

**FIFTH SEMESTER B.A., LL.B. (HONS.) EXAMINATION, DECEMBER 2020**

**COMPANY LAW**

**Time: 3 Hours**

**Maximum Marks: 50**

**Answer ALL Questions**

**I. A.** The promoters of company XYZ Ltd. are alleged to have created the company and run it to avoid their contractual liability. Examine whether this is a fit case for lifting the corporate veil. Explain the most appropriate theory of corporate personality for explaining the concept of lifting of corporate veil.

**OR**

**I. B.** Ajay, a citizen of Nepal, wants to register a private limited company in India. Explain the procedure for the same. Explain the role of the Registrar of companies in the registration of a company in India.

**II.A.** BLINK Pvt. Ltd. wants to get its equity shares listed on the stock exchange. Explain the preliminary steps to be taken for the same. Is it possible to do the same without fundamental changes to its memorandum of association?

**OR**

**II.B.** BLANK Ltd. which is incorporated to establish and run a hotel, enters into a contract with CLING Ltd. for the purchase of some wine for its hotel on credit. After receiving and consuming the wine, BLANK Ltd. refuses to pay citing that its hotel does not have a bar license for the consumption of alcoholic beverages and hence it is an ultra vires transaction. Advise CLING Ltd. on the legal position and the steps to be taken by it to recover the price for the wine sold.

**III.A.** The private limited company is in need for capital to expand its operations. The promoters feel that they have already infused the maximum equity capital that they can possibly do. Examine the means by which the promoters can raise fresh capital without converting the company into a public company.

**OR**

**III.B.** The minority shareholders in the company want to change the management of the company since the company has not declared any dividend for the past five years despite the company making profits year after year. Advise them as to the legal provision in respect of effecting change in management as well as in respect of payment of dividend.

**IV.A.** The promoters of PQR Ltd., which is an unlisted company, want to merge the company with ABC Ltd., in the best interests of the company's growth and to assure better returns for the shareholders. Explain the procedure for the same.

**OR**

**IV.B.** NULL Ltd. is unable to service its debts due to the prevailing market conditions and wants to file for insolvency though it has not committed any default, yet. Advise it as to the procedure for the same.

**V.A.** Critically evaluate the role of SEBI as a securities market regulator.

**OR**

**V.B.** Explain the institutional mechanism in place to deal with disputes in the registration and running of companies in India.

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