

**FINAL EXAMINATION**

June 2026

*P-13(CEL)*  
*Syllabus 2022*

**CORPORATE LAWS AND ECONOMIC LAWS**

Time Allowed: 3 Hours

Full Marks: 100

*The figures in the margin on the right side indicate full marks. Wherever necessary, suitable assumptions may be made and clearly indicated in answer by the candidate. Answer Question No. 1 which is compulsory carrying 30 marks and answer any five questions from Question No. 2 to Question No. 8 each of 14 marks.*

**Section-A**  
**(Compulsory)**

**1. Choose the most appropriate option for the following MCQs:** 2×15=30

**Case study**

**ABC Ltd.**, incorporated in Mumbai, with the object of manufacturing pharmaceutical products, faced the following issues:

- One director, Mr. X, entered into a contract on behalf of the company to invest in real estate, which was not covered under the objects clause of the Memorandum of Association.
- Mr. X also borrowed ₹ 50 lakh from a bank in company's name without obtaining the required Board approval as per the Articles of Association. The bank had no knowledge of this internal restriction.
- During the issue of prospectus, the company falsely stated that it had secured government approval for a new drug, inducing investors to subscribe for shares.
- Minority shareholders holding 12% alleged that majority shareholders were diverting company funds for personal use and approached the Tribunal.

Bases on above facts, answer the following MCQs (i) to (iv) :

- (i) What is the validity of the real estate contract entered into by Mr. X?
- (A) Valid
  - (B) Voidable
  - (C) Void ab initio
  - (D) Valid if ratified
- (ii) Is the company liable to repay the ₹ 50 lakh loan taken by Mr. X?
- (A) No, due to lack of Board approval
  - (B) Yes, under the doctrine of indoor management
  - (C) Only Mr. X is liable
  - (D) Loan is void

- (iii) What is the liability for misstatement in the prospectus?
- (A) No liability
  - (B) Only civil liability
  - (C) Civil and criminal liability on company officers
  - (D) Only refund to investors
- (iv) Can minority shareholders (12%) apply for relief against oppression?
- (A) No, minimum 25% required
  - (B) Yes, directly under Section 241 of the Companies Act, 2013
  - (C) Yes, with Tribunal's permission under Section 244 of the Companies Act, 2013
  - (D) Only through civil court

**Independent MCQs:**

- (v) A statutory auditor of a company shall be:
- (A) An Associate Company Secretary (ACS)
  - (B) A Cost and Management Accountant (CMA)
  - (C) A Practising Chartered Accountant (CA)
  - (D) Any of the above
- (vi) In normal course, the Board's Report is signed by:
- (A) Chairman without authority of the Board
  - (B) Chairman with authority of the Board
  - (C) Managing Director (MD)
  - (D) Any Director
- (vii) Under the Insolvency and Bankruptcy Code, 2016, where extension of time is requested, the Corporate Insolvency Resolution Process (CIRP) must be completed within:
- (A) 120 days
  - (B) 180 days
  - (C) 240 days
  - (D) 270 days

(viii) Clause 49A, which was the first major compliance requirement of Corporate Governance for listed companies, was based on the recommendations of:

- (A) Narayan Murthy Committee
- (B) Kumar Mangalam Birla Committee
- (C) Kotak Committee
- (D) Rahul Bajaj Committee

(ix) Which of the following would **not** amount to a sustainable development activity?

- (A) Rain water harvesting
- (B) Solar energy
- (C) Paddy cultivation
- (D) Plantation of saplings for afforestation

(x) A process undertaken to elicit demand and assess the price for determination of the quantum or value of specified securities is known as:

- (A) Lock-in securities
- (B) Promoters' contribution
- (C) Book building
- (D) Indian Depository Receipts

(xi) With respect to the restrictions on communication and trading by insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015 which of the following is correct?

- (A) Insiders may freely share unpublished price sensitive information (UPSI) with family members
- (B) UPSI may be communicated only for legitimate purposes, performance of duties, or legal obligations
- (C) UPSI can be shared with auditors without any restriction
- (D) UPSI can be disclosed after the Board's approval without conditions

- (xii) Takeover of one company by another company operating in totally different industries is known as:
- (A) Conglomerate takeover
  - (B) Friendly takeover
  - (C) Hostile takeover
  - (D) Horizontal takeover
- (xiii) Under Section 6 of the Banking Regulation Act, 1949, a banking company may engage in which of the following activities in addition to the business of banking?
- (A) Acting as an agent for Government or local authority
  - (B) Undertaking and executing trusts
  - (C) Managing, selling, and realizing property received in satisfaction of claims
  - (D) All of the above
- (xiv) If a unit has investment in plant and equipment of ₹ 130 crores and turnover of ₹ 510 crores, how will it be classified under the MSME framework?
- (A) Micro enterprise
  - (B) Small enterprise
  - (C) Medium enterprise
  - (D) None of the above
- (xv) Under the Information Technology Act, 2000, which of the following constitutes a cyber crime offence relating to unauthorized access?
- (A) Tampering with computer source documents (Sec. 65)
  - (B) Hacking with computer systems and data alteration (Sec. 66)
  - (C) Breach of confidentiality and privacy (Sec. 72)
  - (D) All of the above

## SECTION B

Answer any five questions from Questions 2 to 8.

Each question carries 14 marks

2. (a) Explain the statutory provisions relating to **declaration and payment of dividend** under the **Companies Act, 2013**. 7
- (b) Critically examine the restrictions and compliance requirements relating to **holding office in more than one company** by a Key Managerial Personnel (KMP) under Section 203 of the Companies Act, 2013. **Illustrate** with an example. 7
3. (a) Mr. R, a shareholder of **Alpha Ltd.**, submits a notice **proposing the appointment of Ms. S as a director** who shall not be liable to retire by rotation. Along with the notice, he deposits ₹ 1,00,000 with the company.
- Examine the validity of this proposal in the following situations: 7
- (i) Alpha Ltd. is a **Government company**, and the Government has been duly informed of the proposal.
- (ii) The **Articles of Association** of Alpha Ltd. stipulate that directors are to be **elected by ballot**.
- (iii) The company issues notice of the candidature **only in a regional vernacular newspaper**, seven days prior to the general meeting.
- (b) A public company is required to appoint its statutory auditor at the Annual General Meeting (AGM). In this context, discuss the following aspects: 7
- (i) **Outline the procedure** for appointment of the **first auditor** and for **subsequent auditors**.
- (ii) **Explain the tenure of auditors** and the statutory provisions relating to **rotation of auditors**.
- (iii) Identify the **disqualifications** for appointment as auditor under Section 141 of the Companies Act, 2013.

4. (a) **Explain** the statutory provisions under the Companies Act, 2013 relating to **conversion of a private company into a public company. Outline the procedural requirements**, including alteration of Articles, filing with the Registrar, and compliance with prescribed rules. 7
- (b) **Discuss** the statutory provisions under the Companies Act, 2013 relating to **compromise and arrangements** with special reference to **procedure for approval, the role of the Tribunal**, and the **requirements for filing and implementation** of such schemes. 7
5. (a) Discuss the statutory provisions under the **Companies Act, 2013** relating to the preparation and contents of the **Board's Report** with special emphasis on **authentication of financial statements** and **filing with the Registrar**. 7
- (b) A company, ABC Ltd., defaulted on repayment of a large debt to its financial creditors. The creditors filed an application before the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016.
- Required:**
- Discuss the statutory provisions relating to initiation of the **Corporate Insolvency Resolution Process (CIRP)** under the IBC, 2016 with special reference to the role of the Tribunal, the duties of the Resolution Professional, and the process of approval and implementation of a resolution plan. 7
6. (a) Corporate Social Responsibility (CSR) is a crucial component of modern corporate sustainability. Discuss the statutory applicability criteria for constituting a **CSR Committee** under Section 135 of the Companies Act, 2013. Furthermore, outline **any four core functions** or duties that the CSR Committee is mandated to perform once constituted. 7
- (b) Cyber fraud and cyber crimes pose significant risks in the digital era. With reference to the **Information Technology Act, 2000**, discuss the **statutory provisions** dealing with offences such as identity theft and cheating by personation. Also explain the **role of adjudicating authorities** and outline the **penalties** prescribed for such offences. 7
7. (a) Explain the provisions of the **SEBI (Prohibition of Insider Trading) Regulations, 2015** relating to **prohibition on communication of unpublished price sensitive information (UPSI)** and trading by insiders. 7
- (b) Explain the regulatory framework governing Foreign Direct Investment (**FDI in India**) under the Foreign Exchange Management Act (**FEMA**), 1999 with special emphasis on the **routes of investment, sectoral caps, and reporting requirements** applicable to Indian companies receiving FDI. 7

8. (a) Explain the **objectives and key provisions** of the **Competition Act, 2002**. Also discuss the **role of the Competition Commission of India (CCI)** in preventing anti-competitive agreements and abuse of dominant position. 7
- (b) Explain the objectives and **key provisions** of the **Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002)** relating to **Applicability and Enforcement of Security Interest**. Also discuss the **rights available to secured creditors** and the measures they can take to enforce security interests without court intervention. 7
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