Paper 13- Corporate Laws and Compliance

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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. [2 × 10 = 20]

Multiple choice question

(i) A person who fails to get appointed as a director in a general meeting cannot be appointed as
(A)Additional director
(B)Alternate director
(C)Independent director
(D)Nominee director.

(ii) A Nidhi shall not accept deposit exceeding .....times of its net owned funds
(A)Ten times
(B)Fifteen times
(C)Twenty times
(D)Twenty-five times

(iii) Which of the following Committee was formed by SEBI for improving standards of Corporate Governance of Listed Companies in India?
(A)Naresh Chandra Committee
(B)N.R. Narayan Murthy Committee
(C)Kotak Committee
(D)Kumar Mangalam Birla Committee

(iv) During any financial year Corporate Social Responsibility Committees of the Board shall be constituted by every Company having
(A)Turnover of ₹ 5,000 crores or more.
(B)A Net Profit of ₹ 2 crores or more.
(C)Net Worth of ₹ 5 crores or more.
(D)Authorized capital of ₹ 500 crores or more.

(v) A minor can be nominated as a nominee in Life Insurance Policy by its
(A)Drawer
(B)Agent
(C)Holder
(D)Corporation

(vi) According to Banking Regulation Act 1949, no Banking Company shall pay dividend on its shares until all its

(A)Depreciation is fully written off.
(B)"Capitalized expenses" have been completely written off
(C)Bad debts are provided in full.
(D)Contingent liability is settled

(vii) 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

(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) 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

(x) Corporate Governance is a blend of the Internal and External Corporate Governance
(A)Techniques
(B)Mechanisms
(C)Systems
(D)Methods

Section B
Answer any Five Question [16 X 5 =80]

2. (a) Discuss-Conversion of companies already registered **[8]**
(b) What are the Prohibitions and restrictions regarding political contribution under Section182 of the Companies Act,2013 **[8]**

3(a) (i) Discuss the applicability of Insolvency and Bankruptcy Code,2016 **[5]**
(ii) Draw the structure of Regulatory Mechanism and Regulatory Bodies as per Insolvency and Bankruptcy Code, 2016 **[3]**

(b) A meeting of members of Joka Agricultural Equipment's 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? **[8]**

4(a)(i)ABC Private Limited is a company in which there are eight shareholders. Can a member holding less than one-tenth of the share capital of the company apply to the Tribunal for relief against oppression and mismanagement? Give your answer according to the provisions of the Companies Act, 2013.

(ii) Does the scheme of compromise or arrangement require approval preference shareholder? **[4+3]**

(b) Removable of members under Section 417 of Companies Act,2013 **[9]**

5(a)(i) Define Indian Depository Receipts**.**

(ii) What conditions to be followed for issue of Indian Depository Receits **[3+6]**

(b) What Constitutes Competition Law and Policy? Objectives of the Competition Act, 2002**[7]**

6(a) What is external commercial borrowings? Discuss the purpose for which it is taken **[8]**

(b) What is the meaning of security interest as per SARFAESI Act? Can SARFAESI proceedings be initiated against the guarantor to the credit facility? Can proceedings against the guarantor be initiated first and then against the borrower? **[8]**

7(a) The Financial Reporting Council (FRC) is responsible for high standards of Corporate Governance. Explain this statement along with the aims of FRC **[8]**

(b) What is the minimum contribution the companies are required to make towards CSR as per Companies Act, 2013. **[8]**

8.Write short notes any four of the following: 4X4=16

(a) Producer Companies

(b) Benefits of Listing

(c) Explain the right of a citizen to obtain foreign exchange under "current account transaction".

(d) Activities not to be considered as CSR Activities

(e) Disadvantage of the Family Businesses over Non-Family Businesses