

Paper 13 – Corporate Laws and Compliance

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Full Marks: 100

Time allowed: 3 hours

Section – A

1. Answer all questions.

(a) Multiple Choice Questions

[20 Marks]

- (i) If a person appointed as an auditor of a company incurs any of the disqualification specified in Section 141 (3), he shall be deemed to have vacated his office. Such vacation shall be deemed to be _____ in the office of the auditor.
- (a) casual vacancy
 - (b) permanent vacancy
 - (c) ad-hoc vacancy
 - (d) None of the above
- (ii) A One Person Company shall file a copy of the financial statements duly adopted by its member, along with all the documents which are required to be attached to such financial statements, within _____ days from the closure of the financial year.
- (a) 180
 - (b) 90
 - (c) 45
 - (d) 30
- (iii) The Court or Special Court, while deciding the amount of fine or imprisonment under Section 446A of Companies Act, shall have due regard to _____ .
- (a) Size of the company
 - (b) Injury to public interest
 - (c) Nature of default
 - (d) All of the above
- (iv) Contracts made by or on behalf of a company, may not be signed by _____ duly authorised by the Board in this behalf.
- (a) Key Managerial Person
 - (b) An Officer
 - (c) Employee of the company
 - (d) Auditor
- (v) A resolution professional can take action only with prior approval of committee of creditors, with _____ voting in favour
- (a) 75%
 - (b) 10%

- (c) 51%
- (d) None of the above
- (vi) Chapter VIA of SEBI Act 1992 deals with _____
- (a) Powers and Functions of the Board
- (b) Penalties and Adjudication
- (c) Registration Certificate
- (d) Finance, Accounts and Audit
- (vii) Wherever during the course of inquiry, the Competition Commission exercises its jurisdiction to pass interim orders; it should pass a final order in that behalf as expeditiously as possible and in any case not later than _____ days.
- (a) 60
- (b) 45
- (c) 30
- (d) 180
- (viii) _____ includes a person to whom the whole of the interest of policy holder in the policy is assigned once and for all, but does not include an assignee thereof whose interest in the policy is defeasible or is for the time being subject to any condition
- (a) Nominee
- (b) Policy-Holder
- (c) Claimant
- (d) None of the above
- (ix) Section 25 of Banking Regulation Act, 1949 requires for the maintenance of assets equivalent to _____ of its demand and time liabilities in India, at the close of business of the last Friday of every quarter.
- (a) Maximum 75%
- (b) at least 75%
- (c) Maximum 90%
- (d) at least 90%
- (x) SmartGov project has been developed to streamline operations, enhance efficiency through workflow automation and knowledge management for implementation in the _____ Secretariat.
- (a) Karnataka
- (b) Telengana
- (c) Andhra Pradesh
- (d) West Bengal

Section – B

Answer any 5 questions:

[16×5 = 80]

2. (a) 'OPC is enabling entrepreneur(s) carrying on the business in the Sole Proprietor form of business to enter into a corporate framework.' - Discuss

(b) State the circumstances under which a company may be wound up by Tribunal.

[8+8 = 16]

3. (a) There are four directors in Jeans & Denims Limited. Mr. Michael, 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 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.

(b) Discuss the provisions regarding to vacation of office of director.

[8+8 = 16]

4. (a) State with reference to the relevant provisions of the Companies Act, 2013 whether the following persons can be appointed as a Director of a Company:

(i) Mr. Arvind Swamy who has huge personal liabilities far in excess of his Assets and Properties has applied to the court for adjudicating him as an insolvent and such application is pending.

(ii) Mr. Bikash Halder who was caught red-handed in a shop lifting case two years ago, was convicted by a court and sentenced to imprisonment for a period of eight weeks.

(b) Discuss the provisions of Companies Act, 2013 regarding declaration of dividend.

[6+10 = 16]

5. (a) Discuss about the acts taking place outside India but having an effect on competition in India

(b) M/s Samrat is a company engaged in providing services of supplying goods all over the world through aircrafts. The aircrafts of the said company is registered and insured in India with the reputed insurance company. Company found that the insurance policy of one of aircraft which is in Europe had expired. Company said to his officer to get new Insurance policy of that aircraft in Europe. State the validity of such an act of registration of aircraft in Europe.

(c) Successful Limited defaulted in the repayment of term loan taken from a Bank against security created as a first charge on some of its assets. The Bank issued notice

pursuant to Section 13 of the SARFAESI Act, 2002 to the Company to discharge its liabilities within a period of 60 days from the date of the notice. The company failed to discharge its liabilities within the time limit specified. Identify and explain the measures to be taken by the Bank to enforce its security interest under the said Act.

[5+5+6 = 16]

6. (a) State the provisions of Initiation of corporate insolvency resolution process by a corporate debtor and the time limit for completion of insolvency resolution process as per Insolvency and Bankruptcy Code, 2016.

(b) Mr. Sandeep, an Indian National desires to obtain foreign exchange for the following purposes:

- (i) Payment of commission on exports under Rupee State Credit Route.
- (ii) Gift remittance exceeding US\$ 10,000.

Advise him whether he can get foreign exchange and if so, under what condition?

[10+6 = 16]

7. (a) CSR and Sustainability go hand in hand. Comment

(b) Write a note on OECD Guidelines.

[8+8 = 16]

8. **Write a note on: (Any Four)**

[4 × 4 = 16]

- (i) Public Financial Institutions
- (ii) Offences to be non-cognizable u/s 439 of Companies Act, 2013
- (iii) Insurable Interest
- (iv) Persons who are not entitled to initiate insolvency resolution process.
- (v) Business should support inclusive growth and equitable development