



Institute of Management
JK LakshmiPat University
Jaipur

MID TERM-II EXAMINATION-OCT 2019

BBA/B.Com(H)-. Sem-V
MM: 20 Marks

Course: Company & Other law
Time: 1.5 Hours
Subject code: GN19

Answer any 4 Question from given below, each question carries of 5 marks each.

Q1. Explain the provision of any two sections-

- Sections 173(1) & (5) regarding Number of Board Meetings
- Sections 174 Quorum of Board Meeting
- Section 2 (76) & Rule 4 regarding meaning of Related party and Relative.

Q2. Mr. Ayush is a director of several companies. He has approached the following companies in which he is a director for financial help to start his own personal business:

- Rock on Ltd.
- Super Glue Private Ltd.
- Force Ltd.

The first named company has agreed to grant a loan of Rs. 50 lakhs. The second company also offered another loan of Rs.50 lakhs. The third company has agreed to provide guarantee for the repayment of a loan sanctioned to Mr. Ayush by a private bank to the tune of Rs. 1 crore. Advise Mr. Ayush about the legal provisions that should be complied with under Companies Act, 2013.

Q3. Mr. Bhagvath recently acquired 76% of the equity shares of M/s Renowned Company Ltd in the hope of earning good dividend income. Unfortunately, the existing Board of Directors have been avoiding declaration of dividend due to alleged inadequacy of profits. Unconvinced, Mr. Bhagvath seeks permission of the company to examine the Books of Accounts, which is summarily rejected by the company. Examine and advise the provisions relating to inspection of Books of Accounts and remedy available.

Q4. Radha Limited is a widely held, listed company having two executive directors who are technocrats. The company has suffered losses in the last four years. The company wants to enhance the remuneration of the executive directors to Rs. 6 lakhs per month from existing remuneration of Rs. 4 lakhs. The audited balance sheet as on 31st March, 2016 reveals that the paid up capital of the company is Rs.15 crores, accumulated losses Rs.11 crores and secured long term borrowing Rs. 5 crores. Besides, the company has long term investments of Rs.11 crores. The company's remuneration committee has recommended the proposal and the company is regular in repayment of its debts. Analyse the proposition with reference to the provisions of the Companies Act, 2013.

Q5. The Balance Sheet of Fast Track Ltd. As at 31-03-2014 discloses the following position:

	Rs. (in crores)
Share Capital	100
Reserves & Surplus	300
Secured Loans	150
Unsecured Loans	100
Current Liabilities	70

Mr. Fast, the Managing Director of the company approaches the Best Bank for a secured loan of ` 600 crores to finance the new projects to be taken up shortly. The Bank seeks your advice whether it can grant the loan of ` 600 crores on the application of Mr. Fast. Advise the Royal Bank having regard to the provisions of the Companies Act, 2013.

Q6. In a winding up certain debts shall be paid in priority to all other debts. Comment