

Roll No.....

No. of Printed Pages...

**Paper 13 - Corporate Laws & Compliance**

Full Marks: 100

Time Allowed: 3 hours

This paper contains 3 questions. All questions are compulsory, subject to instruction provided against each question. All workings must form part of your answer. Assumptions, if any, must be clearly indicated.

**(1) Answer all questions: [20 marks]**

- (a) Explain the term 'executive directors' and non-executive directors. **(3 Marks)**
- (b) At an annual general meeting of your company, one of the directors being badly heckled by irate shareholders had tendered his resignation orally which was accepted by the majority of members present at the meeting. Can the director continue in his office after the annual general meeting? **(3 Marks)**
- (c) Mr. Bipin goes abroad for four months from 4.4.1999 and an alternate director has been appointed in his place. Advice as to sending of notice as required under section 286. **(3 Marks)**
- (d) What are the provisions regarding preservation of accounts and records of a company which has been amalgamated with any other company? **(3 Marks)**
- (e) What provision has been made under section 15A of the SEBI act, 1992 in connection with penalty for failure to furnish information or returns? **(3 Marks)**
- (f) Explain the need for Social Responsibility. **(2<sup>1</sup>/<sub>2</sub> Marks)**
- (g) What are the requirements to strengthen Corporate Governance? **(2<sup>1</sup>/<sub>2</sub> Marks)**

**(2) Answer any four questions: [4 x 15 = 60 marks]**

- (a)(i) Your company has been approached by its foreign collaborators who have three U.S. based directors on your Board with the idea that they would appoint a single individual based in India to act as an alternate for all the three U.S. based director. Advice by indicating the feasibility of the idea, the voting rights to be enjoyed by the proposed alternate director, and the sitting fees payable to him. **(5 Marks)**
- (ii) State the kind of approval required for the following transactions under the Foreign Exchange Management Act, 1999:
- (A) T wants to draw US \$20,000 to make donation to a charitable trust situated in South Korea.
- (B) Q requires US \$ 5,000 to make payment related to 'call back services' of telephone. **(5 Marks)**
- (iii) Whether appointment of Controller of Insurance is compulsory? Explain. **(5 Marks)**
- (b)(i) In case of appointment of directors of a company, all the directors were not voted on individually, but were appointed by one resolution and no shareholder objected to it. Discuss the position under the provision of the Companies Act. **(5 Marks)**
- (ii) What shall be the composition of the Insurance Regulatory and Development authority? **(5 Marks)**

## PTP\_Final\_Syllabus 2012\_Dec2014\_Set 3

---

(iii) Examine the validity of the resolution passed at the Annual General Meeting of a public company for payment of dividend at a rate higher than recommended by the board of directors.

(5 Marks)

(c)(i) Examine whether the following companies can be considered as 'Foreign Companies' under the Companies Act, 1956:

(A) A company which is incorporated outside India employs agents in India but has no place of Business in India.

(B) A company incorporated outside Indian having shareholders who are all Indian citizens.

(C) A company incorporated in India but all the shares are held by foreigners. (5 Marks)

(ii) State whether a banking company is required to file with the registrar its accounts and balance sheet. (5 Marks)

(iii) Mr. Sandip is an Indian Citizen. He has been residing in India since his birth. He left India on 25<sup>th</sup> February, 2011 for pursuing business management in America for 2 years. He comes back on 24<sup>th</sup> February, 2013. What is his residential status for the financial years 2010-11, 2011-12, 2012-13 and 2013-14? (5 Marks)

(d)(i) M/s. Sahara Fertilizers Ltd. proposes to acquire equity shares of XYZ Ltd. worth ₹19 lakhs. On the basis of the following information advise Sahara Fertilizers Ltd. about the requirements to be complied with under Companies Act, 1956 for the proposed investment in XYZ Ltd.:

Authorised Share Capital ₹50,00,000

Issued, subscribed and paid-up capital ₹25,00,000

Free Reserves ₹5,00,000. (5 Marks)

(ii) Is a stock exchange compulsorily required to be corporatized and demutualised? (5 Marks)

(iii) What shall be the composition of Competition Commission of India? (5 Marks)

(e)(i) State, with reason, whether the following are debts for the purpose of section 433(e) of the Companies act, 1956:

(A) Contingent or conditional liability.

(B) Non-payment of dividend declared.

(C) Non-payment of salary to an employee.

(D) Non-payment to a creditor of a disputed liability. (5 Marks)

(ii) What are the powers of the High Court to enforce its orders relating to compromise and arrangement? (5 Marks)

(iii) What measures can a securitization or reconstruction company adopt for the purpose of asset reconstruction? (5 Marks)

**(3) Answer any two questions: [2 × 10 = 20 marks]**

(a) Evaluate the concept of Social Responsibility of Business. (10 Marks)

(b) What are the important legislations that govern corporate governance in India? (10 Marks)

(c)(i) List out the key features of the Kumar Mangalam Birla Committee's Report on Corporate Governance. (5 Marks)

(ii) State the composition of board as per Clause 49 of Listing Agreement. (5 Marks)