

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) According to Section 2 (62) of the Companies Act, 2013 'One Person Company' means a company which has only one person as a member. A company formed under one-person company may be either:
- (A) A company limited by shares, or
 - (B) Company limited by guarantee, or
 - (C) An unlimited company.
 - (D) All three above
- (ii) Dormant company is formed and registered under this Act –
- (A) for a future project
 - (B) to hold an asset
 - (C) intellectual property and has no significant accounting transaction
 - (D) All of the above
- (iii) Unpaid dividend, after 7 years is transferred to
- (A) Profit and loss account of the company
 - (B) Investor Education and Protection Fund
 - (C) Reserve Bank of India
 - (D) None of the above
- (iv) A company has 15 directors but intends to appoint more. It has to take approval of:
- (A) Board of Directors
 - (B) Shareholders through special resolution
 - (C) Central Govt.
 - (D) None of the above
- (v) SEBI has three functions rolled into one body. Which of the following is not the function of SEBI?
- (A) Quasi-legislative
 - (B) Quasi-judicial
 - (C) Quasi-executive
 - (D) Quasi-official
- (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) Which of the following is not the type of unfair competition?

- (A) Collusive price fixing
- (B) Creation of barriers to entry
- (C) Tie in purchase
- (D) Predatory pricing

(viii) The Commission also has the power to impose a fine which may extend up to of the total turnover or the assets of the combination, whichever is higher, for failure to give notice to the Commission of the combination.

- (A) 2%
- (B) 1%
- (C) 0.5%
- (D) 3%

(ix) The Companies Act, 2013 specified "Small Shareholder" as a shareholder holding _____ shares of nominal value of not more than:

- (A) ₹ 15,000
- (B) ₹ 20,000
- (C) ₹ 25,000
- (D) ₹ 30,000

(x) Insolvency and Bankruptcy code 2016 is not applicable on:

- (A) Financial Service Providers
- (B) Partnership Firms and Individuals
- (C) Limited Liability Partnership (LLP)
- (D) Companies Incorporated under Companies Act.

Section B

Answer any Five Question [16 X 5 =80]

- 2. (a)** What is the procedure which has to be followed by the company while transferring unpaid or unclaimed dividend from unpaid dividend account to IEPP. **[8]**
- (b)** Powers of the Board to be exercised by the Board by means of the resolution passed at a duly convened Board meeting. **[8]**
- 3(a)** Explain the role of committee of creditors under Insolvency and bankruptcy code 2016. **[10]**
- (b)** There are four directors in Shine Paper Limited. Mr. Madhav, being the director in station, has been authorized to draw and endorse cheque or other negotiable instruments on account of the company and also to direct registration of transfer of shares and signing the

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share certificates etc. Evaluate whether he will be treated as Managing Director of the company. Also recommend the procedure of appointment of a Managing Director in a company in the light of the Companies Act, 2013 [6]

4(a) Discuss the process of Merger or Amalgamation of an Indian company with a foreign company as per Companies act, 2013. [8]

(b) How the selection of the members of the NCLT and NCLAT be made under Section 412 of the Companies Act, 2013 [8]

5(a) List out the main features of a qualified and independent audit committee to be set up under SEBI (listing obligations and disclosure Requirements) Regulations, 2015 [8]

(b) Explain the provisions as to Prohibition of certain agreements under Chapter II of Competition Act, 2002 [8]

6(a) What are the prohibited sectors for FDI in India? [10]

(b) State the "Insurable Interest"—based on the Insurance Act, 1938. [6]

7(a) State the OECD Principles of Corporate Governance [8]

(b) Benefit of CSR programme [8]

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

(a) Types of Listing

(b) Grant of recognition to Stock Exchanges—Conditions, Section 4(2) SCRA, 1956

(c) Define (i) Capital account transaction (ii) Depository receipt

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

(e) Inquiry by the Registrar [(Section 206(4))]