

Name:

Enrolment No:

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2019

Course: Company Law 1

Semester: VII

Program: B.Tech LL.B

Time: 03 hrs.

Course Code: LLBL 421

Max. Marks: 100

Instructions: Write Legible

SECTION A

S. No.

Q 1 Statement of question

SECTION B

Q Statement of question

SECTION-C

Q Statement of question

SECTION-D

Q Statement of question

SECTION A

(2 Marks each)

- 1) Discuss the various kinds of directors of a Company
- 2) What are the prohibitions regarding insider trading of a Company?
- 3) What is procedural requirement for contract entered into by One Person Company?
- 4) Write brief note on the promoters of a Company.
- 5) Define Secretary in whole-time practice?

SECTION B

(10 Marks Each)

- 1) Will defects in appointment of a director invalidate actions taken by a company? Discuss in light of the contracts entered into by the respective Company with the third party.
- 2) Explain the term Key Managerial Personnel under the Companies Act, 2013. Is it mandatory for every company to appoint a Key Managerial Personnel? What are the provisions relating to his appointment?

SECTION C

(10 Marks each)

- 1) What are the various rights and liabilities of a director as per the provisions of the Companies Act, 2013?
- 2) Discuss the procedures relating to transferability of shares of a Private Limited Company.

SECTION D

(25 Marks each)

- 1) An India Private Limited Company (The Company) has advanced certain amounts to one of its subsidiary namely "S Private Limited" The Company had planned to acquire 100% stake in the subsidiary vide Share purchase agreement from the shareholders of the subsidiary. Pursuant to the above planned purchase of shares in the subsidiary, the Company had nominated its two directors as additional directors in the subsidiary which resulted in having common directors in both the companies. The Company also had the responsibility of running the operations of the subsidiary and for this purpose it had appointed the employees in the Subsidiary for the same. Further, to run the subsidiary company, the Company also advanced certain amounts to the subsidiary for running the operations smoothly and shown as advance in the Balance Sheet of Subsidiary Company. Later on, there were disputes amongst the then shareholders of the subsidiary and the Company on certain matters and the company could not complete the 100% stake in the subsidiary. Due to the disputes, the Company could not recover the amounts advanced earlier and also the investment in the subsidiary. Accordingly, various legal suits were filed in the court of law. As the Company had hired employees for the subsidiary, the Company kept on paying the salary of the staff and showed the same as advances recoverable from the subsidiary company. Finally, the Company and the then shareholders of the subsidiary has entered into a settlement agreement in the year 2015-16 and settled the entire claim of the Company via one time full and final settlement which included investment, loans and advances etc. The Company wants to understand whether the above said advances given attracts the provisions of Section 185 and 186 of the Companies Act, 2013 or not. Discuss.

- 2) Mr Shyam is a small shareholder of ABC LIMITED and after that he was appointed as the small shareholder director ABC LIMITED and as on 1st August, 2019 went to company to inspect the books of accounts but accounts manager object that he can't inspect because it

is prejudicial to the interest of company if Mr Shaym would be allowed to inspect. Explain as per provisions of companies act 2013 whether Mr shyam has a power to inspect ?