

FINAL EXAMINATION

December 2013

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.
Please answer all parts of a question at one place. Wherever necessary,
the students can make suitable assumptions
and state them clearly in the answer.*

SECTION A

Answer Question No. 1 which is compulsory and any four from rest in this section.

1. (a) A group of promoters approach you for advice regarding the formation of a guarantee company. Advise them briefly about the types of organizations for which it is suitable to form a guarantee company and the advantages that can be derived by registering a guarantee company. 4
- (b) The capital of Sigma Ltd. is Rs. 80 Lakhs, consisting of equity share capital of Rs. 50 Lakhs and redeemable preference share capital of Rs. 30 Lakhs. The preference share capital is to be redeemed before 31st March 2013. The company is running in losses and its total accumulated losses amount to Rs. 20 Lakhs. The company wants to borrow Rs. 30 Lakhs from financial institution to improve its working and also to redeem the preference share capital. Advise. 3
- (c) Sec. 253 of The Companies Act, 1956 provides that no body Corporate, Association or Firm can be appointed Director of a company. Only an individual can be appointed as director. Explain briefly the reasons as to why it is necessary that only an individual should be a Director of a company. 3
- (d) Draft a Directors responsibility statement to be attached in Director's report under The Companies Act, 1956. 5
2. (a) Mr. Ajit was a member of The Competition Commission of India. He retired on 31st March 2012. He was offered the post of Chairperson in Supriya Ltd. with appropriate remuneration and perquisites. Discuss whether he can accept the job. What will be the position if Mr. Ajit joins Gail Ltd., a Government company with effect from 1st April 2013? 4
- (b) Explain with reference to the provisions of The Companies Act, 1956, whether the following companies are covered under the definition of "foreign companies".
 - (i) Indian citizens incorporated a company in Dubai for the purpose of carrying on business there.
 - (ii) A company incorporated in New York, U.S.A., which has a share transfer office at Chennai? 4
- (c) State the rules for disposal of non-banking assets under The Banking Regulation Act, 1949. 4
- (d) A Director claims that he may leave the company any time merely by submitting his resignation without waiting for its acceptance. Discuss whether it is acceptable and valid? 3

Please Turn Over

