# Chapter 12: Correspondence with Statutory Authorities

### **EXERCISE 1 [PAGES 182 - 184]**

Exercise 1 | Q 1.01 | Page 182

### **QUESTION**

Select the correct answer from the options given below and rewrite the statement.

\_\_\_\_\_\_ is the main authority to regulate the administration of Companies Act, 2013 in India.

- MCA
- Company Secretary
- Board of Directors

#### **SOLUTION**

**MCA** is the main authority to regulate the administration of Companies Act, 2013 in India.

Exercise 1 | Q 1.02 | Page 182

### **QUESTION**

Select the correct answer from the options given below and rewrite the statement.

The headquarters of MCA is at \_\_\_\_\_\_.

- Mumbai
- New Delhi
- Pune

#### **SOLUTION**

The headquarters of MCA is at New Delhi

Exercise 1 | Q 1.03 | Page 182





Select the correct answer from the options given below and rewrite the statement.

To administer the provisions of the Companies Act, 2013 is the objective of

- MCA
- ROC
- Directors

#### **SOLUTION**

To administer the provisions of the Companies Act, 2013 is the objective of MCA

Exercise 1 | Q 1.04 | Page 182

### **QUESTION**

Select the correct answer from the options given below and rewrite the statement.

\_\_\_\_\_\_ is responsible for registering companies.

- ROC
- SEBI
- Auditors

### **SOLUTION**

**ROC** is responsible for registering companies.

Exercise 1 | Q 1.05 | Page 182

### **QUESTION**

Select the correct answer from the options given below and rewrite the statement.

The Certificate of Incorporation is issued by \_\_\_\_\_\_.

- ROC
- MCA
- NCLT

#### **SOLUTION**



The Certificate of Incorporation is issued by **ROC.** 

Exercise 1 | Q 1.06 | Page 182

### **QUESTION**

Select the correct answer from the options given below and rewrite the statement.

\_\_\_\_\_ can strike off or remove the name of a company from the Register of Companies.

- MCA
- ROC
- SEBI

#### **SOLUTION**

\_\_\_\_\_ can strike off or remove the name of a company from the Register of Companies.

Exercise 1 | Q 1.07 | Page 183

### **QUESTION**

Select the correct answer from the options given below and rewrite the statement.

Central Government exercises administrative control over ROCs through the \_\_\_\_\_

- MCA
- SEBI
- Regional Director

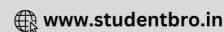
#### **SOLUTION**

Central Government exercises administrative control over ROCs through the **Regional Director** 

Exercise 1 | Q 1.08 | Page 183

### **QUESTION**

Select the correct answer from the options given below and rewrite the statement.



is the Quasi judicial body set up by Central Government to grant certain approval and deicide disputes under the provisions of Companies Act. MCA ROC NCLT **SOLUTION NCLT** is the Quasi judicial body set up by Central Government to grant certain approval and deicide disputes under the provisions of Companies Act. Exercise 1 | Q 1.09 | Page 183 **QUESTION** Select the correct answer from the options given below and rewrite the statement. \_\_\_\_\_ can hear appeals against the orders issued by NCLT. NCLAT SEBI MCA **SOLUTION NCLAT** can hear appeals against the orders issued by NCLT. Exercise 1 | Q 1.10 | Page 183 **QUESTION** Select the correct answer from the options given below and rewrite the statement. An appeal against the order of NCLAT can be filed in the\_\_\_\_\_\_. MCA SEBI Supreme Court **SOLUTION** 

An appeal against the order of NCLAT can be filed in the Supreme Court

### **QUESTION**

Select the correct answer from the options given below and rewrite the statement.

\_\_\_\_\_ was established as a statutory body to regulate the securities market in India.

- NCLT
- MCA
- SEBI

### **SOLUTION**

**SEBI** was established as a statutory body to regulate the securities market in India.

Exercise 1 | Q 1.12 | Page 183

### **QUESTION**

Select the correct answer from the options given below and rewrite the statement.

\_\_\_\_\_ regulates the functioning of Stock Exchange in India.

- SEBI
- MCA
- ROC

### **SOLUTION**

**SEBI** regulates the functioning of Stock Exchange in India.

Exercise 1 | Q 2 | Page 183

### **QUESTION**

#### Match the pairs:

	Group 'A'		Group 'B'
a)	Administration of Companies Act, 2013	1)	SEBI
b)	ROC	2)	Hears appeals against orders of NCLT
c)	NCLAT	3)	NCLT
d)	Regulator of Securities Market	4)	Incorporation of companies



e)	Quasi-judicial body	5)	MCA
		6)	Board of directors
		7)	Companies Act 2013
		8)	Regional Director
		9)	Chennai
		10)	Liquidator

#### **SOLUTION**

	Group 'A'		Group 'B'
a)	Administration of Companies Act, 2013	5)	MCA
b)	ROC	4)	Incorporation of companies
c)	NCLAT	2)	Hears appeals against orders of NCLT
d)	Regulator of Securities Market	1)	SEBI
e)	Quasi-judicial body	3)	NCLT

Exercise 1 | Q 3.1 | Page 183

### **QUESTION**

### Write a word or a term or a phase which can substitute for the following:

The main authority concerned with administration of Companies Act.

#### **SOLUTION**

Ministry of Corporate Affairs (MCA)

Exercise 1 | Q 3.2 | Page 183

### **QUESTION**

### Write a word or a term or a phase which can substitute for the following:

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

### **SOLUTION**

Ministry of Corporate Affairs (MCA)

Exercise 1 | Q 3.3 | Page 183





### Write a word or a term or a phase which can substitute for the following:

Authority which issues Certificate of Incorporation to company.

#### **SOLUTION**

Registrar of Companies (ROC)

Exercise 1 | Q 3.4 | Page 183

### **QUESTION**

### Write a word or a term or a phase which can substitute for the following:

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

#### **SOLUTION**

Registrar of Companies (ROC)

Exercise 1 | Q 3.5 | Page 183

### **QUESTION**

### Write a word or a term or a phase which can substitute for the following:

Authority that handles corporate civil disputes in India.

#### **SOLUTION**

National Company Law Tribunal (NCLT)

Exercise 1 | Q 3.6 | Page 183

### QUESTION

### Write a word or a term or a phase which can substitute for the following:

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

#### **SOLUTION**

National Company Law Appellate Tribunal (NCLAT)

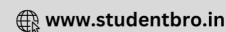
Exercise 1 | Q 3.7 | Page 184

### **QUESTION**

### Write a word or a term or a phase which can substitute for the following:

Regulator of securities market in India.





#### **SOLUTION**

Securities Exchange Board of India (SEBI)

Exercise 1 | Q 3.8 | Page 184

### **QUESTION**

### Write a word or a term or a phase which can substitute for the following:

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

#### **SOLUTION**

Securities Exchange Board of India (SEBI).

Exercise 1 | Q 4.1 | Page 184

### **QUESTION**

### State whether the statement is true or false:

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

- True
- False

### **SOLUTION**

True

Exercise 1 | Q 4.2 | Page 184

### **QUESTION**

#### State whether the statement is true or false:

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

- True
- False

### **SOLUTION**

False

Exercise 1 | Q 4.3 | Page 184







### **QUESTION**

### State whether the statement is true or false:

ROC is concerned with registration of companies.

- True
- False

#### **SOLUTION**

True

Exercise 1 | Q 4.4 | Page 184

### **QUESTION**

#### State whether the statement is true or false:

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

- True
- False

### **SOLUTION**

True

Exercise 1 | Q 4.5 | Page 184

### **QUESTION**

### State whether the statement is true or false:

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

- True
- False

### **SOLUTION**

True

Exercise 1 | Q 4.6 | Page 184





#### State whether the statement is true or false:

NCLAT can hear appeals against order of NCLT.

- True
- False

#### **SOLUTION**

True

Exercise 1 | Q 4.7 | Page 184

### **QUESTION**

#### State whether the statement is true or false:

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

- True
- False

#### **SOLUTION**

True

Exercise 1 | Q 4.8 | Page 184

### **QUESTION**

#### State whether the statement is true or false:

SEBI protects the interest of investors in securities market.

- True
- False

#### **SOLUTION**

True

Exercise 1 | Q 4.9 | Page 184

### **QUESTION**

#### State whether the statement is true or false:

ROC is the regulator of securities market.







- True
- False

#### **SOLUTION**

False

Exercise 1 | Q 5.1 | Page 184

### **QUESTION**

### Complete the sentence.

Administration of Companies Act and other Laws related to corporate world is the responsibility of \_\_\_\_\_

### **SOLUTION**

Administration of Companies Act and other Laws related to corporate world is the responsibility of **Ministry of corporate affairs** 

Exercise 1 | Q 5.2 | Page 184

### **QUESTION**

Complete the sentence.

Registration of companies is done by \_\_\_\_\_.

### **SOLUTION**

Registration of companies is done by **Register of companies** 

Exercise 1 | Q 5.3 | Page 184

### **QUESTION**

#### Complete the sentence.

The authority which handles corporate civil disputes is called as \_\_\_\_\_\_.

#### **SOLUTION**

The authority which handles corporate civil disputes is called as **National company law Tribunal** 

Exercise 1 | Q 5.4 | Page 184





### Complete the sentence.

The authority which handles corporate civil disputes is called as \_\_\_\_\_\_.

### **SOLUTION**

The authority which hears appeals against the orders of NCLT is called as **National** company law appellate tribunal

Exercise 1 | Q 6.1 | Page 184

### **QUESTION**

Select the correct option form the bracket.

Group 'A'	Group 'B'
Regulator of Securities Market	

- NCLAT
- Administers Companies
- SEBI

#### **SOLUTION**

Group 'A'	Group 'B'
Regulator of Securities Market	SEBI

Exercise 1 | Q 6.2 | Page 184

### **QUESTION**

Select the correct option form the bracket.

Group 'A'	Group 'B'
MCA	

- NCLAT
- Administers Companies Act
- SEBI

### **SOLUTION**

Group 'A'	Group 'B'
MCA	Administers Companies Act







Exercise 1 | Q 6.3 | Page 184

### **QUESTION**

Select the correct option form the bracket.

Group 'A'	Group 'B'
	Hears appeals against orders of NCLT

- NCLAT
- Administers Companies Act
- SEBI

#### **SOLUTION**

Group 'A'	Group 'B'
NCLAT	Hears appeals against orders of NCLT

Exercise 1 | Q 7.1 | Page 184

### **QUESTION**

#### Answer in one sentence.

Name the authority which administers Companies Act and Partnership Act.

#### **SOLUTION**

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

Exercise 1 | Q 7.2 | Page 184

### **QUESTION**

#### Answer in one sentence.

Name the authority attached to High Court which helps in winding-up of companies

### **SOLUTION**

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

Exercise 1 | Q 8.1 | Page 184





#### **QUESTION**

### **Correct the underline word and rewrite the following statement:**

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

#### **SOLUTION**

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

Exercise 1 | Q 8.2 | Page 184

### **QUESTION**

### **Correct the underline word and rewrite the following statement:**

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

### **SOLUTION**

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

### **EXERCISE 2 [PAGE 185]**

Exercise 2 | Q 1 | Page 185

#### **QUESTION**

### **Explain the following term/ concept:**

Ministry of Corporate Affairs (MCA).

#### **SOLUTION**

- (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.

Exercise 2 | Q 2 | Page 185





### **Explain the following term/ concept:**

Registrar of Companies (ROC).

#### **SOLUTION**

- (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.

Exercise 2 | Q 3 | Page 185

### **QUESTION**

### Explain the following term/ concept:

National Company Law Tribunal (NCLT).

#### **SOLUTION**

- (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 a reasonable opportunity to both parties to explain their views to justify their case and then it has to give a decision and pass its order. Any party aggrieved by an order of the N CLT may within 45 days from date of receiving a copy of the order, file an appeal to the National Company Law Appellate Tribunal (NCLAT).

Exercise 2 | Q 4 | Page 185





### **Explain the following term/ concept:**

National Company Law Appellate Tribunal (NCLAT).

#### **SOLUTION**

- (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 Financing 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, tile and appeal to the Supreme Court.

### **EXERCISE 3 [PAGE 185]**

Exercise 3 | Q 1 | Page 185

### **QUESTION**

#### **Answer in brief:**

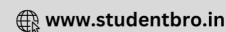
State the powers of ROC.

#### **SOLUTION**

# 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 the power to inspect or call for books of accounts, other books, and papers. He has the power to ask for additional information necessary for inspection.
- (3) He has the power to seek in writing any information or explanation in respect to any document furnished to his office.
- (4) The Registrar has the power to seek the Special Court to issue an order for seizure of books and papers of a company if he comes to the conclusion that such records may be destroyed, altered, or falsified.





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

Exercise 3 | Q 2 | Page 185

### **QUESTION**

#### **Answer in brief:**

State the powers of NCLT.

### **SOLUTION**

### The powers of National Company Law Tribunal (NCLT):

- (1) NCLT has the power to hear and decide civil disputes or all proceedings related to compromise, arrangement, and reconstruction of a company.
- (2) NCLT has the 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 the power to hear and decide petition filed by the company and request letter received from the company for the extension of time for repayment of deposits on genuine grounds.
- (4) It has also the 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 a majority of members, the NCLT has the power to pass an order to call for holding AGM or EOGM of a defaulting company
- (6) NCLT has the 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 the power to hear and decide grievances or complaints of the investors in regard to the rejection of transfer of shares and other securities.

Exercise 3 | Q 3 | Page 185

### **QUESTION**

#### **Answer in brief:**

What are the objectives of MCA?

#### **SOLUTION**





### 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.

### **EXERCISE 4 [PAGE 185]**

Exercise 4 | Q 1 | Page 185

### **QUESTION**

### Justify the following statement:

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

#### **SOLUTION**

### 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.

Exercise 4 | Q 2 | Page 185

### **QUESTION**

### **Justify the following statement:**

The companies act, 2013 has given certain to fulfill certain objective

### **SOLUTION**

## 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 the power to ask for additional information necessary for inspection.
- (3) He has the power to seek in writing any information or explanation in respect to any document furnished to his office.
- (4) The Registrar has the power to seek the Special Court to issue an order for seizure of books and papers of a company if he comes to the conclusion that such records may be destroyed, altered or falsified.
- (5) He has the power to remove the name of the liquidated company from the Register of the Companies.

Exercise 4 | Q 3 | Page 185

### **QUESTION**

### **Justify the following statement:**

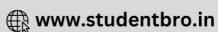
The central government has empowered NCLT with certain powers

#### **SOLUTION**

### The powers of National Company Law Tribunal (NCLT):

- (1) NCLT has the power to hear and decide civil disputes or all proceedings related to compromise, arrangement, and reconstruction of a company.
- (2) NCLT has the 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 the power to hear and decide petition filed by the company and request letter received from the company for the extension of time for repayment of deposits on genuine grounds.
- (4) It has also the 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 a majority of members, the NCLT has the power to pass an order to call for holding AGM or EOGM of a defaulting company
- (6) NCLT has the 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 the rejection of transfer of shares and other securities.

### **EXERCISE 5 [PAGE 185]**

Exercise 5 | Q 1 | Page 185

### **QUESTION**

### Attempt the following:

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

#### **SOLUTION**

### 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 3lst March, 2019 on or before 30th September. 2019.

We are sorry to state that our staff was on strike for their demand for an 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 the annual report of 2017-18

Exercise 5 | Q 2 | Page 185

### **QUESTION**

### Attempt the following:

Write a letter to MCA with regard to ticket raising

#### **SOLUTION**

### **SUJATA IRON LIMITED**

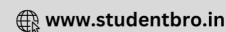
Registered Office: 42, Ready money Terrace, Dr. Annie Besant Road

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**: sujataironhmited.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 the company is required to form SH 7 to inform the Registrar of Companies with respect to the alteration made in our share capital. We further inform you that in spite of repeated efforts from the last three days we could not download the form. The system message appearing on the website read as 'File is damaged and it cannot be 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 the website

Exercise 5 | Q 3 | Page 185

### **QUESTION**

### Attempt the following:

Write a reply to a complaint by an investor

#### **SOLUTION**

#### **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.vikascoltd.com

E-mail: vikcoltd07@gma11.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 dividends.

The Board of Directors is of the view that the non-payment of dividends this year will help strengthen the financial position of your company. Such a non-payment of dividend will provide additional nuance for the expansion and devel0pment 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 a 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 dividends 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

Exercise 5 | Q 4 | Page 185

### QUESTION

### Attempt the following:

Write a letter to NCLT seeking an extension of the time of reply public deposits.

#### **SOLUTION**

#### **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.navneetgloballtd.com

E-mail: <a href="mailto:ntgoltd@bsnl.net.ln">ntgoltd@bsnl.net.ln</a>

**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 11th 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.