

Roll No: -----



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2018

Program: B.A. LL.B. Lab.& Crim. Laws; BBA LL.B Corp. Law; BA LL. B Energy Laws; BBA LL.B Banking & IT **Semester – IV**

Subject (Course): Company Law II

Max. Marks : 100

Course Code : LLBL422

Duration : 3 Hrs

No. of page/s: 2

Section A (02×05= 10 marks)

1. What do you understand by the term 'joint venture'?
2. What are the permissible layers of investment in accordance to Companies Act, 2013?
3. Distinguish between 'winding up' and 'dissolution.'
4. What do you understand by the term 'security interest'?
5. Distinguish between 'shareholder' and 'debenture holder'.

Section B (05×04= 20 marks) (answer any four)

6. What is the Insolvency Resolution Process for operational creditors?
7. Can winding up of a foreign company take place under Companies Act, 2013. Discuss.
8. Differentiate between the Company Liquidator and Official Liquidator. Who can be a company liquidator as per the latest amendment in the Companies Act, 2013?
9. Write a short note on disqualifications of Debenture Trustees.
10. What do you understand with the current account transaction under FEMA? How is it different from capital account transactions?

Section C (10×02= 20 marks) (answer any two)

11. "*Companies can be prosecuted for criminal offences*". Analyze the situation in the context of recent Supreme Court decisions.
12. Define the term contributory. Who all are liable as contributories in the event of winding up of a company and to what extent?
13. Elaborate the grounds of compulsory winding up under the Companies Act, 2013.

Section D (12.5 X 4 = 50 marks)

14. John and Mathew formed a private limited company in which they were the only directors and shareholders having equal voting rights. Differences arose between them over a period that could not be resolved. One of them filed a winding up petition before the Tribunal. Analyze with the aid of leading cases, whether the Tribunal will entertain such petition.
15. A petition signed by 100 members of a company has been moved to Tribunal for prevention of mismanagement. Later on, half of the members (signatories) withdrew their consent after filing the petition. Examine whether the remaining applicants to the petition would be successful in their complaint to Tribunal.
16. *Sino India Ltd.* is a company incorporated under the Companies Act, 1956 having a share capital of Rs. 15 crores. The company wanted to expand and took a loan of Rs. 50 crores (15 + 15 + 20) from ICICI Bank, HDFC Bank and SBI Bank for a real-estate project in the year 2015. The company was performing well until 2016 when the real estate law came up and the company had to work upon the number of compliances. While *Sino India Ltd.* continued to pay the loan instalments to the banks, it withheld payment to its employees for about 3 months. One of the managers whose salary was 75 thousand / month issued a notice under section 8 of IBC 2016 for initiation of corporate insolvency. Advise *Sino India Ltd.* as to the maintainability application by the said employee for corporate insolvency and its consequences.
17. A company was ordered to be wound up on a petition filed by the company even though the company's workers opposed the petition. The workers filed an appeal against the winding up order. It is contended by the company that the workers have no right to appeal, as they have no right to file the winding up petition under the Companies Act, 2013
 - a. Who can file a petition for compulsory winding up?
 - b. State with reasons whether the company's contention is correct.



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2018

Program: B.A. LL.B. Lab. & Crim. Laws; BBA LL.B Corp. Law; BA LL. B Energy Laws; BBA LL.B Banking & IT **Semester – IV**

Subject (Course): Company Law II

Max. Marks : 100

Course Code : LLBL422

Duration : 3 Hrs

No. of page/s: 3

Section A (02×05= 10 marks) (answer any 5)

1. Distinguish between redeemable and irredeemable debentures.
2. How do trading and non-trading companies exercise the borrowing powers?
3. List the modes of winding up a company.
4. List the remedies available to a lender if a company resorts to ultra vires borrowings.
5. What is rule of majority?
6. What is the effect of winding up on floating charge?

Section B (05×04= 20 marks)

Write a note on the following: (Question no. 7-9)

7. Contributories.
8. Fast Tract Corporate Insolvency Resolution Process.
9. Powers of a Resolution Professional.
10. Distinguish between the Capital Account Transactions and current account transactions under FEMA.

Section C (10×02= 20 marks) (answer any two)

11. Explain the evolution of Corporate Criminal Liability in the Indian context with the help of relevant case laws.
12. Explain compulsory winding up. What are the consequences of compulsory winding up?
13. Who may initiate the Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016? Explain the process with relevant provisions of the Code.

Section D (12.5 X 4 = 50 marks)

14. The assets of XYZ Ltd has to be distributed amongst the eligible claimants in pursuance of the liquidation order under the Insolvency and Bankruptcy Code, 2016. The liquidator after realization of the assets has an amount of Rs. 28,00,000/- at his disposal for payment. The list of claims are as follows:

Dues to secured creditors	Rs. 10,00,000/-
Dues to workers	Rs. 5,00,000/-
Liquidation costs	Rs. 5,00,000/-
Unsecured creditors	Rs. 15,00,000/-

Explain the procedure to be followed for payment under the Insolvency and Bankruptcy Code, 2016.

15. RR Limited has decided to make investments in other companies to the tune of Rs. 50 lakhs, which is in excess of 60% of the company's paid-up share capital, free reserves and securities premium account. The company has 05 directors. 04 directors were present in the Board meeting, 03 directors have given their consent but one director abstained from voting. The decision of the Board was noted in the minutes of Board meeting and decided to make such investment by passing of Board resolution with majority. Referring to the provisions of Companies Act, 2013, examine the validity of the Board's decision.

16. Telly Tale Ltd. was allotted the telecom license by the Government of India to offer mobile telephone services. The license was subsequently cancelled by a judgment of the Supreme Court. Would it be just and equitable to wind up the company in these circumstances?

17. ABC Pvt Ltd is a company in which there are 08 shareholders. Can a member holding less than 1/10th of the share capital of the company apply to the tribunal for relief against oppression and mismanagement? It is further alleged by the said member that the directors of the company have misused their position in making certain inter corporate deposits, which are against the interests of the company. Will the tribunal entertain application containing such allegations?