

**B.A. LL.B. (5 Year Degree Course) Sem-VII (CBCS - 2015 COURSE)**  
**: WINTER - 2018**  
**SUBJECT : COMPANY LAW**

Day : Thursday  
Date : 22/11/2018

Time : 10.00 AM TO 01.00 PM  
Max. Marks : 60

**W-2018-1440**

**N.B.:**

- 1) All questions are **COMPULSORY**.
- 2) All questions carry **EQUAL** marks.

**Q.1 a)** The directors of a company invited subscriptions for debentures by issuing a prospectus which stated that the company needed the money to complete alterations in the buildings of the company, to purchase horses and vans and to develop the trade of the company. The real object of the loan, however, was to enable the directors to meet the urgent liabilities of the company. Mr. John relied upon the statement and advanced money to the company. Later on, the company went into liquidation and Mr. John sued the directors for fraud. Can Mr. John make the directors personally liable on ground of mis - statement in prospectus?

**OR**

**b)** 'A' and 'B' sold a certain business to 'C' and agreed not to compete with him for a certain period. After some time, 'A' & 'B' incorporated a private limited company becoming the principal shareholders and directors and started a similar business as that of 'C' under the name of the private limited company. What right is available to 'C'?

**Q.2 a)** "The doctrine of indoor management is a silver lining to strangers dealing with a company". Comment.

**OR**

**b)** "A promoter stands in a fiduciary relation towards the company he promotes". Explain.

**Q.3 a)** What do you mean by transfer and transmission of shares? Explain the procedure for transfer and transmission.

**OR**

**b)** Define Debentures. Explain the provisions related to Debenture trustee which provide protection to debenture holders.

**Q.4 a)** Write short notes on:  
i) Annual General Meeting  
ii) NCLT

**OR**

**b)** Write short notes on:  
i) Registration of charge  
ii) Foss vs. Harbottle

**Q.5 a)** Discuss in detail the provisions for appointment and removal of directors.

**OR**

**b)** Define Winding Up. Explain the procedure for voluntary winding up.

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