

## **Paper-13: CORPORATE LAWS AND COMPLIANCE**

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Full Marks: 100

Time Allowed: 3 Hours

Answer Question No. 1 which is compulsory carries 20 marks and answer any 5  
Question from Q. No 2 to Q. No. 8

**Question 1: Answer any 4 from the below**

**[4×5=20]**

- a) What is Director Identification Number (DIN)? What procedure to be followed if there are any changes in the particulars of Director?
- b) State the circumstances in which the Central Government is empowered to provide for the amalgamation of companies in the public interest?
- c) What are the difficulties encountered in Governance in the State owned Business?
- d) What corporate governance measures are required to be implemented by the Indian companies as per Clause 49 of The Listing Agreement? Explain in brief
- e) ABC Company Ltd. in its First General Meeting appointed six Directors whose period of office is liable to be determined by rotation. Briefly explain the procedure and rules regarding retirement of these directors. Will it make any difference, if ABC Company Ltd. does not carry on business for Profit?

**Question 2:**

- (a) Advise on the following situations as per the Companies Act, 2013:
  - (i) A company wants to transfer more percentage of profits to reserves.
  - (ii) A company wants to declare dividends out of past reserves instead of current year profits.
- (b) Explain how the auditor will be appointed in case of A Government Company within the meaning of section 394 of the Companies Act, 2013
- (c) XYZ Ltd. wants to maintain its books of account on cash basis. Is it permitted as per Companies Act' 2013. **[6+5+5=16]**

**Question 3:**

- (a) XYZ Company Ltd. in its annual general meeting appointed all its directors by passing one single resolution. No objection was made to the resolution. Examine the validity of appointment of directors explaining the relevant provisions of the Companies Act, 2013. Will it make any difference, if XYZ Company was a private company?
- (b) M/s Star Health Specialties Ltd. owns a Multi-Specialty Hospital in Chennai. Dr. Hamilton, a practicing Heart Surgeon, has been appointed by the company as its director and it wants to pay him fee, on case to case basis, for surgery performed on the patients at the hospital. A question has arisen whether payment of such fee to him would amount to payment of managerial remuneration to a director subject to any restriction under the Companies Act, 2013. Advise the company, which seeks to ensure that the same does not contravene any provision of the Companies Act, 2013.
- (c) How is a resolution by circulation passed by the Board or its Committee **[6+5+5=16]**

**Question 4:**

- (a) What are the duties of the inspector as enumerated in section 223 of the Companies Act, 2013, in relation to his report?
- (b) A meeting of members of ABC Limited was convened under the orders of the Court to consider a scheme of compromise and arrangement. Notice of the meeting was sent in the prescribed manner to all the 700 members holding in the aggregate 20,00,000 shares. The meeting was attended by 400 members holding 13,00,000 shares. 160 members holding 10,00,000 shares voted in favour of the scheme. 150 members holding 2,40,000 shares voted against the scheme. The remaining members abstained from voting. Examine with reference to the relevant provisions of the Companies Act, 1956 whether the scheme is approved by the requisite majority?
- (c) Examine with reference to the provisions of the Companies Act, 2013 whether the following companies can be treated as foreign companies:
  - i) A company incorporated outside India having a share registration office at Mumbai.
  - ii) Indian citizens incorporated a company in Singapore for the purpose of carrying on business there. [6+5+5=16]

**Question 5:**

- (a) State the conditions which must be satisfied before filing a petition under section 397 of the Companies Act, 1956 for prevention of oppression?
- (b) Mr. Atharva, a director of Northway highway Tolls Private Limited, authorized by board of directors to prepare and file return, report or other documents to registrar on the behalf of the company. He timely filed all the required documents to Registrar; however, subsequently it is found that the filed documents are false in respect to material particulars (knowing it to be false) submitted to registrar. Explain the penal provision under the Companies Act, 2013?
- (c) An understanding has been reached among the manufacturers of cement to control the price of cement, but the understanding is not in writing and it is also not intended to be enforced by legal proceedings. Examine whether the above understanding can be considered as an 'Agreement' with the meaning of Section 2(b) of the Competition Act, 2002? [6+5+5 = 16]

**Question 6:**

- (a) Explain the provision relation to Reserve Fund under the Banking Regulation Act, 1949.
- (b) What are the provisions in the Insurance Act, 1938 regarding nomination by of Life Insurance Policy holder? Whether a minor can be a nominee in a Life Insurance Policy?
- (c) Explain the term 'Financial Assets' as per the SARFAESI Act, 2002. [6+5+5=16]

**Question 7:**

- (a) "Corporate Social Responsibility is to be considered as an investment and not as a charity"— Elaborate the statement?
- (b) What are the qualifications required to be appointed members of state commission as per the Indian Electricity Act, 2003
- (c) Corporate Governance is about promoting fairness". Is it truly beneficial? – Discuss. [6+5+5=16]

**Question 8:**

- (a) What is the relationship between Corporate Social Responsibility and Sustainable Development?
- (b) What are the possible stages in family firm's governance?
- (c) What is meant by the corporate governance as per renowned experts in this field? How far do you agree with their views (agree/strongly agree/disagree etc.) [6+5+5 = 16]