

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) The Board of Directors of Nimbahera Chemicals Limited proposes to transfer more than 10% of the profits of the company to the reserves for the current year. Advise the Board of Directors of the said company mentioning the relevant provisions of the Companies Act, 2013.
- (b) An audit firm, comprising of two partners, holds office as auditor of 40 private companies out of which paid-up capital of 20 companies exceeds `50 lakhs. Such audit firm wants to be appointed as an auditor in XYZ Pvt. Ltd. Decide whether this is in consonance with the applicable law.
- (c) The Board of Directors of MNP Limited appointed Ms. Neha as a Women Director in the Board Meeting held on 10th September, 2014. The said appointment was made to fill the vacancy of the Woman Director, which had occurred as a result of resignation of Ms. Sheela on 30th June, 2014. Examine the validity of the following appointment with reference to the provisions of the Companies Act, 2013.
Will your answer differ if the Board Meeting of the company was held on 8th November, 2014?
- (d) What is the procedure to be followed, when a board meeting is adjourned for want of quorum?
- (e) Explain briefly the purpose of establishing SEBI.

Question 2:

- (a) The Board of Directors of AJD Limited appointed Mr. N as an alternate director for a period of two months against a director who has proceeded abroad on leave for period of six months. Articles of Association of the company is silent.
Referring to the provisions of the Companies Act, 2013, examine the validity of the above.

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- (b) Explain the concept of KMP (Key Managerial Personnel) as introduced by the Companies Act, 2013. Explain the classes of companies which are required to appoint whole time Key Managerial Person under the provisions of the said Act. 6
- (c) Mr. X is a director of ABC Ltd. He has approached Housing Finance Co. Ltd. for the purpose of obtaining a loan of ` 50 lacs to be used for construction of building his residential house. The loan was sanctioned subject to the condition that ABC Ltd. should provide the guarantee for repayment of loan instalments by Mr. X. Advise Mr. X. 5

Question 3:

- (a) Referring to the provisions of the Companies Act, 2013 which companies are required to constitute a 'Nomination and Remuneration Committee'? 6
- (b) A scheme provides for Amalgamation of PQL International Limited, a foreign company, with DHP Limited, an Indian company registered under the Companies Act, 1956. Referring to the provisions of the above Act, decide whether the scheme providing amalgamation of a foreign company as a transferor company can be sanctioned by the Court (NCLT). 5
- (c) 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 Company Law Board for relief against oppression and mismanagement? Give your answer according to the provisions of the Companies Act, 1956. 5

Question 4:

- (a) Explain the provisions under the Companies Act, 1956 for amendment of Articles of Association of a producer company. 5
- (b) X Inc is a company registered in UK and carrying on Trading Activity, with Principal Place of Business in Chennai. Since the company did not obtain registration or make arrangement to file Return, the State VAT Officer having jurisdiction, intends to serve show cause notice on the Foreign Company. As Standing Counsel for the department, advise the VAT Officer on valid service of notice. 5
- (c) What are the scanned documents required to be attached with e form DIR-3? 6

Question 5:

- (a) What are the agreements prohibited under Section 3(1) of the Competition Act, 2002? 6
- (b) Rampur Stock Exchange wants to get itself recognized. Explain who enjoys the power to recognize stock exchange? 5

- (c) L, a famous playback singer of India wants to perform a musical night in Paris for Indians residing there. Foreign exchange to the extent of USD 20,000 is required for this purpose. State the kind of approval required for the said transactions under the Foreign Exchange Management Act, 1999. 5

Question 6:

- (a) The Board of Directors of a newly incorporated Banking Company is required to file the accounts and Balance Sheet. Advise the Board of Directors about the law relating to preparation, signing and filing of accounts and Balance Sheet under the provisions of the Banking Regulation Act, 1949. 8
- (b) Enumerate the obligations of banking companies under the Prevention of Money Laundering Act, 2002. 8

Question 7:

- (a) What is meant by the corporate governance as per renowned exponents in this field? How far do you agree with their views (agree/strongly agree/disagree etc.)? 8
- (b) As per the revised corporate governance code published in Japan in 2001, discuss the mission and role of (i) Board of Directors and (ii) Committees established within the board. 8

Question 8:

- (a) "The development of Corporate Governance in the UK was initially the findings of a Trilogy of Codes". Explain the same in brief. 10
- (b) What do you mean by Hedging and Pledging? Explain the factors in determining vote recommendations for the election of directors. 6