

3) The authority which handles corporate civil disputes is called as.....

Ans: National company law Tribunal

4) The authority which hears appeals against the orders of NCLT is called as.....

Ans: National company law appellate tribunal

F) Select the correct option from the bracket:

Sr no	Group A	Group B
1	Regulator of securities	SEBI
2	MCA	Administers companies
3	NCLT	Hears appeals against order of NCLT

G) Answer in one sentences:

1) Name the authority which administers Companies Act and Partnership Act.

Ans. Ministry of Corporate Affairs (MCA) is the authority that administers Companies Act and Partnership Act.

(2) Name the authority attached to High Court which helps in winding-up of companies.

Ans. Official Liquidator is the authority that is attached to High Court and helps in winding-up of companies.

H) Correct the underline word and rewrite the following statement:

1) R.O.C. supervises and controls the operations of stock exchanges in India.

Ans: SEBI supervises and controls the operations of stock exchanges in India.

2) An appeal can be made against the order issued by NCLT to NCLAT within 90 days

Ans: An appeal can be made against the order issued by NCLT to NCLAT within 45 days

Q.2 Explain the following terms/ concept:

1) Ministry of Corporate Affairs (MCA).

Ans. (1) the overall responsibility for the enforcement of Company Law in India lies with the Central Government. It acts through the Ministry of Corporate Affairs. To enable smooth functioning, the Central Government has delegated its power to Ministry of Corporate Affairs (MCA) to regulate the functioning of the corporate sector. It is headed by the Minister of Corporate Affairs and assisted by the Minister of State of Corporate Affairs.

(2) Main function of MCA is to administer the Companies Act, 2013, the Partnership Act, 1932, the Limited Liability Partnership Act, 2008, the Competition Act, 2002 and the Societies Regulation Act, 1860. MCA also supervises professional bodies such as Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI) and Institute of Cost Accountants of India.

2) Registrar of Companies (ROC).

Ans. (1) As per the provisions made under the Companies Act, 2013, the Central Government is empowered to appoint the Registrar of Companies for each state for registration of companies and administering the Companies Act in the state over which it has jurisdiction. Registrars of Companies are full time field officers who deal directly with the companies which are either registered or in the process of registration. They have wide powers and responsibilities in administering the Companies Act.

(2) ROCs examine the various documents filed with it by the companies in compliance with the Companies Act, 2013. If any document received by it is incomplete or found defective, ROCs have to return the said document to the company to complete it or to rectify it within prescribed time. ROCs have to take decisions on the documents filed with it within 30 days. Some of the powers are vested in the ROC by the Companies Act, 2013 and some of the powers are delegated to it by the Central Government. Thus, ROCs are the main instruments through which the actual implementation of the provisions of the Companies Act is ensured.

(3) National Company Law Tribunal (NCLT).

Ans. (1) National Company Law Tribunal (NCLT) is a quasi-judicial body established in June 2016 by the Central Government to grant approvals and decide civil disputes under the provisions of the Companies Act, 2013. NCLT operates through 'Benches' consisting of 2 members, i.e. a judicial member and a technical member. At present there are as many as 15 benches and the principal Bench is functioning at New Delhi. Some more benches are being created.

(2) NCLT is required to decide and dispose off every application or petition within 3 months from the date of receiving the application or petition. NCLT is required to give reasonable opportunity to both the parties to explain their views to justify their case and then it has to give decision and pass its order. Any party aggrieved by an order of the NCLT may within 45 days from date of receiving copy of order, file an appeal to the National Company Law Appellate Tribunal (NCLAT).

(4) National Company Law Appellate Tribunal (NCLAT).

Ans. (1) As per the provisions made under the Companies Act, 2013, the Central Government is empowered to set up a National Company Law Appellate Tribunal (NCLAT) to hear and decide appeals against the order passed by NCLT and the National Financial Reporting Agency. The NCLAT was set up in June 2016. It has maximum 11 members comprising of judicial members and technical members and headed by a competent chairperson. The NCLAT is also recognised as the Appellate Tribunal for hearing and deciding appeals against the orders passed by Insolvency and Bankruptcy Board of India and Competition Commission of India.

(2) The NCLAT after studying the case and hearing both the parties may confirm, modify or set aside the order passed by tribunal or Insolvency and Bankruptcy Board and Competition Commission of India. Any party aggrieved by an order of NCLAT may within 60 days of receipt of the 'copy of order, file and appeal to the Supreme Court.

Q.3 Answer in brief:

1) State the powers of ROC.

Ans. The powers of Registrar of Companies as conferred by the Companies Act, 2013:

(1) To extend the time of holding Annual General Meeting (AGM), other than the first AGM by a period not more than 3 months, if request letter is received from the company to extend the time for holding AGM,

(2) The Registrar has power to inspect or call for books of accounts, other books and papers. He has power to ask for additional Information necessary for inspection.

(3) He has power to seek in writing any information or explanation in respect to any document furnished to his office.

(4) The Registrar has power to seek the Special Court to issue an order for seizure of books and papers of a company if he comes to conclusion that such records may be destroyed, altered or falsified.

(5) He has power to remove the name of liquidated company from the Register of the Companies.

2) State the powers of NCLT.

Ans. The powers of National Company Law Tribunal (NCLT):

(1) NCLT has power to hear and decide civil disputes or all proceedings related to compromise, arrangement and reconstruction of a company.

(2) NCLT has power to hear and decide all the winding-up petitions on the ground of insolvency, i.e. inability of the company to pay its debts and on any other grounds. I

(3) NCLT has power to hear and decide petition filed by the company and request letter received from the company for extension of time for repayment of deposits on genuine grounds.

(4) It has also power to hear and decide cases 'in relation to oppression and mismanagement of a company.

(5) If Annual General Meeting (AGM) or Extraordinary General Meeting (EOGM) is not convened by the company in prescribed time or on request of majority of members, the NCLT has power to pass order to call for holding AGM or EOGM of a defaulting company

(6) NCLT has power to direct a company not to dispose of funds of a company and to freeze the assets of a company for being used against the interest of the company.

(7) NCLT has power to hear and decide grievances or complaints of the investors in regard to rejection of transfer of shares and other securities.

3) What are the objectives of MCA?

Ans. The objectives of Ministry of Corporate Affairs (MCA):

(1) To administer and enforce the provisions of the Companies Act, 2013 and other allied laws and Acts to enable the business organisations to do their business more easily and efficiently.

(2) To trace and identify quickly non-compliance of the provisions 'made in the Companies Act. 2013.

(3) To encourage various companies to Improve Corporate Governance and adopt responsible and fair business practices.

(4) To avoid and penalise unfair trade practices and to promote fair competition.

(5) To make available the corporate data to the public, investors and other stakeholders.

(6) To offer various services to the stakeholders and protect their interest and safeguard their rights.

Q.4 Justify the following statement:

1) The MCA was set up by central government to fulfill certain objectives?

Ans: The objectives of Ministry of Corporate Affairs (MCA):

(1) To administer and enforce the provisions of the Companies Act, 2013 and other allied laws and Acts to enable the business organisations to do their business more easily and efficiently.

(2) To trace and identify quickly non-compliance of the provisions made in the Companies Act. 2013.

(3) To encourage various companies to Improve Corporate Governance and adopt responsible and fair business practices.

(4) To avoid and penalise unfair trade practices and to promote fair competition.

(5) To make available the corporate data to the public, investors and other stakeholders.

(6) To offer various services to the stakeholders and protect their interest and safeguard their rights.

2) The companies act, 2013 has given certain to fulfill certain objective?

Ans. The powers of Registrar of Companies as conferred by the Companies Act, 2013:

(1) To extend the time of holding Annual General Meeting (AGM), other than the first AGM by a period not more than 3 months, if request letter is received from the company to extend the time for holding AGM,

(2) The Registrar has power to inspect or call for books of accounts, other books and papers. He has power to ask for additional Information necessary for inspection.

(3) He has power to seek in writing any information or explanation in respect to any document furnished to his office.

(4) The Registrar has power to seek the Special Court to issue an order for seizure of books and papers of a company if he comes to conclusion that such records may be destroyed, altered or falsified.

(5) He has power to remove the name of liquidated company from the Register of the Companies.

3) The central government has empowered NCLT with certain powers?

Ans. The powers of National Company Law Tribunal (NCLT):

(1) NCLT has power to hear and decide civil disputes or all proceedings related to compromise, arrangement and reconstruction of a company.

(2) NCLT has power to hear and decide all the winding-up petitions on the ground of insolvency, i.e. inability of the company to pay its debts and on any other grounds.

(3) NCLT has power to hear and decide petition filed by the company and request letter received from the company for extension of time for repayment of deposits on genuine grounds.

(4) It has also power to hear and decide cases in relation to oppression and mismanagement of a company.

(5) If Annual General Meeting (AGM) or Extraordinary General Meeting (EOGM) is not convened by the company in prescribed time or on request of majority of members, the NCLT has power to pass order to call for holding AGM or EOGM of a defaulting company

(6) NCLT has power to direct a company not to dispose of funds of a company and to freeze the assets of a company for being used against the interest of the company.

(7) NCLT has power to hear and decide grievances or complaints of the investors in regard to rejection of transfer of shares and other securities.

Q.5 Attempt the following:

1) Write a letter to ROC seeking extension of time to hold the AGM

Ans:

MEENAKSHI CONSTRUCTION LTD.

Registered Office: 27, Meenakshi House,
Nariman Point, Mumbai-400 021.
CIN: L24521MH2002PLC111222

Tel No. (022) 2438 2543

Fax No. (022) 2438 4404

Ref. No. MEEN / 49 / 19

Website. www.meenakshilimited.com

Email: meencons@gmail.com

Date: 20th June 2019

To
The Registrar of Companies,
Maharashtra State,
Marine Lines,
Mumbai 400 020.

Sub: Extension of time for holding 4th Annual General Meeting

Dear Sir.

In accordance with Section 96 of the Companies Act, 2013, we are required to hold the 4th Annual General Meeting for the financial year ended 31st March, 2019 on or before 30th September, 2019.

We are sorry to state that our staff was on strike for their demand for increase in salary with effect from 1st January, 2019. Due to the strike, records have remained incomplete.

Now, they have withdrawn the strike and have started preparing the necessary records and documents for the financial year 2018-2019.

Under the circumstances, it would not be possible to complete all the formalities and hold the 15th Annual General Meeting in time, i.e. before 30th September, 2019.

We, therefore, request you to grant us an extension of time by two months for holding the Annual General Meeting, i.e. up to 30th November, 2019. We undertake to pay the penalty for the delay. We will be highly obliged if you kindly grant us the extension.

Awaiting your favourable response,

Thanking you,
Your faithfully,
On behalf of the board

Sd. /
Company secretary
Encl: Copy of annual report of 2017-18

2) Write a letter to MCA with regard to ticket raising:

Ans:

SUJATA IRON LIMITED

Registered Office: 42, Ready money Terrace, Dr. Annie Besant Road
Worli Naka, Mumbai 400 018.
CIN: L13571M112005PLCZ22444

Tel. No. (022) 2494 3792
Fax No. (022) 2444 7999
Ref. No. SIL /D1 /20 / 19-20
Website: sujataironhmted.com
E-mail: siltd@mtnl.net.in
Date: 1st June, 2019

Web Information Manager.
'B' wing, Nehru Bhavan.
No. 13, Dr. Rajendra Prasad Road,
New Delhi 110 001.

Sub: difficulty in downloading e-form

Dear Sir,

This is to bring to your kind notice that company is required to the form SH 7 to inform the

Registrar of Companies in respect to alteration made in our share capital.

We further inform you that in spite of repeated efforts from last three days we could not download the form. The system message appearing on the website read as 'File is damaged and it cannot repaired'.

We have tried our level best to solve the issue but it is totally failed we .therefore, request you to look into the matter at your earliest.

Thanking you,
Your faithfully,
For **sujata iron limited.**
Sd. /

Company secretary

Encl: Copy of message as appearing on website

3) Write a reply to a complaint by investor

Ans:

VIKAS COMPANY LIMITED

Registered Office : 49, Vikas house, Veer Nariman Road,
Mumbai Central, Mumbai 400 008.
CIN : L42874MH2002PLC333222

Tel. No. (022) 6662 6429

Fax No. (022) 2566 8808

Ref. No. MT / 49 / 19-20

Website: www.vikascold.com

E-mail: vikcoltd07@gmail.com

Date: 15th July, 2019

Mr. Suryakant Deshpande,
15, Kirti Mahal, Station Road,
Ahmadabad 380 001.
(By Registered Post A.D)

Sub: Non-receipt of Dividend for 2018 19

Dear Sir.

I am in receipt of your complaint letter dated 10th July 2019 regarding non-receipt of dividend for the year 2018-19. In this regard. I am directed by the Board to inform you that your Board of Directors has carefully considered the financial position and profits of the company before taking a decision on the payment of dividend.

The Board of Directors is of the view that non-payment of dividend this year will help strengthen the financial position of your company. Such non-payment of dividend will provide additional nuance for the expansion and development programme which your company has in its immediate view. The alternative to this step was heavy borrowings from the banks and other financial institutions at higher rate of interest. The consequent heavy burden of interest would have decreased the probability of your company. The Board's decision of non-payment of dividend will prove to be a boon to the Company as also to its members. I hope you will appreciate the long term beneficial view taken by the Board in this regard.

Your faithfully,
For Vikas company limited
Sd. /

Company secretary
C.C to SEBI

4) Write a letter to NCLT seeking extension of time of reply public deposits.

Ans:

NAVNEET GLOBAL COMPANY LIMITED

Registered office: Navneet Bhavan, Bhavani Shankar Road,
Dadar (W), Mumbai 400 028.
CIN : L46831MH1999PLC242747

Tel. No. (022) 6662 6565

Fax No. (022) 6662 6470

Ref. No. NCLT / DR / 29 / 19-20

Website: www.navneetglobaltd.com

E-mail: ntgoltd@bsnl.net.in

Date: 12th May, 2019

The National Company Law Tribunal Board,
A' wing. 4th Floor, Veena Bhavan,
CGO Complex, Lodhi Road,
New Delhi 110 003.

Sub: Request to give extensive of time to repay deposits

Dear Sir.

In the financial year 2016-17 on 12th August. 2016, the company had accepted Public deposits worth Q 20 lakh for a period of 36 months. As per the terms of issue of the deposits the period of deposits will expire on 11th August, 2019. The Company is required to repay the deposits on or before 1 1th August 2019.

We regret to inform you that the company is facing severe financial problems since the beginning of accounting year 2018-19 and hence the company is not in a position to repay the deposits on or before 1 1th August, 2019.

In this regard, the Board had conveyed its meeting on 9th May 2019 to discuss the said issue and after a long debate, the Board has passed a resolution for seeking extension from

National Company Law Tribunal (NCLT) Board for a period of 3 months to repay the deposits. We, therefore request you to grant extension of 3 months to repay the deposits.

Copy of the petition is attached in 2 sets.

We assure you that the company will repay the Deposits on or before 1 1th November, 2019.

Thanking you,
Your faithfully,
For Navneet global company Limited,
Sd. /
Company secretary

Encl : (1) Certified copy of Board resolution.
(2) Petition for extension of time.
(3) Challan for fees paid.