

PAPER 13 - CORPORATE LAWS AND COMPLIANCE

MTP_Final_Syllabus 2016_Dec2023_Set1

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Full Marks: 100

Time allowed: 3 hours

Section – A

1. Answer all questions mentioned below. Mark the correct answer (only indicate A or B or C or D) and give justification.

Multiple Choice Question:

[2×10 = 20]

- (i) If a person appointed as an auditor of a company incurs any of the disqualification specified in Section 141(3), he shall be deemed to have vacated his office. Such vacation shall be deemed to be _____ in the office of the auditor.
- casual vacancy
 - permanent vacancy
 - ad-hoc vacancy
 - None of the above
- (ii) Contracts made by or on behalf of a company, may not be signed by _____ duly authorised by the Board in this behalf.
- Key Managerial Person
 - An Officer
 - Employee of the company
 - Auditor
- (iii) Any remuneration for services rendered by any such director in other capacity shall not be so included if
- the services rendered are of a professional nature
 - it is with approval of the Nomination and Remuneration Committee
 - it is with approval of the Board of Directors
 - None of the above
- (iv) When only a part of the shares is transferred, the company issues a ticket for the balance of shares not transferred. Such a ticket is known as
- Issue Ticket
 - Balance ticket
 - Balance Certificate
 - Issue Certificate

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- (v) Corporate Governance is a blend of the Internal and external Corporate Governance
- Techniques
 - Mechanisms
 - Systems
 - Methods
- (vi) Export under Foreign Exchange Management Act, 1999 means:
- the taking out of India to a place outside India any goods.
 - provision of services from India to any person outside India
 - both the above
 - none of the above
- (vii) Which of the following FDI in resident entities is not eligible as investee entities?
- FDI in an India company
 - FDI in Partnership
 - FDI in HUF
 - FDI in LLP
- (viii) 'Small Company' means a Company of which
- Paid-up- Share capital is ₹50 Lakhs to ₹10 Crores
 - Turnover is ₹2 Crores to ₹100 Crores
 - Both the above
 - None of the above
- (ix) Which of the following is not the condition for issue of IDR?
- Issue size should not be more than ₹50 crores
 - Minimum application amount should be ₹20,000
 - At least 50% of the IDR issued should be allotted to qualified institutional buyers on proportionate basis
 - There will be only denomination of IDR of the issuing company
- (x) During any financial year corporate Social Responsibility Committees of the board shall be constituted by every Company having
- Turnover of ₹5,000 crores or more.
 - A Net Profit of ₹5 crores or more.
 - Net Worth of ₹100 crores or more
 - Authorized capital of ₹500 Crores or more.

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Section - B

Answer any Five Question

[16x5 =80]

2. (a) Rukmini Ltd. is a company registered in Japan. Although, it has no place of business established in India, yet it is doing online business through telemarketing in India. Whether it will be treated as a Foreign Company under the Companies Act, 2013? Explain.
- (b) A producer company was incorporated on 1st September, 2009. At present the paid-up Share Capital of the company is ₹10 lakhs consisting of 1,00,000 Equity Shares of ₹10 each fully paid-up held by 200 individuals and 20 producer's institutions. You are required to answer the following with reference to the provisions of the Companies Act, 1956:
- (i) What is the time limit for holding the First Annual General Meeting and the subsequent Annual General Meetings?
- (ii) What is the Quorum for the Annual General Meeting?
- (iii) State the manner in which the voting rights of the members are determined.
- (iv) Is it possible to remove a member? **[8+8=16]**
3. (a) (i) Discuss the applicability of Insolvency and Bankruptcy Code, 2016.
- (ii) Draw the structure of Regulatory Mechanism and Regulatory Bodies as per Insolvency and Bankruptcy Code, 2016
- (b) Can a Company pay compensation to its Directors for loss of office? Explain briefly the relevant provisions of the Companies Act, 2013 in this regard. **[5+3+8=16]**
4. (a) (i) Is it mandatory to obtain Regulatory approvals for scheme of compromise/ arrangements as per section 230(5) of the Companies Act, 2013? Explain.
- (ii) You, an individual shareholder found that the Directors representing the majority of shareholders perform an illegal or ultra vires act for the company. What is the action you may take to restrain such an act?
- (iii) PBX Pvt. Ltd. is a company in which there are 6 shareholders. Mr. Bala, who is a director and also the legal representative of a deceased shareholder holding less than one tenth of the share capital of the company made a petition to the tribunal for relief against oppression and mismanagement. Examine under the provisions of the Companies Act, 2013 whether the petition made by Mr. Bala is valid and maintainable.

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- (b) Winding up proceedings has been commenced by the Tribunal against Paramount Limited, a government company (Central Government is a member). Even after completion of one year from the date of commencement of winding up proceedings, it has not possible to conclude the same. The liquidator is of the opinion that the statement shall be filed with tribunal and registrar only.
- (i) Decide validity to the opinion made by the liquidator and penalty that can be imposed on the liquidator for contravention of the provision as per the Companies Act, 2013.
- (ii) Discuss, if the Paramount Limited is a non-government company. **[3+2+4+7=16]**
5. (a) (i) List out the main features of a qualified and independent audit committee to be set up under SEBI (listing obligations and disclosure Requirements) Regulations, 2015.
- (ii) State the matters to be dealt with in the Management Discussion and Analysis Report as per SEBI guidelines on Corporate Governance.
- (b) (i) Upon an enquiry made by the Competition Commission of India it was found that Huge Limited is enjoying dominant position in the market and there is every possibility that the company may abuse its dominant position. In order to overcome such a possible situation, the Competition Commission of India wants to order for division of Huge Limited. Referring to the provisions of the Competition Act, 2002, describe the matters which may be provided in the said order.
- (ii) Explain the provision as to Division of enterprise enjoying dominant position under the competition Act 2002? **[5+3+5+3=16]**
6. (a) (i) Power of Reserve Bank to inspect authorized person under Foreign Exchange Management Act, 1999
- (ii) What are the procedure for receiving Foreign Direct Investment (FDI) in an Indian company.
- (b) Explain the powers and functions of IRDA. **[4+4+8=16]**
7. (a) (i) Explain how the provisions of the Companies Act, 2013 relating to Audit Committee will help in achieving some of the objectives of Corporate Governance
- (ii) Explain the advantages of the family Businesses over Non –family Businesses?
- (b) Corporate Social Responsibility (CSR) is also called Corporate Citizenship or Corporate Responsibility? — Discuss **[5+4+7=16]**

8. Write short notes any four of the following: [4x4=16]
- (a) Persons who are not entitled to initiate insolvency resolution process
 - (b) Lock - in of Specified Securities held by promoters
 - (c) Foreign Currency Convertible Bond under FEMA,1999
 - (d) Activities not to be considered as CSR Activities
 - (e) Responsibilities of the Board of State Owned enterprises