

CORPORATE AND ECONOMIC LAWS

Full Marks: 100

Time Allowed: 3 Hours

The figures in the margin on the right side indicate full marks.

All sections are compulsory. Each section contains instructions regarding the number of questions to be answered within the section. All working notes must form part of the answer. Wherever necessary, candidates may make appropriate assumptions and clearly state them in the respective answer.

Section-A (Compulsory)

2×15=30

1. Choose the correct option:

- (i) In terms of section 123(4), the amount of the dividend including interim dividend shall be deposited in a scheduled bank in a separate account within _____ days from the date of declaration of such dividend.
- (a) Five
 (b) Six
 (c) Seven
 (d) Ten
- (ii) Where a company changes the place of its registered office from the Jurisdiction of one Registrar to the Jurisdiction of another Registrar within the same state, such change is to be confirmed by _____ as on application made by a company.
- (a) Director
 (b) Managing Director
 (c) Regional Director
 (d) Deputy Director
- (iii) Consolidated financial statements shall be sent in not less than 21 days before the date of meeting, may be sent less than 21 days before, if shareholders with _____ voting rights.
- (a) 75%
 (b) 80%
 (c) 90%
 (d) 95%
- (iv) The forcible taking of property by a Government Law official, Enforcement official from a person who is suspected of violating of law is known as
- (a) Inspection
 (b) Investigation
 (c) Search
 (d) Seizure
- (v) In which case the minimum contribution should not be less than 20% of the post issue capital?
- (a) An initial public offer
 (b) Further public offer
 (c) A composite issue
 (d) Fresh public offer

(vi) Banking Companies incorporated in India are obligated to transfer to the reserve fund a sum equivalent to not less than _____ of the profit each year, unless the amount in such fund together with the amount in the share premium account is more than or equal to its paid up capital.

- (a) 5%
- (b) 10%
- (c) 20%
- (d) 25%

(vii) Under which principle of insurance a promise whereby the assured undertakes that some particular thing shall or shall not be done, or that some condition shall be fulfilled or affirms or negatives the existence of a particular state of facts?

- (a) Good faith
- (b) Warranty
- (c) Conditions
- (d) Indemnity

(viii) Banks pay dividends after taking specific approval of

- (a) The Reserve Bank of India
- (b) The Central Government
- (c) Board of Directors
- (d) Chairman of the meeting

(ix) It is a public-private partnership project to provide a single window, self sustainable e-Governance solution with regard to handling of grievances, land record maintenance and providing a mixture of essential services. This project is known as

- (a) Bhomi Project in Karnataka
- (b) Lokvani Project in UP
- (c) E-Seva in Andhra Pradesh
- (d) E-Mitra Project in Rajasthan

(x) The quality of something which enables one to understand the truth easily, in the context of Corporate Governance, implies an accurate, adequate and timely disclosure of relevant information about the operating results. This principle of Corporate Governance is known as

- (a) Accountability
- (b) Transparency
- (c) Independence
- (d) Fairness

(xi) Abuse of dominant impedes for fair competition between firms, explains consumers, and makes it difficult for other players to compete with the dominant undertaking on merit. It does not include

- (a) predatory pricing.
- (b) creating barriers entry.
- (c) agreement to fix price.
- (d) imposing unfair conditions or price.

Question No. (xii to xv): PQR limited has on its Board four directors A, B, C and D. In addition, the Company has Mr. E as the managing director. The Company also has a full time company secretary Mr. F on its rolls. The financial statements of the company, i.e., Balance Sheet and Statement of Profit & Loss and the Board's Report for the year ended 31st March, 2023 were authenticated by two of the directors, Mr. B and C under their signatures, referring to the provision of the Companies Act, 2013. Examine the validity of the authentication of the Balance Sheet and Statement of Profit & Loss and Board's Report.

- (xii) In case of one person company by—
- Three directors only
 - Two directors only
 - ~~One director only~~
 - Four directors only
- (xiii) In other case at least by
- The Chairman of the company
 - ~~The Chief Financial Officer of the company wherever he is appointed.~~
 - The Chief Account Officer if he is a director in the company.
 - The Chartered Accountant of the company wherever he is appointed.
- (xiv) If there is no chairman of the board, the financial statement should have been signed by
- any one director out of four directors A, B, C and D.
 - ~~Mr. E (the managing director)~~
 - Mr. F (the company secretary)
 - ~~All of them~~
- (xv) The Board's Report should have been signed by
- Auditor
 - ~~any one director out of four directors A, B, C and D.~~
 - Shareholder
 - Manager

Section-B

Answer any five questions out of seven questions given. Each questions carries 14 marks.

2. (a) Is there any provision for Prohibition on Acceptance of Deposits from Public exist in Companies Act, 2013? If so, analyze the provision. 7
- (b) All related party transactions shall require approval of the Audit Committee and the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to certain conditions. Elucidate that conditions to omnibus approval for related party transactions. 7

3. (a) Section 180 of the Companies Act, 2013 provides certain restrictions on powers of Board of Directors. List out those restrictions. 7
- (b) Briefly narrate the provisions of Section 135 of the Companies Act, 2013 relating to minimum contribution w.r.t Corporate Social Responsibilities. 7
4. (a) The Board of Directors of PQR Limited met thrice in the year 2022 and 4th meeting though called but could not be held for want of quorum. Examine with reference to the relevant provisions of the Companies Act, 2013, whether any provision of the Act has been contravened. 7
- (b) KFR Limited was registered as a public company. There are 230 members in the company as noted below:
- (i) Directors and their relatives = 50
 - (ii) Employees = 15
 - (iii) Ex-employees (Shares were allotted when they were employees) = 10
 - (iv) 5 couples holding shares jointly in the name of husband and wife (5×2)=10
 - (v) Others = 145
- The Board of Directors of the company proposes to convert it into a private company. Advise whether reduction in the number of members is necessary. 7
5. (a) How far the acts of the director will be invalid if his appointment is not valid? 7
- (b) In a scheme of reconstruction by a multinational company listed in India, the company wanted the minority shareholders to get out of the company by selling their shares back to the promoters at a price determined by the promoters. The minority shareholders were not given a choice whether they wanted to tender their shares or not. In the meeting, there were six non-promoter shareholders who voted against the scheme, but Chairman declared that the motion was carried with an overwhelming majority of more than 90% shareholding. However, minority shareholders contended that they had a right to reject the offer. Will they succeed? 7
6. (a) Prepare a statement of the Features of Corporate Governance. 7
- (b) The business intelligence has some process of works. Elucidate that process of works. 7
7. (a) An issuer cannot make a public issue or rights issue of equity shares and convertible securities under certain conditions. Explain that condition for a public issue or rights issue of equity shares and convertible securities. 7
- (b) Enumerate the Penalty for offences in relation to furnishing of information under the Competition Act, 2002. 7
8. (a) Discuss Permitted Investments by persons resident outside India. *FFMA* 7
- (b) An asset reconstruction company may, for the purposes of asset reconstruction, provide for any one or more of the measures. Elucidate that measures to be taken for assets reconstruction. *MJ ME* 7