

FINAL EXAMINATION

December 2017

P-13(CLC)

Syllabus 2012

Corporate Laws & Compliance

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

Write answers to all parts of a question together.

Open a new page for answers to a new question.

Where necessary, suitable assumptions may be made and disclosed by way of a Note.

Answer question no. 1 (carrying 20 marks) which is compulsory and also answer any five (carrying 16 marks each) from question no. 2 to question No. 8.

1. Answer any four from the following:

- (a) Explain the concept of Deemed Prospectus under the Companies Act, 2013. 5
- (b) Fill in the blanks in the following sentences by using appropriate word(s) / phrase(s) / number(s): 1×5=5
- (i) Every listed public company shall have 'Independent Directors' of at least _____ of the total number of Directors.
- (ii) No person shall be eligible to incorporate more than _____ company or become nominee in more than one such company.
- (iii) _____ means the segregation of ownership and management from trading rights of the member of a recognized stock exchange in accordance with a scheme approved by the SEBI.
- (iv) Every Company shall hold the first meeting of the Board of Directors within _____ of the date of incorporation.
- (v) The Companies Act, 2013 specified "Small Shareholders" as a Shareholder holding shares of nominal value of a not more than _____.
- (c) Choose the most appropriate answer from the stated options and write it down (only indicate (A) or (B) or (C) or (D) as you think correct). 1×5=5
- (i) Types of penalties have been contemplated under the Companies Act, 2013 are of
- (A) three types (B) four types
- (C) five types (D) None of these

Please Turn Over

- (ii) No banking company shall create any charge upon its
 (A) Paid up Capital (B) Unpaid Capital
 (C) Paid up and unpaid Capital (D) None of these
- (iii) Minimum paid up equity capital for any health insurance company to register in India is
 (A) ₹ 500 crore (B) ₹ 400 crore
 (C) ₹ 200 crore (D) ₹ 100 crore
- (iv) Authorised person under the Foreign Exchange Management Act means
 (A) An authorised dealer (B) Money changer
 (C) Both of (A) and (B) (D) None of these
- (v) As per Section 177 of the Companies Act, 2013 every public company having paid up capital of _____ shall constitute an Audit Committee. (Fill in the gap from the below):
 (A) fifty lakh rupees (B) twenty-five crore rupees
 (C) five crore rupees or more (D) ten crore rupees or more

(d) Match the following :

1×5=5

	Column A		Column B
1.	Disclaimer of onerous property	a.	Competition Commission of India
2.	Implementation guidance	b.	SARFAESI Act
3.	Originator	c.	Securities Contract (Regulation Act)
4.	Tie in agreement	d.	CSR
5.	Demutualisation	e.	Indian Company Law

(e) CSR can mean different things to different people. Explain.

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2. (a) Universal, a foreign company, incorporated in Australia was carrying on its business in Delhi related to manufacturing of automobile parts. Due to failure of its compliance with the respective law of the country under which it was incorporated, it was ceased to exist. Decide in the light of the Companies Act, 2013 the status of the company and the effect on the conduct of business in India.

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- (b) PSU Limited, a company incorporated in India has six members in its Audit Committee. Due to recessionary conditions in India the revenue of the company is going down and there is slow down in other activities of the company. Therefore, it was expected that there would not be

significant work for members of the Audit Committee. Considering the overall recession in the company and the economy, the members of the committee decided unanimously to meet once in a year only on March 31, 2017. They reviewed monthly information system of the Company and found no errors. Would you consider the decision taken by the Audit Committee is in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015? Explain 8

(c) Briefly explain the Content of Management Discussion and Analysis. 4

3. (a) Mr. Zupi 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. Yakub, 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. Yakub will succeed. 4

(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. 4

(c) Explain the responsibilities of banking companies under the Prevention of Money Laundering Act, 2002. 8

4. (a) State the circumstances under which a company may be wound up by Tribunal. 7

(b) State the law with respect to the Establishment of Special Court. Mr. A 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. A is tenable. 5

(c) Explain the provision relating to Reserve Fund under the Banking Regulation Act, 1949. 4

5. (a) (i) 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. A 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. B 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.

2+2=4

(ii) A petition by majority shareholders complaining oppression by minority shareholders. Give your answer according to the provisions of the Companies Act, 2013. 4

- (b) (i) The Central Government has granted recognition to a stock exchange. To what conditions may such a recognition be subject to as per provision of SCRA, 1956? 4
- (ii) List the key benefits of MCA 21 project. 4
6. (a) A group of creditors of Mac Trading Limited makes a complaint to the Registrar of Companies, Hyderabad alleging that the management of the company is indulging in destruction and falsification of the accounting records of the company. The complainants request the Registrar to take immediate steps to seize the records of the company so that the management may not be allowed to tamper with the records. The complaint was received at 10 A.M. on 1st July 2015 and the ROC entered the premises at 10.30 A.M. for the search. Examine the powers of the Registrar to seize the books of the company. 6
- (b) In what way does the Companies Act, 2013 restricts the non-cash transactions involving Directors of Public Limited Company? Explain. 5
- (c) Which is the Apex Body to ensure integrated operation of the power system in the state? What are the duties of this Authority? 5
7. (a) What are the benefits of Corporate Social Responsibility (CSR)? Discuss. 5
- (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.) 7
- (c) List the disadvantages of a Family Business over Non-family Business. 4
8. (a) State the activities which may be included by Companies in their Corporate Social Responsibility Policies activities. 8
- (b) Write short notes on CSR and Sustainability. 8
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