

Roll No.
SAP ID



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, July 2020
Open Book – Through Blackboard Learning Management System

SET A

Course: Company Law II

Semester: VIII

Programme: BTech LLB ET (IPR)

Course Code: LLBL 422

Time: 03 hrs.

Max. Marks: 100

Instructions:

As this examination is in open-book format, the students are expected to demonstrate a very high degree of Academic Integrity and not copy contents from resources referred. Instructors would look for understanding of the concept by the students and any similarity found from resources online/ offline shall be penalized in terms of deduction of marks and even cancellation of paper in requisite cases. The online examination committee of the School would also look for similarity of two answer scripts and if answer scripts of two or more students are found similar, both the answer scripts shall be treated as copied and lead to cancellation of the paper. In view of the aforesaid points, the students are warned that they should desist from using any unfair means.

All Questions are Compulsory
Answer each question in not more than 500 words

S. No.		Marks	CO
1	<p>Amar Textiles Ltd. Is a company engaged in the manufacture of fabrics, The company has investments in shares of other body corporate including 70% shares in Amar Cotton Co. Ltd., and it has also advanced loans to other body corporates. The aggregate of all the investments made and the loans granted by Amar Textiles Ltd. Exceeds 60% of its paid up share capital and free reserves and also exceeds 100% of its free reserves.</p> <p>In course of its business requirements Amar Textiles has obtained a term loan from Industrial Development Bank of India and is still subsisting. Now the company wants to increase its holding from 70% to 80% of the equity share capital in Amar Cotton Co Ltd, by purchase of additional 10% shares from existing shareholders.</p> <p>State the legal requirements to be complied with by Amar Textiles Ltd. Under the provisions of the Companies Act, 2013 to give effect to the above proposal.</p>	20	1
Ans.			
2	<p>60% shares of Indo-French Ltd. Are held by French Group and the balance by an indian group. As per the articles of association both groups had equal managerial powers. The relationship between the two groups soured and the operations of the company reached a deadlock. The Indian Group approached the National Company Law Tribunal for action against the French Group for oppression. Based on these</p>	20	3

	<p>facts, you are required to decide, with reference to the provisions of the Companies Act, 2013 and/or decided case laws, on the following issues:</p> <p>(i) Whether the contention of oppression against the French Group by the Indian Group is tenable?</p>		
Ans.			
3	<p>Write short notes on the reasons for the following:</p> <p>a) Registration of charges b) convertibility of debentures into equity shares in certain circumstances c) Allowing foreign companies to operate on Indian soil d) winding up a company for not filing annual returns/financial statements for last five consecutive years</p>	<p>5+5+5 +5</p>	2
Ans.			
4	<p>The Balance Sheet of an investment company J Ltd. As on 31st March, 1980, disclosed an accumulated loss of Rs 3 Lakhs against the paid up capital of Rs 28.000 and whereas its tangible assets were worth Rs 6 Lakhs, its liabilities amounted to Rs 8 Lakhs. The Registrar of Companies filed a petition for winding up of the Company on the ground that the company was unable to pay its debts. The Managing Director had stated that the paid up capital of the company had been increased and the business of the company was also increasing every year, with the result that the company was making profits and all the creditors. Whose claims had matured, had been paid off.</p> <p>Decide, giving reasons whether the Registrar's petition for the winding up of the company is tenable.</p>	20	4
Ans.			
5	<p>"A company may in many ways be likened to a human body. They have a brain and a nerve centre which controls what they do. They also have hands which hold the tools and act in accordance with directions from the centre. Some of the people in the company are mere servants and agents who are nothing more than hands to do the work and cannot be said to represent the mind or will. Others are directors and managers who represent the directing mind and will of the company, and control what they do. The state of mind of these managers is the state of mind of the company and is treated by the law as such. So you will find that in cases where the law requires personal fault as a condition of liability in tort, the fault of the manager will be the personal fault of the company. That is made clear in Lord Haldane's speech in Lennard's Carrying Co. Ltd. Vs. Asiatic Petroleum Co. Ltd. So also in the criminal law, in cases where the law requires a guilty mind as a condition of a criminal offence, the guilty mind of the directors or the managers will render the company themselves guilty."</p> <p>Discuss with reference to corporate criminal liability.</p>	20	5
Ans.			

I,, understand that submitting work that isn't my own may result in failure in this paper and I may also be subject to Disciplinary Proceedings as per the Academic Integrity policy of the University.

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