

FINAL EXAMINATION

June 2017

*P-13(CLC)
Syllabus 2016*

Corporate Laws & Compliance

Time Allowed: 3 Hours

Full Marks: 100

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

Answer Question No. 1 which is compulsory carrying 20 marks and answer any five questions from Question No. 2 to Question No. 8.

1. Answer all questions mentioned below. Mark the correct answer (Only indicate A or B or C or D and give justification. 2×10=20

- (i) Every Company shall hold the first Board meeting within
 - (A) 3 months of its incorporation.
 - (B) 30 days of its incorporation.
 - (C) 15 days of its incorporation.
 - (D) 4 months of its incorporation.
- (ii) Every Nidhi shall maintain members not less than
 - (A) 500
 - (B) 200
 - (C) 100
 - (D) 50
- (iii) Unless the Articles require a larger number of members, Quorum of a General Meeting of a Producer Company shall be
 - (A) 5 members
 - (B) one-third of total membership
 - (C) one-fourth of total membership
 - (D) half of total membership
- (iv) Original Books and paper which were seized during Search & Seizure u/s 209 of the Companies Act, 2013 shall be returned by the Registrar or Inspector to the Company from whom such documents are seized as soon as possible but not later than
 - (A) 180 days after such seizure.
 - (B) 90 days after such seizure.
 - (C) 360 days after such seizure.
 - (D) 30 days after such seizure.

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- (v) Sec 233 of the Companies Act, 2013 prescribed simplified procedures for merger or amalgamation of two or more small company & small company means a company whose paid up capital does not exceed
- (A) ₹ 10,00,000
 - (B) ₹ 25,00,000
 - (C) ₹ 50,00,000
 - (D) ₹ 100,00,000
- (vi) On the determination of sickness of a company by the Tribunal, the applicant shall make an application accompanied with Audited Financial Statements etc. for revival or rehabilitation within
- (A) 30 days of determination of sickness.
 - (B) 60 days of determination of sickness.
 - (C) 120 days of determination of sickness.
 - (D) 180 days of determination of sickness.
- (vii) Companies Act, 2013 contemplated Penalties which are of
- (A) 10 types
 - (B) 5 types
 - (C) 7 types
 - (D) 3 types
- (viii) Any person aggrieved by any order of Appellate Tribunal, may file an appeal to the Hon'ble Supreme Court within _____ days, from the date of receipt of the order of Appellate Tribunal.
- (A) 30 days
 - (B) 60 days
 - (C) 90 days
 - (D) 120 days
- (ix) Any allotment of securities made on the basis of Prospectus should be void if permission of listing is not granted by the Stock Exchange before expiry of
- (A) 12 weeks from the closure of the issue.
 - (B) 10 weeks from the closure of the issue.
 - (C) 8 weeks from the closure of the issue.
 - (D) 30 days from the closure of the issue.
- (x) Unfair competition under the Competition Act, 2002 means adoption of practices viz.
- (A) collusive price fixing.
 - (B) allocation of markets.
 - (C) discriminatory pricing etc.
 - (D) All of the above

2. (a) Explain briefly the purpose of establishing SEBI. 6
- (b) (i) What are the duties of the inspector as enumerated in Sec 223 of the Companies Act, 2013 in relation to his report.
- (ii) Corporate governance is about Stakeholder's satisfaction. Comment. 6+4=10
3. (a) A meeting of members of Joka Agricultural Equipments Limited was convened under the orders of the Court for the purpose of considering a scheme of compromise and arrangement. The meeting was attended by 200 members holding 500000 shares. 70 members holding 400000 shares in the aggregate voted for the scheme. 120 members holding 90000 shares in aggregate voted against the scheme. 10 members holding 10000 shares abstained from voting. Examine with reference to the relevant provisions of the Companies Act, 1956 whether the scheme was approved by the requisite majority? 6
- (b) (i) The auditors of a company refuses to make their report on the annual accounts of a company before it is signed on behalf of the Board of Directors. Advise the company.
- (ii) What are the restrictions on the Banking Companies for granting of loan & advances against the security of its own shares. 4+6=10
4. (a) 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. 8
- (b) (i) Define "contributory" in a winding up. Explain the liabilities of contributories as present and past member. Give your answer according to the Companies Act, 1956.
- (ii) State the kind of approval required for the following transactions under the Foreign Exchange Management Act, 1999:
- (I) L, a famous playback singer of India wants to perform a musical night in Paris for Indians residing there. Foreign exchange to the extent of US D 20,000 is required for this purpose.
- (II) M requires US D 5,000 to make payment related to 'call back services' of telephone. 5+3=8
5. (a) What is the minimum contribution the companies are required to make towards CSR as per Companies Act, 2013. 8
- (b) (i) What do you mean by anti-competitive agreements, viz tie-in arrangement and resale price maintenance?
- (ii) Mr. X is a director of ABC Ltd. He has approached Housing Finance Co. Ltd. for the purpose of obtaining a loan of ₹ 50 lacs to be used for construction of building of his residential house. The loan was sanctioned subject to the condition that ABC Ltd. should provide the guarantee for repayment of loan instalments by Mr. X. Advise Mr. X. 5+3=8

6. (a) Examine with reference to the provisions of the Companies Act, 2013 whether notice of a Board Meeting is required to be sent to the following persons:
- (i) An interested Director;
 - (ii) A Director who has expressed his inability to attend a particular Board Meeting;
 - (iii) A Director who has gone abroad (for less than 3 months). 6
- (b) (i) The Board of Directors of Nimbahera Chemicals Limited proposes to transfer more than 10% of the profits of the company to the reserves for the current year. Advise the Board of Directors of the said company mentioning the relevant provisions of the Companies Act, 2013.
- (ii) State the “Insurable Interest”—based on the Insurance Act, 1938. 4+6=10
7. (a) (i) Whether XBRL is mandatory in all the Companies. If not, state the Companies where XBRL is mandatory.
- (ii) What are the advantages of XBRL? 2+6=8
- (b) What are the documents etc. to be delivered to the Registrar of Companies (MCA) by foreign companies for registration? 8
8. Write short notes on *any four* of the following: 4×4=16
- (a) Producer Companies
 - (b) Actuarial Valuation/ Report (Section 13)
 - (c) Lock-in of Specified Securities held by promoters.
 - (d) STR (Suspicious Transaction Reports)
 - (e) Grant of recognition to Stock Exchanges—Conditions, Section 4(2) SCRA, 1956.
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