



UNIVERSITY OF PETROLEUM AND ENERGY
STUDIES

End Semester Examination, December 2021

Course : Company Law 1

Program: BA LL.B (Hons.) (EL/CL/Cr.L)

B. Com. LL.B (Hons.) (TL/M&EL/ LC&SP)

B. Sc. LL.B. (Hons.) (Intellectual Property Rights/Food, Health
and Environment Law/ Medical and Forensic Law)

BBA LL.B (Hons.) (CL/BFIT/ITIL)

Semester: V

Duration : 03 hrs.

Max. Marks: 100

Course Code: CLCC3001

Instructions: 1. Please read the question carefully and answer
2. No verbatim quoting of provision is permitted

SECTION A
(Scan and upload)

5Qx2M=10 Marks

Q. No.	Attempt all the questions.	Marks	CO
1.	A private company _____ issue shares to public.	2	CO1
2.	Any kind of alteration in Articles or Memorandum of a company requires _____ resolution.	2	CO1
3.	Difference between shelf prospectus and red herring prospectus	2	CO1
4.	A company can issue _____ shares with differential right as to dividends and voting rights.	2	CO1
5.	Doctrine of indoor management.	2	CO1

SECTION B
(Scan and upload)

4Q x5M=20 Marks

Q. No.	Attempt all the questions.	Marks	
6.	Explain the legal Effects of <i>ultra vires</i> transactions under the Companies Act, 2013.	5	CO1
7.	State the Role of independent directors in a public company.	5	CO3
8.	Distinguish between Right issue and Bonus Issue.	5	CO1
9.	What are the possible civil and criminal consequences of mis-representation in a prospectus?	5	CO2

SECTION-C*(Scan and upload)***2Qx10M=20 Mark**

Q. No.	Attempt any one choice from both the questions.	Marks	CO
10.	<p>a) Shrihari Metals Limited wants to provide financial assistance to its employees, to enable them to subscribe for certain number of fully paid shares. Considering the provision of the Companies Act, 2013, what advice would you give to the company in this regard?</p> <p style="text-align: center;"><u>OR</u></p> <p>b) Analyse the Conditions to be satisfied by a company for the forfeiture of shares of a member, who has defaulted the payment of calls? What are the consequences of such forfeiture?</p>	10	CO2
11.	<p>a) Premnath , the director of ABC Ltd, a public company, died in an air cash. It has been decided to appoint Bindusagar, as the director, in his place at the board meeting. Will the company be required to call extra-ordinary general meeting to approve Bindusagar’s appointment as director? When appointed, how long Bindusagar would remain in office? Support your answer with the relevant provision of the companies Act, 2013.</p> <p style="text-align: center;"><u>OR</u></p> <p>b) “In the event of Conflict between the memorandum and Articles, it is the memorandum that prevails.” Analyse the statement and also distinguish between Memorandum and Article of Association.</p>	10	CO4

SECTION-D*(Scan and upload)***2Qx25M =50 Marks**

Q.No.	Attempt any one choice from both the questions.	Marks	CO
12.	<p>i). In a public Company following situation have arisen:</p> <p>a)</p> <p>b) One of the directors of the company has died and the Board of Directors wants to fill up the casual vacancy</p> <p>c) One of the Directors of the company proposed to visit U.S.A. for four months and the Board of Directors wants to appoint an alternate director in his place.</p> <p>d) According to Articles of Association of the company the maximum number of Directors has been fixed at 11. At present there are only 9 directors and company wants to appoint 2 additional director</p> <p>Based on above, you are required to advise the company about the steps to be taken for making the above appointments.</p> <p style="text-align: center;"><u>OR</u></p> <p>Shantinath had, for some years, carried on a prosperous business as a Steel merchant and Steel manufacturer. He formed a limited company in 2017 consisting of himself, his wife and a daughter, and his four sons as the shareholders, all of whom subscribed for one share of 1 pound each.</p>	25	CO3

	<p>Shantinath was the managing director and two of his sons were other directors. Shantinath sold his business (which was perfectly solvent at that time) to the company for the sum of 38782 pounds. He got the following payments;- 10000 secured debentures of 1 rupee each 10000 rupees 20000 fully paid shares of 1 rupee each 20000 rupees Cash 8782 rupees</p> <p>The company soon ran into difficulties and the debentures holders appointed a receiver and the company went in to liquidation. The total assets of the company amounted to 6050 rupees, its liabilities were 10000 rupees secured debentures and 8000 rupees of unsecured debentures owing to unsecured trade creditors. The unsecured trade creditors claims the whole of the company's assets VIZ 6050 rupees on the ground that as the company was a mere agent for Salomon and thus they were entitled to payment of their debts in priority to debentures held by one person .</p> <p>Based on above, about the position of company vis-à-vis role of Shantinath; whether the unsecured creditors can claim from Shantinath?</p>		
13.	<p>i). Khanna Limited issued a notice for holding of Its Annual General Meeting on November 7, 2021. The notice was posted to the members on October 16, 2021. Some of the members of the company allege that the company had not complied with the provisions of the Companies Act, 2013 with regard to the period of notice and as such the meeting was not validly called. Referring to the provisions of the Act decide:</p> <p>a) Whether the meeting was validly called?</p> <p>b) If there is a shortfall in the number of days by which the notice falls short of the statutory requirements, state and explain by how many days does the notice fall short of statutory requirement?</p> <p>c) Can the shortfall, if any, be condoned?</p> <p style="text-align: center;"><u>OR</u></p> <p>ii). White Man Ltd has a paid-up equity capital and free reserves to the extent of Rs. 55,00,000. The company is planning to buy-back shares to the extent of Rs. 4,55,000. The company approaches you for advice with regard to the following</p> <p>a) Is special resolution required to be passed?</p> <p>b) What is the time limit for completion of buy-back?</p> <p>c) What should be ratio of aggregate debts to the paid-up capital-and free reserves after buy-back?</p>	25	CO4