

Unique Paper Code : 52414303
Name of the Paper : Company Law OC (Nov/Dec) 2020
Name of the Course : B.Com (Programme)
Semester : III

Duration: 3 hours

Maximum Marks: 75

Instructions for Candidates

Note: Answers may be written *either* in English or in Hindi; but the same medium should be used throughout the paper.

Attempt any four questions.

All questions carry equal marks.

Q1. Suvan holds 99 shares (out of 100) in Alex Furniture (Pvt.) Ltd, while one share is held by Priyam. Suvan is also the substantial creditor of the company. Suvan is managing director of the company and he insured the raw material of the company in his own name. Unfortunately, fire breaks in the factory and the entire stock of wood gets destroyed. Can Suvan claim the compensation from the insurance company? Illustrate your answer with relevant case law. Also explain other features of a company citing examples.

Q 2. "An outsider is presumed to know the constitution and the statutory public documents of a company, but not what may or may not have taken place within the doors that are closed to him." Explain with reference to the Doctrine of Indoor Management. State its exceptions.

Q 3. X, Y and P jointly purchased a constructed property at Rs 35,00,000 in June 2015. In November 2015, they promoted a company and sold this property to the company at Rs 65,00,000. Are they supposed to disclose this profit to the company? What are the other obligations that they must fulfil standing in a fiduciary relationship with the company? Also mention various instances covered by Companies Act for which promoters are held personally liable.

Q 4. A public company proposes to purchase its own shares. Can it do so? State the source of funds that can be utilised by the Company for purchasing its own shares and the requirements to be complied with by the company under the Companies Act before and after the shares are so purchased.

Q 5. The board of directors of Swati Pvt. Ltd. had planned to meet on 15th May 2020 but due to Corona pandemic they decided to meet virtually on a meeting app to discuss the future course of action to be taken about their employees welfare and conduct of the business. Is such a meeting valid? What are the requirements to be fulfilled for organising such meeting through video conferencing? How are the minutes of such meetings recorded and approved by board members?

Q 6. There are only two members of a company. They are also the directors of the company. Both are not on speaking terms. Can the company be wound-up on this ground? Give reasons. Discuss in detail the circumstances under which a company may be compulsory wound up by the Tribunal under the Companies Act.