

**FINAL EXAMINATION**

June 2015

**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.*

*Answer all the questions.*

*Students are requested to read the instructions against each individual question also.*

*All workings must form part of your answer.*

*Assumptions, if any, must be clearly indicated.*

**SECTION A**

1. Answer *all* questions: 20
- (a) Define the term 'Promoter' as contained in the Companies Act, 2013. 3
- (b) Mr. K is appointed as an Additional Director by the Board of Directors of PNR Company Limited at its meeting held on 1st October, 2014 for a period as permitted by Law. 3  
Draft a resolution and state the body which appoints K. 3
- (c) Mr. Balu was on the list of contributories as a member who had transferred his shares within a year before the winding up order. After a call had been made against him by the liquidator, he brought certain debts which were due from the company and claimed a reduction in his liabilities under the calls to the extent of those debts. Is this claim maintainable under Companies Act, 1956? 3
- (d) Dehradun Stock Exchange wants to get itself recognize. What information will have to be provided with the application for recognition under Securities Contracts (Regulation) Act, 1956? 3
- (e) Explain the power of Reserve Bank of India to appoint Additional Director as per Banking Regulation Act, 1949. 3
- (f) Write short note on Corporate Governance Committee. 3
- (g) Discuss briefly the Corporate Citizenship. 2

**SECTION B**

2. Answer *any four* questions: 15×4= 60
- (a) (i) Mr. Birat is a Director of MEGLOW LTD. He intends to construct a residential building for his own use. The cost of construction is estimated at ₹ 1.00 Crore which Mr. Birat proposes to finance partly from his own sources to the tune of ₹ 50 Lakh and balance ₹ 50 Lakh from housing loan to be obtained from a Housing Finance Company. For the purpose of obtaining the loan, he has approached the housing finance company which has in principle agreed to grant loan, but has put a condition. 4  
The condition put by the housing finance company is that MEGLOW LTD. of which Mr. Birat is a Director should provide the guarantee for repayment of the loan and interest as per terms of the proposed agreement for granting the loan to Mr. Birat.  
You are required to advise Mr. Birat on the matter keeping in view the relevant provisions of the Companies Act, 2013.

**Please Turn Over**

- (ii) Mr. B has won a big lottery and wants to remit US Dollar 25,000 out of the winnings to his son who is in USA.  
Advise whether such remittance is possible under the Foreign Exchange Management Act, 1999. 2
- (iii) UCO Bank, a Nationalized Bank, acquired on January 1, 2007 a building, fully occupied by various tenants, from Mr. Atanu, the owner of the building in discharging of a term loan advanced to Mr. Atanu who had mortgaged the said Building as security with the said bank and failed to repay the loan. The said bank wants to keep the building permanently with it and earn the rent from tenants.  
You are required to state with reference to the provisions of the Banking Regulation Act, 1949, whether the said bank can do so? 4
- (iv) A company incorporated in Malaysia, has established its place of business at Mumbai, what documents are required to be furnished on such establishment of business in India under the Companies Act, 1956. 3
- (v) Mr. Johi held certain partly paid up shares of Ltd. company. The company asked him to pay the final call money on the shares. Due to some unavoidable circumstances he was unable to pay the amount of call money to the company. At a general meeting of the shareholders, the chairman disallowed him to cast his vote on the ground that the articles do not permit a shareholder to vote if he has not paid the calls on the shares held by him. Johi contested the decision of the Chairman. Referring to the provisions of the Companies Act, 2013 decide whether the contention of Johi is valid. 2
- (b) (i) XYZ 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 Company Law Board for relief against oppression and mismanagement under the Companies Act, 1956. 3
- (ii) M/s Variety Stores Limited is planning to buy-back of its shares during the current year, but the company has defaulted in the payment of term loan and interest thereon to its bankers. The company seeks your advice as to how and when the company can buy-back its shares under these circumstances as per the provisions of the Companies Act, 2013. 2
- (iii) State with reasons, whether the following statements are correct or incorrect under the Companies Act, 2013:
- (1) Cost audit can be conducted also by Chartered Accountant if in the opinion of the Central Government sufficient numbers of Cost Accountants were not available.
  - (2) The provisions for appointment of directors to be voted individually shall be applicable to only public company or a private company which is a subsidiary of a public company. 1+1=2
- (iv) Explain the provisions regarding directors' responsibility statement as covered under the Companies Act, 2013. 5
- (v) Q Limited has defaulted repayments of dues to a financial institution during the financial year 2013-14 and the same remained outstanding as at March 31, 2014. However, the company settled the total outstanding dues including interest in April, 2014 subsequent to the year end and before completion of the audit. Discuss how you would deal with this matter as per schedule III to the Companies Act, 2013. 3

