

In many companies which are majority-owned by a family or a few individuals-the persons controlling the company tend to treat it as their own fiefdom and utilise company funds and resources for personal enjoyment. Company planes (which the company may not need) are used for trips to resorts abroad to hold a board meeting. Paintings by reputed artists purchased at astronomical prices adorn private homes. Homes are lavishly decorated at company expense. The independent director in many cases may not be aware or be a party to this. However-can it be said in these cases that the independent director acted diligently and as was expected of him/her? Shouldn't the independent director question and seek answers?

United Breweries was a very profitable company till it floated Kingfisher Airlines. Did the independent directors act diligently while approving this disastrous foray? Indian corporate lore is littered with many such examples. How is it that fingers are not being pointed at independent directors?

I believe the time has now come for independent directors to demonstrate-if they are to do what is expected of them and to avoid liability-that they will take care and be diligent and not be mere rubber stamps. In addition-no one must be an independent director if he/she has the slightest concern about the bona fides of the controlling shareholders. If one still does-it is at one's own peril.

Multiple Choice ( Select 1 out of 4 options, for the question below. )

Which of the following statements with respect to independent directors of a listed company cannot be inferred from the passage?

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#### Options

- The boards of listed companies need to have at least one independent woman director.
- An independent director should not be a relative to the promoters of the company.
- An independent director must not be a promoter of the company.
- None of these

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Multiple Choice ( Select 1 out of 4 options, for the question below. )

What according to the passage is the prime expectation of the writer from an independent director of a company?

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#### Options

- An independent director should immediately report an anomaly to the founding members of the company.
- An independent director must make the efforts to bring the consensus over an important decision.
- An independent director should show conscientiousness in his or her work or duties towards the company that appoints him or her.
- All of the above

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Multiple Choice ( Select 1 out of 4 options, for the question below. )

How is it that fingers are not being pointed at independent directors?

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#### Options

- he had undertaken the task of criminal reforms
- he was upset with the apathy of the British Government
- the British Government had not taken his suggestion seriously
- he wanted to prove his claim of suitability of that part to live in

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Multiple Choice ( Select 1 out of 4 options, for the question below. )

What does the phrase "hail fellow" mean in the context of the passage?

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#### Options

- An independent director who had to be one from the retiring senior executives of various government departments.
- An independent director who used to be more like a friend to the board than what he or she was meant to be-before the Companies Act-2013 came into force.
- An independent director who used to be someone from the close relations of the other board members.
- An independent director who must have benefited an existing board member by one means or the other.

Question 1 to Question 4 belong to the following comprehension.

#### Comprehension:

The recent Ratan Tata-Cyrus Mistry imbroglio brings into sharp focus the role and position of independent directors. Under Section 149 of the Companies Act-at least one-third of the directors of a listed company must be independent. That means that the person so appointed must not be a promoter of the company or its holding subsidiary or associate company nor should he/she be related to the promoters of the company. In addition-neither the individual nor his/her relatives should have a pecuniary relationship with the company. They are also-under Section 149(6)-to be persons of integrity and possessing the relevant skills and experience.

Independent directors-though they may in the initial stage be invited by the controlling shareholders of a company or its incumbent managing director-are appointed by the shareholders at a General Meeting; they are so appointed to safeguard not only the best interests of all shareholders but also of all stakeholders.

Prior to the enactment of the Companies Act-2013-the independent director had only civil liability. And to a great extent he/she was part of a "hail fellow" network where controlling shareholders invited their friends to sit on their boards confident of their support. In many other instances-retiring senior executives eagerly sought seats on the board as a way to supplement their pension. They were often grateful for being given a berth and remained loyal to the management that invited them. The only time I can recall when there was consternation-fear-outrage and indignation was when an arrest warrant was issued on Nimesh Kampani in 2009 as he was an independent director in Nagarjuna Finance. The company had defaulted on repaying deposits. Many felt this was unfair as an independent director had no executive duty and should not be held responsible.

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#### Options

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Multiple Choice ( Select 1 out of 4 options, for the question below. )

Choose the correct antonym of the given word

Heterogeneous

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### Options

- Colourful
- Different
- Similar
- Homogeneous

Clear Response

Find the synonym of the following word

Gluttonous

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Options

- giving
- benevolent
- covetous
- generous

Clear Response

Multiple Choice ( Select 1 out of 4 options, for the question below. )

He went on ---- foolishly.

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Options

- spoke
- to speaking
- speaking
- speaks

Clear Response

Multiple Choice ( Select 1 out of 4 options, for the question below. )

He went on ---- foolishly.

---

Options

- spoke
- to speaking
- speaking
- speaks

Clear Response

Multiple Choice ( Select 1 out of 4 options, for the question below. )

Find correct sequence of sentence :

P: youngsters in the cities and the villages

Q: The effect

R: of the cinema

S: on the school and college going is very bad

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### Options

PRQS

QRSP

QPSR

RQSP

Clear Response

Multiple Choice ( Select 1 out of 4 options, for the question below. )

Women is holding cup of tea \_\_\_\_ her hands

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### Options

- by
- in
- on
- none of these

Clear Response

Multiple Choice ( Select 1 out of 4 options, for the question below. )

Replace the underlined words with pronouns

Sheela told her teacher to explain the chapter once again.

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### Options

- ordered her teacher
- invited her teacher
- asked her teacher
- said to her teacher

Clear Response

Multiple Choice ( Select 1 out of 4 options, for the question below. )

Replace the underlined

There was no cause of anxiety.

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### Options

- cause for anxiety
- cause to anxiety
- cause with anxiety
- No correction

Clear Response

Multiple Choice ( Select 1 out of 4 options, for the question below. )

Liquid : liter:: ?

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Options

- Weight : kilogram
- Land : seismometer
- Bushel : corn
- Fame : television

[Clear Response](#)

Multiple Choice ( Select 1 out of 4 options, for the question below. )

Replace the underlined

Jeans was not permitted in our college.

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### Options

- were
- had
- will
- have

**Clear Response**

Multiple Choice ( Select 1 out of 4 options, for the question below. )

Choose the correct antonym of the given word  
Embellish

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### Options

- Perish
- Disarm
- Adorn
- Disfigure

Clear Response

Multiple Choice ( Select 1 out of 4 options, for the question below. )

Choose the correct antonym of the given word

Embellish

---

### Options

- Perish
- Disarm
- Adorn
- Disfigure

Clear Response

Multiple Choice ( Select 1 out of 4 options, for the question below. )

---- away one's time in an art

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### Options

- idling
- idled
- to idle
- be idling

Clear Response