

Paper 13 – Corporate Laws and Compliance

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Full Marks: 100

Time allowed: 3 hours

Section – A

1. Answer all questions.

(a) Multiple Choice Questions

[20 Marks]

- (i) Which of the following statements is/are false about Directors Responsibility Statement.
- (a) Shall state that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
 - (b) Shall state that the directors had prepared the annual accounts on a periodicity basis.
 - (c) Shall state that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act.
 - (d) None of the above
- (ii) A One Person Company shall file a copy of the financial statements duly adopted by its member, along with all the documents which are required to be attached to such financial statements, within _____ days from the closure of the financial year.
- (a) 180
 - (b) 90
 - (c) 45
 - (d) 30
- (iii) The Board may fill any casual vacancy in the office of an auditor within 30 days but where such vacancy is caused by the resignation of an auditor, such appointment shall also be approved by the _____.
- (a) Board of Directors
 - (b) company at a general meeting
 - (c) company at a general meeting convened within three months
 - (d) company at a general meeting convened within three months of the recommendation of the Board
- (iv) According to Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 every listed company and every other public company having a paid up share capital of _____ or more shall have whole-time key managerial personnel.
- (a) ₹ 10 crore
 - (b) ₹ 100 crore

- (c) ₹ 25 crore
(d) ₹ 50 crore
- (v) If on the winding up or dissolution of a company with charitable object there remains, after the satisfaction of its debts and liabilities, any asset, they may be transferred to another company registered under this section and having similar objects, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to the _____
(a) Rehabilitation and Insolvency Fund
(b) Insolvency and Bankruptcy Fund
(c) Surplus Account of the company
(d) Any of the above
- (vi) Chapter VI of SEBI Act 1992 deals with _____
(a) Powers and Functions of the Board
(b) Penalties and Adjudication
(c) Registration Certificate
(d) Finance, Accounts and Audit
- (vii) Wherever during the course of inquiry, the Competition Commission exercises its jurisdiction to pass interim orders; it should pass a final order in that behalf as expeditiously as possible and in any case not later than _____ days.
(a) 60
(b) 45
(c) 30
(d) 180
- (viii) 'Foreign exchange' means foreign currency and includes _____
(a) deposits, credits and balances payable in any foreign currency.
(b) drafts, travellers cheques, letters of credit or bills of exchange, expressed or drawn in Indian currency but payable in any foreign currency.
(c) drafts, travellers cheques, letters of credit or bills of exchange drawn by banks, institutions or persons outside India, but payable in Indian currency.
(d) All of the above
- (ix) Section 25 of Banking Regulation Act, 1949 requires for the maintenance of assets equivalent to _____ of its demand and time liabilities in India, at the close of business of the last Friday of every quarter.
(a) Maximum 75%
(b) at least 75%
(c) Maximum 90%
(d) at least 90%
- (x) SmartGov project has been developed to streamline operations, enhance efficiency through workflow automation and knowledge management for implementation in the _____ Secretariat.

- (a) Karnataka
- (b) Telengana
- (c) Andhra Pradesh
- (d) West Bengal

Section – B

Answer any 5 questions:

[16×5 = 80]

2. (a) Mahata Limited was incorporated by furnishing false information. As per the Companies Act, 2013, state the power of the Tribunal in this regard.

(b) State the circumstances under which a company may be wound up by Tribunal.

[8+8 = 16]

3. (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) State the law with respect to the Establishment of Special Court. Mr. Asish Patel is judicial magistrate in a lower court. He was appointed to hold the office of the special court for the speedy disposal of the pending cases under the Act. Decide as per the applicable provisions of the Companies Act, 2013 whether the appointment of Mr. Asish Patel is tenable.

[8+8 = 16]

4. (a) State with reference to the relevant provisions of the Companies Act, 2013 whether the following persons can be appointed as a Director of a Company:

(i) Mr. Arvind Swamy who has huge personal liabilities far in excess of his Assets and Properties has applied to the court for adjudicating him as an insolvent and such application is pending.

(ii) Mr. Bikash Halder who was caught red-handed in a shop lifting case two years ago, was convicted by a court and sentenced to imprisonment for a period of eight weeks.

(b) In what way does the Companies Act, 2013 restrict the non-cash transactions involving Directors of Public Limited Company? Explain.

(c) A petition by majority shareholders complaining oppression by minority shareholders. Give your answer according to the provisions of the Companies Act, 2013

[6+6+4 = 16]

5. (a) Mr. Sidhartha was appointed as a Member of the Competition Commission of India by Central Government. He has a professional experience in international business for a period of 12 years, which is not a proper qualification for appointment of a person as member. Pointing out this defect in the Constitution of Commission, Mr. Goswami, against whom the commission gave a decision, wants to invalidate the proceedings of the commission. Examine with reference to the provisions of the Competition Act, 2002 whether Mr. Goswami will succeed.
- (b) M/s Samrat is a company engaged in providing services of supplying goods all over the world through aircrafts. The aircrafts of the said company is registered and insured in India with the reputed insurance company. Company found that the insurance policy of one of aircraft which is in Europe had expired. Company said to his officer to get new Insurance policy of that aircraft in Europe. State the validity of such an act of registration of aircraft in Europe.
- (c) Explain the responsibilities of banking companies under the Prevention of Money Laundering Act, 2002. [4+4+8 = 16]
6. (a) Discuss about the Powers and duties of Liquidator under Section 35 of Insolvency and Bankruptcy Code, 2016.
- (b) Mr. Sandeep, an Indian National desires to obtain foreign exchange for the following purposes:
- (i) Payment of commission on exports under Rupee State Credit Route.
 - (ii) Gift remittance exceeding US\$ 10,000.
- Advise him whether he can get foreign exchange and if so, under what condition? [10+6 = 16]
7. (a) Write short notes on CSR and Sustainability.
- (b) What is meant by the Corporate Governance as per renowned exponents in this field? How far do you agree with their views? (Agree / Strongly agree / Disagree etc.). [8+8 = 16]
8. Write a note on: (Any Four) [4 × 4 = 16]
- (i) Public Financial Institutions
 - (ii) Offences to be non-cognizable u/s 439 of Companies Act, 2013
 - (iii) Insurable Interest
 - (iv) Persons who are not entitled to initiate insolvency resolution process.
 - (v) Advantages of XBRL