

Topic- Corporate and other Law

Notes :

1. Question Paper comprises two part, Part I and Part II
2. Part I is having multiple choice Questions which is compulsory
3. Part II Comprise descriptive Questions and in which Question No. 1 is Compulsory and answer any 3 out of remaining 4 questions
4. Answer new Question on new page.

Part I

QUESTION NO.

1. Rajesh has formed a 'One Person Company (OPC)' with his wife Roopali as nominee. For the last two years his wife Roopali is suffering from terminal illness and due to this hard fact he wants to change her as nominee. He has a trusted and experienced friend Ramnivas who could be made nominee or his (Rajesh) son Rakshak who is of seventeen years of age. Whom should he nominate as nominee in place of his wife?

- (a) Since blood relation can only be appointed as nominee in case of OPC, Rajesh needs to appoint his son Rakshak.
- (b) Rajesh can appoint his friend Ramnivas as nominee in his OPC
- (c) Roopali is not agreeable to the proposal of Rajesh and hence, Rajesh cannot change her as the nominee
- (d) Either Rakshak or Mr. Ramnivas can be appointed as nominee

(1 Mark)

2. No deposits are repayable earlier than \_\_\_\_\_ from the date of such deposits or renewal thereof.

- (a) 3 months
- (b) 6 months
- (c) 9 months
- (d) 12 months

(1 Mark)

3. Days of grace provided to the Instruments at maturity is (as per the provisions of the Negotiable Instruments Act, 1881)—

- (a) 1day
- (b) 2days
- (c) 3days
- (d) 5days

(1 Mark)

4. Which of the following given Statement/s is/are correct:

- (1) In all Central Acts and Regulations, any words which denote the masculine gender shall also be taken to include females, and vice versa.
- (2) In all Central Acts and Regulations, words in the singular shall include the plural, but not vice versa.
  - (a) Only statement (1) is correct
  - (b) Only statement (2) is correct
  - (c) Both the statements are correct
  - (d) None of the statement is correct

**(1 Mark)**

5. The Annual General meeting of Tirupati Limited was scheduled for 28<sup>th</sup> December, 2017. Mr. Ananat, shareholder of Tirupati Limited has desired to inspect inspection of proxies lodged with the company. The notice for inspection should be given at least before the meeting:

- (a) 24 hours
- (b) 1 day
- (c) 2 days
- (d) 3 days

**(1 Mark)**

6. A guarantee obtained by a creditor by keeping silence as to material circumstances is :

- (a) Valid
- (b) Voidable
- (c) Unenforceable
- (d) Invalid

**(1 Mark)**

7. A Ltd. is the holding company of B Ltd. Another company C Ltd. is the subsidiary company of B Ltd. Is there any relationship between A Ltd. and C Ltd.

- (a) There is no relationship between A Ltd. and C Ltd.
- (b) C Ltd. is deemed to be the subsidiary of A Ltd.
- (c) A Ltd. shall be deemed to be the holding company of C Ltd. provided A Ltd. Acquires at least 10% stake in C Ltd.
- (d) C Ltd. shall be deemed to be the subsidiary of A Ltd. if the latter company acquires minimum 10% stake in the former company within six months after C Ltd. becomes subsidiary of B Ltd.

**(1 Mark)**

8. A draws a bill on B for Rs. 500 payable to the order of A. B accepts the bill, but subsequently dishonours it by non-payment. A sues B on the bill. B proves that it was accepted for value as to Rs. 400, and as an accommodation to the plaintiff as to the residue. Thus, as per the provisions of the Negotiable Instruments Act, 1881, A can only

recover the following amount:

- (a) Rs.900
- (b) Rs.500
- (c) Rs.400
- (d) Rs.100

**(1 Mark)**

9. Sumitra Healthcare and Hospitality Limited had issued 9% non-convertible debentures which matured four years back. However, 1000 such debentures of Rs. 100 each are still remaining unclaimed and unpaid even after the maturity. State the period after which the company needs to transfer them to Investor Education and Protection Fund (IEPF) if they remain unclaimed and unpaid.

- (a) After the expiry of five years from the maturity date.
- (b) After the expiry of six years from the maturity date
- (c) After the expiry of seven years from the maturity date
- (d) After the expiry of eight years from the maturity date.

**(1 Mark)**

10. G Ltd. (a company having CSR Committee as per the provision of Section 135 of the Companies Act, 2013) decides to spend and utilize half of the amount of Corporate Social Responsibility on the activities for the benefit of all the employees of G Limited and the remaining half of the amount of Corporate Social Responsibility on the activities for the benefit of family members of employees of G Limited As per the provision of Companies Act, 2013 this would mean that:-

- (a) This is the total amount spent on Corporate Social Responsibility activities by G Limited for that financial year
- (b) No amount spent on Corporate Social Responsibility activities by G Limited for that financial year
- (c) Half amount spent on Corporate Social Responsibility activities by G Limited for that financial year
- (d) Half amount spent on Corporate Social Responsibility activities and remaining half amount spent on Other Activities by G Limited for that financial year

**(1 Mark)**

11. Anand is a goldsmith, who makes gold jewellery as per customer's requirement. Brijesh along with his friend Ramesh, who was also a friend of Anand, approached Anand for making bangles for his wife. Anand agreed to give delivery within 7 days from the day Brijesh gives him gold for making bangles. Brijesh gave him bangles on 2<sup>nd</sup> February 2018. The bangle making charges were Rs. 5000/-, which Brijesh agreed to pay at the time of delivery of the bangles. Anand delivered the bangles on 6<sup>th</sup> February 2018, but Brijesh said that he will pay the making charges after some time. Anand agreed to that. In spite of repeated reminders Brijesh did not pay his making charges. In this situation from the following what remedy is available to Brijesh—

- (a) He can sue Ramesh for his making charges because Anand was accompanied by him
- (b) He can sue Anand for his overdue making charges.
- (c) He can visit Anand's place and can take away anything, which is similar in value to the bangle making charges.

- (d) He can retain the goods, as he has the right of particular lien, he however does not have the right to sue Anand or Ramesh

**(1 Mark)**

12. The Authorised share capital clause of LMN & Co. Ltd. consisted of Preference share capital and Equity share capital both. With regard to equity share capital, the article of association of the company has given authorization to issue differential equity shares. Apart from authorisation by the Articles, from the following strike out the condition, which is not mandatory to comply with—

- (a) Such issue of shares must be authorised by an ordinary resolution passed at a general meeting of the shareholders or by postal ballot, as the case may be
- (b) The company must have consistent track record of distributable profit for the last five years.
- (c) The company has no subsisting default in the payment of the declared dividend to its shareholders.
- (d) The company has not defaulted in filing financial statements and annual returns for three financial years immediately preceding the financial year in which it is decided to issue such shares

**(2 Marks)**

13. A good friend of Mr. A, Mr. D is a property dealer in Delhi and works for many renowned registered real estate developers. As Mr. D is doing very well in his work, Mr. A also wanted to work as a property dealer or property agent. Mr. X, a real estate developer of Delhi, appointed Mr. D as his agent for selling flats in his upcoming project, and asked him to name some other person to work for him, for his another project. At this time he introduced Mr. A to Mr. X, saying that he is also in the same field for last 10 years, although Mr. A did not had any experience in this field. Going by his words, Mr. X instructed to appoint Mr. A also for his other ventures. From the following, Mr. A will be treated as--

- (a) Agent of Mr.X
- (b) Sub-agent of Mr.D
- (c) Substituted agent of Mr.X
- (d) Sub- agent of Mr.X

**(2 Marks)**

14. Supertech Computers Pvt. Ltd has 120 members. It sends notice to all of them. 20 members did not attend the meeting. Out of remaining 100 members, 20 members abstained from voting. Advise the company, how many members should vote in favour of resolution, if it has to be passed as a Special Resolution?

- (a) 60 Votes
- (b) 80 Votes
- (c) 41 votes
- (d) 20 votes

**(2 Marks)**

15. L made an offer to MD of a company. MD accepted the offer though he had no authority to do so. Subsequently L withdrew the offer but the company ratified the MD's acceptance. State which of the statement given hereunder is correct:
- (a) L was bound with the offer
  - (b) An offer once accepted cannot be withdrawn
  - (c) Both option (a) & (b) is correct
  - (d) L is not bound to an offer.

**(2 Marks)**

16. NTW Ltd is listed on National Stock Exchange and has a turnover of INR 4500 crores. NTW Ltd has 12 subsidiaries, 3 associate companies and 5 joint venture companies (collectively referred to as NTW Group). AKW & Co LLP is the statutory auditor of NTW Ltd. NTW Ltd wants to appoint AKW as the statutory auditors for entire NTW Group. In respect of this, please advise the management of NTW Group.
- (a) AKW & Co LLP can be appointed as statutory auditors for only 10 companies of NTW Group.
  - (b) AKW & Co LLP can be appointed as statutory auditors for only 20 companies of NTW Group.
  - (c) AKW & Co LLP can be appointed as statutory auditors for all the companies of NTW Group.
  - (d) AKW & Co LLP can be appointed as statutory auditors for all the companies of NTW Group provided they meet the limits requirements as per the Companies Act 2013.

**(2 Marks)**

17. Vinay and Sanjay made a name reservation application accompanied by requisite fee to the Registrar for forming a new private company. The Registrar accorded its approval for reservation of most preferred name Vinanjay Softwares Private Ltd. on 7<sup>th</sup> July, 2018. By which date necessary documents for incorporation of the company must be submitted to the Registrar so that the reserved name does not get lapsed.
- (a) Latest by 20<sup>th</sup> July, 2018
  - (b) Latest by 27<sup>th</sup> July, 2018
  - (c) Latest by 4<sup>th</sup> August, 2018
  - (d) Latest by 4<sup>th</sup> September, 2018

**(2 Marks)**

18. All the 40 members of Taxila Traders Limited have valid voting rights. Due to some urgency, its directors are desirous of convening Annual General Meeting (AGM) at a shorter notice than statutorily required. Is it possible for them to do so?
- (a) Taxila Traders Limited cannot convene AGM at shorter notice than statutorily required.
  - (b) Taxila Traders Limited can convene AGM at shorter notice than statutorily required, if consent in writing or by electronic mode is accorded by all the forty members who are entitled to vote at the AGM.

- (c) Taxila Traders Limited can convene AGM at shorter notice than statutorily required if consent in writing or by electronic mode is accorded by at least 38 members who are entitled to vote at the AGM.
- (d) Taxila Traders Limited can convene AGM at shorter notice than statutorily required if consent in writing or by electronic mode is accorded by at least 36 members who are entitled to vote at the AGM.

**(2 Marks)**

**19.** With a view to augment its production, Surya Techno-Products Limited availed a loan of Rs.50.00 lacs from Shrilaxmi First Bank Limited for purchase of a new machinery by offering its factory worth Rs. 2.25 crores as security. However, the company did not initiate any steps to get the charge on factory registered in favour of lending banker within the specified time. As soon as the charge-holder bank came to know about the non-registration of charge with the ROC, it applied to the Registrar for registration of charge along with the instrument creating the charge and paid the requisite fees when demanded. Advise the bank whether it can recover the fees so paid for registration of charge from Surya Techno-Products.

- (a) Yes, the bank can recover the fees paid by it for registration of charge.
- (b) No, the bank cannot recover the fees paid by it for registration of charge because the bank is equally responsible for getting the charge registered.
- (c) Only when it obtains recovery orders from Regional Director (RD), the bank can recover the fees paid by it for registration of charge from the company.
- (d) Only when it obtains recovery orders from National Company Law Tribunal (NCLT), the bank can recover the fees paid by it for registration of charge from the company.

**(2 Marks)**

**20.** GHWX Private Limited was incorporated in the year 2009. The registered office of the company GHWX Private Limited was situated in city T of state V. The Board of Directors of GHWX Private Limited comprised of five directors namely Mr. K, Mr. N, Mr. R, Mr. U and Mr. W.

During the financial year beginning on 01/04/2018 and ending on 31/03/2019 the second meeting of Board of Directors of GHWX Private Limited was held on 7 September, 2018.

Out of 5 directors, Mr. K, Mr. N, Mr. R and Mr. W were present for the said meeting. During the meeting of Board of Directors a resolution on one of the important matters was passed. While three directors namely Mr. K, Mr. N and Mr. R agreed with the resolution and voted in favour of resolution, however, Mr. W did not agree with the resolution and voted against the resolution.

The minutes of the second meeting of Board of Directors of GHWX Private Limited held on 7 September, 2018 were prepared and they were entered in Minutes Book of meeting of Board of Directors of GHWX Private Limited. One of the director Mr. K was of the opinion that minutes of second meeting of Board of Directors of GHWX Private Limited must be prepared and entered in Minute Book of meeting of Board of Directors of GHWX Private Limited by end of October, 2018. The remaining four directors namely Mr. N, Mr. R, Mr. U and Mr. W did not agree with the opinion of Mr. K because they thought that it was not within the time limit as prescribed by the law.

One of the directors, Mr. N. opined that minute books of meetings of Board of Directors of GHWX Private Limited for the years starting with 2009 to 2015 should be shredded to ruins as these papers were taking a lot of space. He further added that since the Companies Act, 2013 is silent as to maintaining the minute book of meetings of Board of

Directors, it is not necessary to maintain such minute books.

The Board of Directors of GHWX Private Limited did not decide any place where minute book of meetings of Board of Directors of GHWX Private Limited will be kept.

Keeping the provisions of the Companies Act, 2013, in mind answer the following multiple choice questions:

- (A)** The second meeting of Board of Directors of GHWX Private Limited was held on 7 September, 2018 for the financial year 2018-19. The minutes of second meeting of Board of Directors of GHWX Private Limited for financial year 2018 -19 must contain:
- (a) Name of director Mr. U who was absent from the meeting of Board of Directors held on 7 September, 2018.
  - (b) Names of all the directors Mr. K, Mr. N, Mr. R, Mr. U and Mr. W comprising Board of Directors of GHWX Private Limited.
  - (c) Name of one director Mr. U who was absent and atleast one director who was present in the meeting of Board of Directors held on 7 September, 2018.
  - (d) Names of directors Mr. K, Mr. N, Mr. R and Mr. W who were present in the meeting of Board of Directors held on 7 September, 2018.
- (B)** In case of the resolution talked in the case study, the minutes of second meeting of Board of Directors of GHWX Private Limited for financial year 2018 -19 held on 7 September, 2018 must contain:
- (a) Name of any two directors who were present in meeting and voted in the resolution.
  - (b) Name of director Mr. W who voted against the resolution.
  - (c) Name of directors Mr. K, Mr. N and Mr. R who voted in favour of the resolution.
  - (d) Names of all the directors Mr. K, Mr. N, Mr. R, Mr. U and Mr. W who all had the right to attend the meeting and vote in the resolution.
- (C)** The opinion of one of the director, Mr. K was that minutes of second meeting of Board of Directors of GHWX Private Limited for financial year 2018-19 must be prepared and entered in minutes book of meeting of Board of Directors of GHWX Private Limited by the end of October, 2018 is incorrect. The opinion of Mr. K is incorrect because:
- (a) Minutes of second meeting of Board of Directors of GHWX Private Limited for financial year 2018-19 must be entered in minute book of meeting of Board of Directors within thirty days of the conclusion of meeting on 7 September, 2018.
  - (b) Minutes of second meeting of Board of Directors of GHWX Private Limited for the financial year 2018-19 must be entered in minute book of meeting of Board of Directors within sixty days of the conclusion of meeting on 7 September, 2018.
  - (c) Minutes of second meeting of Board of Directors of GHWX Private Limited for the financial year 2018-19 must be entered in minute book of meeting of Board of Directors within ninety days of the conclusion of meeting on 7 September, 2018.
  - (d) Minutes of second meeting of Board of Directors of GHWX Private Limited for financial year 2018-19 must be entered in minute book of meeting of Board of Directors within one twenty days of the conclusion of meeting on 7 September, 2018.

**(3 Marks)**

## Part II

**Question No. 1 is Compulsory and answer any 3 out of remaining 4 questions**

### QUESTION NO.1

- (A) (i) Herry Limited is a company registered in Thailand. It has no place of business established in India, yet it is doing online business through telemarketing in India having its main server for online business outside India. State the status of the Company under the provisions of the Companies Act, 2013.
- (ii) SKP Limited (Registered in India), a wholly owned subsidiary company of Herry Limited decided to follow different financial year for consolidation of its accounts outside India. State the procedure to be followed in this regard.
- (iii) Naveen incorporated a "One Person Company" making his sister Navita as the nominee. Navita is leaving India permanently due to her marriage abroad. Due to this fact, she is withdrawing her consent of nomination in the said One Person Company. Taking into considerations the provisions of the Companies Act, 2013 answer the questions given below.
- (A) If Navita is leaving India permanently, is it mandatory for her to withdraw her nomination in the said One Person Company?
- (B) If Navita maintained the status of Resident of India after her marriage, then can she continue her nomination in the said One Person Company?

**(6 Marks)**

- (B) New Limited appointed an individual firm, Naresh & Company, Chartered Accountants, as Auditors of the company at the Annual General Meeting held on 30 September 2019. Mrs. Reena, wife of Mr. Naresh, invested in the equity shares face value of Rs. 1 lakh of New Limited on 15 October 2019. But Naresh & Company continues to function as statutory auditors of the company. Advice, Naresh & Company on the continuation of such appointment, as per provisions of the Companies Act, 2013.

**(6 Marks)**

- (C) Explaining the provisions of the Indian Contract Act, 1872, answer the following:  
Mr. D was in urgent need of money amounting Rs. 5,00,000. He asked Mr. K for the money. Mr. K lent the money on the sureties of A, B and N without any contract between them in case of default in repayment of money by D to K. D makes default in payment. B refused to contribute, examine whether B can escape liability?

**(4 Marks)**

- (D) Manoj owes money to Umesh. Therefore, he makes a promissory note for the amount in favour of Umesh, for safety of transmission he cuts the note in half and posts one half to Umesh. He then changes his mind and calls upon Umesh to return the half of the note which he had sent. Umesh requires Manoj to send the other half of the promissory note. Decide how rights of the parties are to be adjusted.

Give your answer in reference to the Provisions of Negotiable Instruments Act, 1881 .

**(3 Marks)**

### QUESTION NO.2

- (A) One-fourth of the subscribed capital of AMC Limited was held by the Government of



Rajasthan. Mr. Neeraj, a Chartered Accountant, was appointed as an auditor of the Company at the Annual General Meeting held on 30 April 2018 by an ordinary resolution. Mr. Sanjay, a shareholder of the Company, objects to the manner of appointment of Mr. Neeraj on the ground of violation of the Companies Act 2013. Decide whether the objection of Mr. Sanjay is tenable? Also examine the consequences of the above appointment under the said Act.

**(4 Marks)**

- (B) (i) Ravi Limited maintained its books of accounts under Single Entry System of Accounting. Is it permitted under the provisions of the Companies Act, 2013?
- (ii) State the person responsible for complying with the provisions regarding maintenance of Books of Accounts of a Company.
- (iii) Whether a Company can keep books of Accounts in electronic mode accessible only outside India.

**(6 Marks)**

- (C) Rahul, a transporter was entrusted with the duty of transporting tomatoes from a rural farm to a city by Aswin. Due to heavy rains, Rahul was stranded for more than two days. Rahul sold the tomatoes below the market rate in the nearby market where he was stranded fearing that the tomatoes may perish. Can Aswin recover the loss from Rahul on the ground that Rahul had acted beyond his authority?

**(4 Marks)**

- (D) 'A' draws a bill amounting Rs. 5,000 of 3 month's maturity period on 'B' but signs it in the fictitious name of 'C'. Bill is payable to the order of 'C' and it is duly accepted by 'B'. 'D' obtains the bill from 'A' and thus becomes its 'Holder-in-Due course. On maturity 'D' presents bill to 'B' for payment. Is 'B' bound to make the payment of the bill? Examine it referring to the provisions of the Negotiable Instruments Act, 1881.

**(3 Marks)**

### **QUESTION NO.3**

- (A) Parag Constructions Limited is a leading infrastructure company. One of the directors of the company Mr. Parag has been signing all construction contracts on behalf of company for many years. All the parties who ever deal with the company know Mr. Parag very well. Company has got a very important construction contract from a renowned software company. Parag constructions will do construction for this site in partnership with a local contractor Firoz bhai. Mr. Parag signed partnership deed with Firozbhai on behalf of company because he has an implied authority. Later in a dispute company denied to accept liability as a partner. Can the company deny its liability as a partner?

**(4 Marks)**

- (B) (i) YZ Ltd is a manufacturing company & has proposed a dividend @ 10% for the year 2017 -18 out of the current year profits. The company has earned a profit of Rs. 910 crores during 2017-18. YZ Ltd. does not intend to transfer any amount to the general reserves of the company out of current year profit. Is YZ Ltd. allowed to do so? Comment.
- (ii) Karan was holding 5000 equity shares of Rs. 100 each of M/s. Future Ltd. A final call of Rs. 10 per share was not paid by Karan. M/s. Future Ltd. declared dividend of 10%. Examine with reference to relevant provisions of the Companies Act, 2013, the amount of dividend Karan should receive.

**(6 Marks)**

**(C)** Explain the meaning of 'Negotiation by delivery' with the help of an example. Give your answer as per the provisions of the Negotiable Instruments Act, 1881.

**(3 Marks)**

**(D)** Write short note on Provision.

**(4 Marks)**

**QUESTION NO.4**

**(A)** The Board of Directors of Chandra Ltd. proposes to issue the prospectus inviting offers from the public for subscribing the shares of the Company. State the reports which shall be included in the prospectus for the purposes of providing financial information under the provisions of the Companies Act, 2013.

**(4 Marks)**

**(B)** ABC Limited having a net worth of Rs.120 crores wants to accept deposit from its members. The directors of the company have approached you to advise them as to what special care has to be taken while accepting such deposit from the members in case their company falls within the category of an 'eligible company'.

**(6 Marks)**

**(C)** A notice was served on Mr. P for appearing in the court. However, the notice could not be served on account of the fact that the house of the Mr. P was found locked. Thus, Mr. P. did not appear in the court at the said date. Examine the situation as per the provisions of the General Clauses Act, 1897 and determine whether Mr.P. will be liable in the given situation.

**(3 Marks)**

**(D)** Many a time a proviso is added to a Section of the enactment. Explain the function of such a proviso in the interpretation of the section/provision.

**(4 Marks)**

**QUESTION NO.5**

**(A)** Mr Nilesh has transferred 1000 shares of Perfect Ltd. to Ms. Mukta. The company has refused to register transfer of shares and does not even send a notice of refusal to Mr. Nilesh or Ms. Mukta respectively within the prescribed period. Discuss as per the provisions of the Companies Act, 2013, whether aggrieved party has any right(s) against the company for such refusal?

**(5 Marks)**

**OR**

**(A)** Data Limited (listed on Stock Exchange) was incorporated on 1st October, 2018 with a paid-up share capital of Rs.200 crores. Within this small time of 4 months it has earned huge profits and has topped the charts for its high employee friendly environment. The company wants to issue sweat equity to its employees. A friend of the CEO of the company has told him that they cannot issue sweat equity shares as 2 years have not elapsed since the time company has commenced its business. The CEO of the company has approached you to advise them about the essential conditions to be fulfilled before the issue of sweat equity shares especially since their company is just a few months old.

**(5 Marks)**

**(B)** DN Limited hypothecated its plant to a Nationalised Bank and availed a term loan. The Company registered the charge with the Registrar of Companies. The Company settled the term loan in full, The Company requested the Bank to issue a letter confirming the settlement of the term loan. The Bank did not respond to the request. State the relevant provisions of the Companies Act, 2013 to register the satisfaction of charge in the above circumstance. State the time frame up to which the Registrar of Companies may allow the Company to intimate satisfaction of charges.

**(5 Marks)**

**(C)** R gives his umbrella to M during raining season to be used for two days during Examinations. M keeps the umbrella for a week. While going to R's house to return the umbrella, M accidentally slips and the umbrella is badly damaged. Who bear the loss and why?

**(3 Marks)**

**(D)** (i) The Companies Act, 2013 provides that the amount of dividend remained unpaid/unclaimed on expiry of 30 days from the date of declaration of dividend shall be transferred to unpaid dividend account within 7 days from the date of expiry of such period of 30 days. If the expiry date of such 30 days is 30.10.2018, decide the last date on or before which the unpaid/unclaimed dividend amount shall be required to be transferred to a separate bank account in the light of the relevant provisions of the General Clauses Act, 1897?

(ii) Referring to the provisions of the General Clauses Act, 1897, find out the day/ date on which the following Act/Regulation comes into force. Give reasons also,

1. An Act of Parliament which has not specifically mentioned a particular date.
2. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015 was issued by SEBI vide Notification dated 14<sup>th</sup> August, 2015 with effect from 1<sup>st</sup> January, 2016.

**(4 Marks)**