

**Roll No.**

**SAP ID**



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

**Course: Company Law - II**  
**Programme: B.Com. LL.B. (Hons.) 2017**

**Semester: VI**  
**Course Code: CLCC3006**

**Time: 03 hrs.**

**Max. Marks: 100**

**Instructions:**

As this examination is in open-book, 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 any unfair means and provide answers in their own words.

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

<b>S. No.</b>		<b>Marks</b>	<b>CO</b>
1	<p>“All investments made by a company must be held by it in its own name”. Are there any exceptions to this rule? Justify with apt illustration.</p> <p style="text-align: center;">Or</p> <p>PPL Automobiles Private Limited is a company engaged in the manufacturing of cars. The company investment in the shares of other bodies corporate and the loans made to other bodies corporate exceed 60 per of its paid-up share capital, free reserves and securities premium amount and also 100 per cent of its free reserves and securities premium amount. The company has obtained a term loan from the Industrial Credit and Investment Corporation of India Limited. The company proposes to increase its investment in the equity shares of JK Foreign Limited from 60 per cent to 70 per cent of the equity share capital of JK Foreign Limited by purchase of shares from the Foreign collaborator.</p> <p>State the legal requirements to be complied with the PPL Automobiles Private Limited. Under the Companies Act, to give effect to the above proposal. What will be your answer, if the company has defaulted in repayment of matured deposits accepted from the public.</p>	<b>20</b>	<b>CO1</b>  <b>CO3</b>

Ans.			
2	A charge in favour of a public financial institution created by a public company to secure a sum of Rs. 300 crore was not created within the statutory period and the Central Govt on an application made by the company did not grant the extension of time. Is it possible to revive the said charge? Justify the problem.	20	CO3
Ans.			
3	A group of shareholders of Duplicate Machines Limited filed an application before the Tribunal alleging various acts of fraud and mismanagement by Mr Suresh, who was the managing director and his associated. During the course of hearings before the Tribunal, it was contended on behalf of the company that the alleged transactions had taken place long ago and that the managing director, who was responsible for such actions had already been removed and that there is no case before the Tribunal to interfere in the working of the company. The contentions of the Applicants on the other hand is that though the fraudulent nature of transactions is a thing of the past and though the managing director had been removed, yet the management of the company is still controlled by the henchmen of Mr Suresh. Discuss the powers of Tribunal in support of your answer. Justify situation with relevant provisions.	20	CO2
Ans.			
4	Manik and Aryan Construction Limited company is being wound up by the court. The Official Liquidator after realisation of the assets has an amount of Rs. 28, 00,000/- at his disposal towards payment to the creditors of the company. The list of creditors of the company given below- i. Dues to secured creditors Rs. 20,00,000/- ii. Dues of workers Rs. 15,00,000/- iii. Taxes, etc. payable to the Govt authorities Rs. 2,00,000/- iv. Unsecured creditors Rs. 40,00,000/- Since the available amount is insufficient to meet the claims of all creditors, explain the procedure to be followed for payment of dues as provided in the Companies Act and Insolvency Bankruptcy Code, assuming that the company has create a charge on all the assets of the company in favour of the secured creditors.	20	CO2
Ans.			
5	Elucidate the concept of corporate liability. Explain criminal liabilities of the companies under the Act with illustrations.	20	CO2
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.