

MOCK TEST PAPER 2
FINAL COURSE GROUP I
PAPER 4: CORPORATE AND ECONOMIC LAWS

Time Allowed: 3 Hours

Maximum Marks-100 Marks

DIVISION A: MULTIPLE CHOICE QUESTIONS (TOTAL OF 30 MARKS)

Instructions: All questions are compulsory.

Case scenario 1 (8 Marks)

Parfum International SA, founded by Charlotte and Charles in Nice, France, is a key player in the perfume industry since 1980. Dealing in perfumes, fragrances, colognes, incenses, etc., its products are considered as a scent of energy, liveliness and happiness. The classic bottles containing the admirable products of the company signify personal luxury and are a welcome addition to any dressing table. The fragrances comprise notes of bergamot, lemon, jasmine, patchouli, vetiver, opoponax, sandalwood and ambergris.

Parfum International SA has an extensive distribution network consisting of subsidiaries and joint ventures. Its products are sold world over occupying space in 25 countries. The perfumes are very successful in Europe, Asia, Middle East and in North and South America.

A market survey conducted by Parfum International SA in India astonishingly revealed that the company was missing a vital market of the world. In order to make its presence felt in India, Parfum International SA decided to open its first business outlet in Bandra East, Mumbai, by investing around ₹ 5.00 crore. Ratnesh Shah was appointed as company secretary of the company to look after legal and secretarial matters.

Under the supervision of Ratnesh Shah, various documents were prepared for submission to the jurisdictional Registrar of Companies. These documents included a certified copy of the Charter of the company defining its constitution, a list of the directors and secretary of the company containing the prescribed particulars, names and addresses of two persons resident in India who were authorised to accept on behalf of the company service of process and any notices or other documents required to be served on the company, full address of its principal place of business in India, a declaration which stated that none of the directors of the company or the authorised representative in India had ever been convicted or debarred from formation of companies and management in India or abroad, etc. Since the Charter of the company was in French language, it was translated into English for the purpose of filing. As regards particulars of opening and closing of a place of business in India on earlier occasions, a 'Nil' statement was prepared for submission since Parfum International SA was opening its very first outlet in Mumbai.

Further to this, a signboard exhibiting the name of the company i.e. Parfum International SA and the name of the country of its incorporation i.e. France, in French and also in Marathi was prepared for hanging outside the business outlet in Bandra East.

Various documents, as prepared under the guidance of Ratnesh Shah, were duly filed with the Registrar of Companies.

It is obligatory on the part of Parfum International SA to make out every calendar a balance sheet and profit and loss account of its Indian business operations in the prescribed form containing prescribed particulars and annexing thereto specified documents. The company is also required to prepare and file its Annual Return in the prescribed form containing the particulars as they stood on the close of the financial year.

As per the plans of the company, during next three years, it will open at least 10 outlets in major cities of the country like Delhi, Bangalore, Kolkata, Chandigarh, Lucknow, etc.

Multiple Choice Questions

1. According to the case scenario, Parfum International SA, incorporated in France, established its first business outlet in Bandra East, Mumbai and exhibited on the signboard its name and the name of the country of its incorporation in French and Marathi. From the following options, choose the one which indicates the correct combination of languages to be used by the company to display its name and name of the country of its incorporation:
 - (a) Since Parfum International SA established its business outlet in Bandra East, Mumbai, it needs to use English and Marathi languages on the signboard which displays its name and the name of the country of its incorporation.
 - (b) Since Parfum International SA established its business outlet in Bandra East, Mumbai, it needs to use Hindi and Marathi languages on the signboard which displays its name and the name of the country of its incorporation.
 - (c) Since Parfum International SA is a French company, it has correctly used French and Marathi languages to display its name and the name of the country of its incorporation on the signboard hanging outside its business outlet in Bandra East, Mumbai.
 - (d) Since Parfum International SA established its business outlet in Bandra East, Mumbai, it needs to use French and Hindi languages on the signboard which displays its name and the name of the country of its incorporation.
2. Maximum within how much time, Parfum International SA, after establishing its business outlet in Mumbai, is required to file various documents with the jurisdictional Registrar of Companies? Select the correct answer from the following options:
 - (a) Parfum International SA is required to file various documents with the jurisdictional Registrar of Companies maximum within 15 days of establishment of its business outlet in Mumbai.
 - (b) Parfum International SA is required to file various documents with the jurisdictional Registrar of Companies maximum within 30 days of establishment of its business outlet in Mumbai.
 - (c) Parfum International SA is required to file various documents with the jurisdictional Registrar of Companies maximum within 45 days of establishment of its business outlet in Mumbai.
 - (d) Parfum International SA is required to file various documents with the jurisdictional Registrar of Companies maximum within 60 days of establishment of its business outlet in Mumbai.
3. According to the case scenario, it is obligatory on the part of Parfum International SA to make out every calendar a balance sheet and profit and loss account of its Indian business operations in the prescribed form containing prescribed particulars and annexing thereto specified documents. Out of the four options given below, which one is applicable for making out a balance sheet and profit and loss account of its Indian business operations:
 - (a) Being a French company, Parfum International SA is required to make out every calendar a balance sheet and profit and loss account of its Indian business operations in accordance with French Commercial Code.
 - (b) Being a French company, Parfum International SA is required to make out every calendar a balance sheet and profit and loss account of its Indian business operations in accordance with Schedule III of the Companies Act, 2013.
 - (c) Being a French company, Parfum International SA is required to make out every calendar a balance sheet and profit and loss account of its Indian business operations in accordance with International Accounting Standards.

- (d) Being a French company, Parfum International SA is required to make out every calendar a balance sheet and profit and loss account of its Indian business operations in accordance with French Generally Accepted Accounting Principles (French GAAP), called Plan Comptable Général (PCG).
4. Maximum within how much time, Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies? Choose the correct option from those stated below:
- (a) Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies maximum within a period of thirty days from the last day of its financial year.
 - (b) Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies maximum within a period of sixty days from the last day of its financial year.
 - (c) Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies maximum within a period of ninety days from the last day of its financial year.
 - (d) Parfum International SA is required to file its Annual Return with the jurisdictional Registrar of Companies maximum within a period of one hundred and twenty days from the last day of its financial year.

Case scenario 2 (6 Marks)

Mohit did B.Tech from IIT, Mumbai. He intends to do MS from US. Based on his qualification and ranking in the B.Tech, he got the scholarship from a US Company with a condition that he has to serve in that US company for a period of 3 years after completing of MS.

Mohit's father Shyam Lal is a Member of Parliament (MP). The tenure of the Lok Sabha is going to end just after 6 months. The political party to which he is a member, has denied to give ticket to him in the forthcoming election. Shyam Lal planned to fight election in his individual capacity. He is having some connections with foreign friends of political backgrounds. He asked his son Mohit to contact them for fund raising in USD. At the time of election, funds so collected will be utilised for advertisement.

Shyam Lal's sister is residing in US. She on the occasion of Bhai-Dooj (a festival of Hindus after Diwali) sent USD 1,000 to his brother.

Shyam Lal went to US for official visit to study the road transportation system in US along with the Transport Minister. In US, Shyam Lal was offered hospitality by a transport company and provided free travelling and hotel stay.

Based on the above scenario, answer the following questions:

5. Mohit is collecting funds on behalf of his father for the forthcoming elections, which will be remitted to India. Whether such foreign contribution is permitted:
- (a) Mohit is student in US so whatever the amount he is collecting is exempted
 - (b) Mohit is collecting the money in USD as a foreign contribution for the election of his father, hence it is prohibited
 - (c) It is permitted if the Election Commission do not objects
 - (d) It is permitted if the RBI have no objections
6. Shyam Lal's sister is residing in US. On the occasion of Bhai-Dooj (a festival of Hindus after Diwali) the sister has sent USD 1000 to Shyam Lal. State the correct statement in the light of acceptance of such Foreign Contribution by Shyam Lal:
- (a) Such foreign contribution by Shyam Lal's sister is prohibited
 - (b) Such Foreign contribution from a relative is permitted
 - (c) Foreign contribution from a relative can be accepted subject to the prior approval of the RBI

- (d) Foreign contribution from a relative can be accepted subject to the prior approval of the Enforcement Directorate
7. While on official visit, Shyam Lal availed hospitality from a transport company in US. Whether such activity is permitted:
- (a) Shyam Lal has not accepted any cash and the hospitality was in kind so it is permitted
 - (b) Shyam Lal being a Member of Parliament, should not avail that hospitality since it is prohibited
 - (c) Shyam Lal can enjoy the US tour since the Government of India has sent him there
 - (d) Shyam Lal being a Member of Parliament should take prior permission of the Central Government before taking any foreign hospitality

Independent Multiple Choices Questions (16 Marks)

8. Business of Rozgar Ltd. is not been conducted and managed by directors in accordance with sound business practices. On account of that shareholders of Company referred the same to the Tribunal on 15th September 2021 with a request to the Tribunal to inquire into the case and take action against the director of company. The Tribunal has, after making proper inquiry, passed the order against the directors on 16th March 2022. Comment which is the correct statement as regards the validity of the order passed by the Tribunal.
- (a) In the given case order passed is valid, as Tribunal have to pass an order within 3 month from date of application and if not possible in 3 month, then further extension (on valid reason) by 90 days i.e., on 16th March, 2022.
 - (b) In the given case order passed is not valid, as Tribunal have to pass order within 3 month from date of application, and if not possible in 3 month, then extension may be possible (if valid reason) for further 90 days i.e., latest by 15th March, 2022.
 - (c) In the given case order passed is not valid, as Tribunal have to pass order within 3 month from date of application and if not possible in 3 month then extension may be possible (if valid reason) for further 30 days i.e., latest by 14th January, 2022.
 - (d) In the given case order passed is not valid, as Tribunal have to pass order within 3 month from date of application and if not possible in 3 month then extension may be possible (if valid reason) for further 60 days i.e., latest by 13th February, 2022. **(2 Marks)**
9. Due to non-compliance of certain requirements under the Companies Act, 2013 not amounting to fraud, Super-Market Limited was required to re-state its financial statements for the financial year 2017-18 during the current year. After the financial statements were restated, it was found that Mr. Kumar, the Managing Director (MD) of that period, who is now retired, was paid excess remuneration to the extent of ₹ 5,00,000. In the given situation, choose the correct option out of those given below, which indicates whether such excess remuneration paid to ex-MD Mr. Kumar is recoverable or not.
- (a) Excess remuneration of ₹ 5,00,000 paid to Mr. Kumar, ex-MD of Super-Market Limited, cannot be recovered since such recovery after retirement is invalid.
 - (b) Excess remuneration of ₹ 5,00,000 paid to Mr. Kumar, ex-MD of Super-Market Limited, shall be recovered irrespective of his retirement from the company.
 - (c) Only ₹ 2,50,000, being 50% of excess remuneration of ₹ 5,00,000, paid to Mr. Kumar, ex-MD of Super-Market Limited, is validly recoverable because no fraud implicating him is involved.
 - (d) Only ₹ 1,25,000, being 25% of excess remuneration of ₹ 5,00,000, paid to Mr. Kumar, ex-MD of Super-Market Limited, is validly recoverable because no fraud implicating him is involved.

(2 Marks)

10. Comfort Mechanical Products Limited, with Registered Office in Rajender Nagar, New Delhi, has three directors, namely, Mr. First, Mr. Second and Ms. Third, who often visit foreign countries in order to develop and secure business opportunities for the company on sustainable basis. One of the legal requirements for an Indian company is that at least one of its directors must stay in India for a specified period. To reckon as 'resident director' for the Financial Year 2021-22, advise the company by selecting the correct option as to which period spent in India by any one of its directors shall count towards statutory period.
- Period spent in India during the previous Financial Year 2020- 21.
 - Total of fifty percent of the period spent in India during the Financial Year 2019-20 and another fifty percent of the period spent in India during the Financial Year 2020-21.
 - Total of fifty percent of the period spent in India during the Financial Year 2020-21 and another fifty percent of the period spent in India during the Financial Year 2021-22.
 - Period spent in India during the Financial Year 2021-22. **(2 Marks)**
11. The aggregate amount of dues to the secured creditors and workmen is ₹ 16,00,000 and collateral security given to the secured creditors is ₹ 4,00,000. The proportionate amount of workmen portion will be:
- 10%
 - 20%
 - 25%
 - 30% **(1 Mark)**
12. The cooling period for re-appointment of a registered valuer for a company is-
- 1 year
 - 2 year
 - 3 years
 - No period has been prescribed in section 247 of the Companies Act, 2013. **(1 Mark)**
13. Every listed company shall disclose in the Board's report, the ratio of the remuneration of each director to the -----employee's remuneration.
- mean
 - Median
 - Highest
 - Not required to be disclosed **(1 Mark)**
14. BOD of the listed entity shall be composed of executive and non-executive directors. The optimum limit of non-executive directors shall be:
- less than 50% of the BOD
 - not be more than 50% of the BOD
 - not less than 50% of the BOD
 - 75% of the BOD **(1 Mark)**

15. Within how much time period, a listed entity shall submit quarterly compliance report on corporate governance to the recognized stock exchange:
- within 3 days from close of the quarter.
 - within 5 days before the close of the quarter.
 - within 10 days before the close of the quarter.
 - within 15 days from close of the quarter. **(1 Mark)**
16. The Adjudicating Officers for adjudicating penalty under the provisions of the Companies Act, 2013 is appointed by:
- The Central Government
 - The Registrar
 - Chief Justice of India
 - The Regional Director **(1 Mark)**
17. Who can be appointed as Secretarial Auditor?
- Any person, who have the audit experience, can be appointed as Secretarial Auditor.
 - Any person who is a member of the Institute of Chartered Accountants of India and holding a certificate of practice, can be appointed as Secretarial Auditor.
 - Any person who is a member of the Institute of Company Secretaries of India and holding a certificate of practice, can be appointed as Secretarial Auditor.
 - Any person who is a member of the Institute of Cost Accountants of India and holding a certificate of practice, can be appointed as Secretarial Auditor. **(1 Mark)**
18. One of the director, who is actually residing at Nagpur, but his address as recorded with the company and in the DIN is of Mumbai. The director wish to receive the notice / agenda papers at Nagpur. At which address the notice for Board meeting and agenda papers may be sent?
- The notice/ agenda papers be sent as per the wish of the concerned director.
 - The notice / agenda papers se sent at Nagpur address.
 - The notice / agenda papers be sent at Mumbai address.
 - The notice/ agenda papers be sent at both the addresses i.e. at Nagpur as well as at Mumbai. **(1 Mark)**
19. A public company should have minimum of:
- 3 Members and 3 Directors
 - 3 Members and 7 Directors
 - 7 Members and 3 Directors
 - 7 Members and 7 Directors **(1 Mark)**
20. Which among the following is NOT the eligibility criteria for appointment of a registered valuer:
- The person has passed the valuation examination conducted by the IBBI
 - The person is a valuer member of Registered Valuers Organisation (RVO)
 - The person has been recommended by the RVO for registration as a valuer
 - The person has been levied a penalty under section 271J of the Income-tax Act, 1961. **(1 Mark)**

DIVISION B: Descriptive questions (70 Marks)

Question no. 1 is compulsory. Attempt any **four** questions out of the remaining **five** questions.

1. (a) Anusuya is a political person and holds the position of Chairperson in Nagar Nigam. Recently, she was involved in taking bribe in connection with passing of pending bills of a contractor and was caught red handed by the Anti-corruption Bureau (ACB). A charge sheet was filed in the competent court and the matter was sub-judice in the court of law.

Vikrant Cosmetics Ltd. (VCL) is a listed entity having 15 directors in its Board. One woman director in the Board resigned from the company due to personal reasons on June 30, 2021. The intermittent vacancy of woman director is to be filled and the name of Anusuya was placed before the Board of the company.

There are 3 independent directors in the Board. The company wants to increase the number of directors in the Board from 15 to 17. The Board meeting of the company was held on 17th September, 2021 to consider the following agenda items:

- Anusuya to be inducted in the Board of the company, as woman director.
- Increase the number of directors from 15 to 17.
- Since Anusuya is not having any pecuniary relations with the company or with its promoters, hence she may be put in the category on Independent-Woman Director.
- The independent directors opposed to the proposal for the appointment of Anusuya as Woman / Independent Director.

Based on the stated facts, answer the following questions in terms of the Companies Act, 2013:

- How and within what period the intermittent casual vacancy of a woman director can be filled up?
- The Companies Act, 2013 provides the maximum number of directors as 15. Is it possible to increase the number from 15 to 17?
- Whether Anusuya can be inducted in the Board of the Company, being a political persons and that too charged by the ACB?
- The Companies Act, 2013 have provisions to have at least one woman director in the Board by every listed company. If an office of a woman director is coloured as Independent Director, whether the office of woman director shall be treated as vacant? **(8 Marks)**

- (b) The following figures were extracted from the books of Supreme Ltd (audited).

Paid up share capital	₹ 100 Lakh
Reserve & Surplus	
• General Reserve	₹ 50 Lakh
• Security Premium Account	₹ 25 Lakh
• Re-valuation Reserve	₹ 25 Lakh
Total	₹ 200 Lakh
Long Term Borrowings	₹ 125 Lakh
Short Term Borrowings (Cash Credit Loan)	₹ 50 Lakh
Temporary Loan for construction of Building	₹ 25 Lakh
Total	₹ 200 Lakh

The Board of Directors further want to borrow a sum of ₹ 50 Lakh as Long Term Loan without obtaining the consent of the members in general meeting by special resolution. In the given instant, advice the Board about the validity of this proposal. What will be your answer if it is a Private Limited company? **(6 Marks)**

2. (a) SEBI initiated proceedings for suspending the certificate of registration granted to Vincent Energy Trust, a business trust, for certain alleged defaults. During the on-going of such proceedings, the said trust filed an application with SEBI for settlement of such proceedings.

Determine the given legal position in the light of the SEBI Act, 1992:

- (i) What could be effect of such suspension of certificate of registration to Vincent Energy Trust and whether SEBI can make such suspension order?
- (ii) Whether the said trust was having the right to file such an application and whether SEBI can consider such application? **(8 Marks)**

- (b) Four out of seven directors of Tatrakat Ltd. made a declaration on 23rd June, 2021, with respect to filing of an application for initiating pre-packaged insolvency resolution process by 21st September, 2021.

Mr. Ashok Jawal was proposed and approved to be appointed as the resolution professional, whose name was mentioned in the aforesaid declaration. However, Tatrakat Ltd. failed to file an application for initiating pre-packaged insolvency resolution process by 21st September, 2021 with the Adjudicating Authority.

Examine the given situations in the light of the given facts:-

- (i) Whether the directors of Tatrakat Ltd. can be said to have made a valid declaration?
- (ii) Whether the duty of Mr. Ashok can be considered to have ceased? Would your answer be different, if Tatrakat Ltd. was able to file the application on time but was rejected by the Adjudicating Authority? **(6 Marks)**

3. (a) WNDS Ltd. appointed Mr. Rajil Veta, a CA, as its registered valuer for carrying on valuation of an immovable property as per the provisions of the Companies Act, 2013. The valuation was made by Mr. Rajil on 3rd May, 2021, for which he was paid remuneration of ₹ 88,000 by WNDS Ltd.

Later found that Mr. Rajil was levied penalty under the Income Tax Act, 1961, by the Commissioner (Appeals) for furnishing incorrect information in one valuation report issued by him to one another company, as a registered valuer, for which he had filed an appeal with the Appellate Tribunal (ITAT) and the ITAT had confirmed the said penalty levied by the Commissioner (Appeals) and passed its order on 24th September, 2018.

In the context of aforesaid case-scenario, examine the given situation:-

- (i) Mr. Rajil by accepting appointment as a registered valuer of WNDS Ltd., can be considered to have contravened the law.
- (ii) What could be the consequences for the same? **(8 Marks)**

- (b) Mr. Ashok, a citizen of India, has been working in a company in Chicago, USA, since last 8 years, and had been settled there with his family.

However, the said company opened its branch in India last year and Mr. Ashok has been deputed there for a duration of 26 months from 25th April, 2020.

He remitted an amount of \$ 280,000 on 20th December, 2021 to his family in USA. The details of salary earned by him from 25th April, 2020 to 30th November, 2021 are as follows:-

Particulars	\$*
Gross Salary	350,000
Contribution to Provident Fund	40,000
TDS as per Income Tax Act, 1961	40,000

* Amount is converted to USD from INR.

In the context of aforesaid case-scenario, determine following issues:-

- (i) How much excess amount, if any, has been remitted by Mr. Ashok to his family in USA?
 - (ii) Whether the company in USA in which Mr. Ashok was deputed, can be treated as MNC under FCRA, 2010? **(6 Marks)**
4. (a) The Central Government initiated a case against Mr. Sujay Bishoi, Managing Director of BSK Ltd. for causing damage to the interest of the financial industry by mismanaging the funds and referred the case to the Tribunal where the Tribunal passed an order on 20th June, 2021, holding that Mr. Sujay was not fit and proper person to hold such office.
- Mr. Sujay vacated his office on 21st June, 2021 and he demanded compensation, as per the contract with the company, for early termination. On 23rd January, 2025, Mr. Sujay was appointed as a non-executive director in one other company.
- In the light of the given facts, advise under the given legal situations:-
- (i) Whether Mr. Sujay was entitled for such compensation?
 - (ii) Whether Mr. Sujay was entitled to be appointed as a non-executive director in such other company? **(8 Marks)**
- (b) (i) Jewar Ltd., a diamond manufacturing company, is undergoing Corporate Insolvency Resolution Process (CIRP). The CIRP had initiated on 1st January 2020. Mr. Shubh was acting as the Interim Resolution Professional who was later appointed as Resolution Professional by the Committee of Creditor. Mr. Shubh has been working hard since Day 1 to get a resolution plan approved before the last day of the CIRP. However, due to external factors, as on 31st May, 2021, he realized that he is unable to decide as to which resolution plan can be taken to the committee of creditors for approval and also that he will need another 3 months to get a resolution plan approved. You are his partner in an Insolvency Professional Entity. Advise as to the factors that need to be considered before taking the resolution plan to the committee of creditors. **(3 Marks)**
- (ii) Mr. Ram with malafide intention, to take revenge with his rival competitor, gives false information as regards to conduct of his business in illegal manner. So search warrant was issued by the concerned authority against him. This will be giving a bad name and effecting on his business. Examine the legal position of Mr. Ram, and with respect to act committed in the given situation in the light of the Prevention of Money Laundering Act, 2002: **(3 Marks)**
5. (a) (i) XYZ Ltd. is an investment company whose principal business is acquisition of shares and debentures of other companies. The following figures were derived from the books of XYZ Ltd. :

Assets :	
Investment in shares and debenture	₹ 95 Lakh
Other Assets	₹105 Lakh
Total	₹ 200 Lakh

Income :	
Income from investment business	₹ 12 Lakh
Other Income	₹ 18 Lakh
Total	₹ 30 Lakh

Whether the company is an investment company as per section 186 of the Companies Act, 2013 and are eligible to claim any exemption under the section ? **(4 Marks)**

- (ii) The Board of Directors of XYZ Ltd. is considering the proposal for making the investment in ABC Ltd. The company has 5 directors on Board and in the Board Meeting 4 directors were present, three of them gave the consent to the proposal and one director abstained from voting. Comment on the validity of the proposal of investment in ABC Ltd. **(4 Marks)**
- (b) Mr. 'Bhai' purchased a flat out of the proceeds obtained by illegal transactions of business. The flat was attached by the Director of Enforcement Directorate after complying with the procedures under Section 5 of the Prevention of Money Laundering Act, 2002. Mr. 'Bhai' got a stay from the High Court for any proceedings under the said Act. The stay was subsequently vacated.

State the relevant provisions of the PMLA, 2002 for computing the period of provisional attachment including extension, if any.

Whether Mr. 'Jigar', son of Mr. 'Bhai' can occupy the flat during the period of provisional attachment? **(6 Marks)**

6. (a) Ava is holding the post of directorship in 8 listed entities as on January 2019. She received an offer of directorship from another listed entity in April 2020. Ava is holding the position of Whole Time Director in a listed entity. Besides this, she is also getting offer of independent directorship in some 6 listed entities. In one of the listed entities, Ava asked for allotment of the stock option.

Ava, as an independent director has to devote much time in reading and understanding the agency items put forwarded to her before the Board meeting. She expects to be rewarded with suitable compensation for the same. Ava is a Chartered Accountant. In one of the listed entities, she was offered to hold the position of chairperson in the meeting of the audit committee.

Based on the information and profile of Ava, answer the following questions as per the requirement of SEBI(LODR)Regulations 2015:

- (i) Whether Ava can join the 9th listed entity as a director with effect from April, 2020?
- (ii) Ava is holding the position of WTD in a listed entity. In how many more companies she can be an independent director?
- (iii) Whether Ava can be Chairperson in Audit Committee of Boards in a listed entity?

(8 Marks)

- (b) XYZ Company Ltd. entered into an agreement with PQR Company Ltd. for the supply of terrain tyres to PQR Company Ltd for a period of 5 years. The agreement had referred to the terms and conditions contained in the Indian Tyre Manufacturing Association for sale and purchase of manufacturing tyres. *Clause 14 of the terms provided that if any dispute arises between the parties, the same shall be mutually decided by the parties or shall be referred for arbitration if the parties so determine.* You are required to state whether the parties under the agreement will be able to refer the dispute, if any, to the arbitration considering the given scenario and the provisions of the Arbitration and Conciliation Act, 1996. **(6 Marks)**