Roll No.												

PRESIDENCY UNIVERSITY

BENGALURU

End - Term Examinations – December 2025

Date: 12-12-2025 **Time:** 01:00pm– 04:00pm

School: SOL	**Program:** B.A.LL. B/ BB.A.LLB/B.COM.LLB (HONS.)	
Course Code: LAW3007	**Course Name:** COMPANY LAW I	
Semester: V	**Max Marks**: 100	**Weightage**: 50%

CO - Levels	**CO1**	**CO2**	**CO3**	**CO4**	**CO5**
Marks	**20**	**20**	**20**	**20**	**20**

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks. **10Q x 2M=20M**

1.	What is a Director Identification Number (DIN) and why is it mandatory?	**2 Marks**	**L1**	**CO4**
2.	Who are Small Shareholders, and how can they participate in the appointment of a director?	**2 Marks**	**L1**	**CO3**
3.	What is an Abridged Prospectus, and what information must it contain?	**2 Marks**	**L1**	**CO2**
4.	Define a Public Offer and differentiate it from a Private Placement.	**2 Marks**	**L1**	**CO2**
5.	Explain the legal provisions regarding the advertisement of a prospectus.	**2 Marks**	**L1**	**CO3**
6.	Compare the provisions relating to directors under the Companies Act, 1956 and the Companies Act, 2013.	**2 Marks**	**L1**	**CO2**
7.	Which Company Rules govern the provisions relating to directors, and why are they significant?	**2 Marks**	**L1**	**CO4**
8.	Discuss the liability of Independent Directors under the Companies Act, 2013.	**2 Marks**	**L1**	**CO4**
9.	Explain the procedure for appointment of directors by the Board of Directors.	**2 Marks**	**L1**	**CO5**
10.	Under what circumstances can a Tribunal appoint a director?	**2 Marks**	**L1**	**CO5**

Part B

Answer the Questions. **Total Marks 80M**

11.	**a.**	Mr. X, an Independent Director of Zeta Ltd., failed to attend any board meetings for 12 months. The company also faced allegations of non-compliance with CSR obligations. As a legal advisor, analyze whether Mr. X can continue as an independent director. Discuss the provisions of the Companies Act, 2013 regarding the appointment, qualification, tenure, and duties of independent directors	**10 Marks**	**L2**	**CO4**
		Or			
12.	**a.**	The Board of Alpha Pvt. Ltd. approved a contract in which one of the directors, Ms. Y, had a personal interest. Later, shareholders alleged misuse of fiduciary position. Discuss, with reference to case law and statutory provisions, the legal position of directors as agents, trustees, and officers of the company.	**10 Marks**	**L2**	**CO4**

13.	**a.**	Beta Ltd. has recently incorporated a new subsidiary and wants to appoint directors for various purposes — including a nominee director, an additional director, and an alternate director. As the company secretary, advise the company on the legal provisions, procedure, and distinctions between these types of appointments under Section 161 of the Companies Act, 2013.	**10 Marks**	**L2**	**CO4**
		Or			
14.	**a.**	The Board of Alpha Ltd. proposes to modify its share capital structure by converting partly paid shares into fully paid shares and by canceling unissued share capital. Later, some shareholders claim that this amounts to a reduction of share capital requiring Tribunal approval. As a legal advisor, explain whether Alpha Ltd.'s action constitutes alteration of share capital or reduction of share capital. Highlight the distinction between the two processes and the statutory requirements under the Companies Act, 2013.	**10 Marks**	**L2**	**CO4**

15.	**a.**	ABC Ltd. failed to conduct its Annual General Meeting due to internal disputes. A group of shareholders representing 12% of the paid-up capital has now demanded an urgent meeting to discuss management misappropriation. As a Company Secretary, explain the procedure and legal validity of convening such an Extraordinary General Meeting under the Companies Act, 2013.	**10 Marks**	**L2**	**CO3**
		Or			
16.	**a.**	The Board of Delta Pvt. Ltd. held a meeting without giving proper notice to all directors. Later, important resolutions were passed. One director challenged the validity of the meeting. Analyze the legal effect of this irregularity with reference to the requisites of a valid meeting.	**10 Marks**	**L2**	**CO3**

17.	**a.**	At the AGM of Sigma Ltd., several shareholders protested that voting through a show of hands did not reflect the true will of the majority. The Chairperson refused a poll. Discuss whether the decision can be challenged, explaining the general rules regarding voting and shareholders' rights.	**15 Marks**	**L3**	**CO4**
		Or			
18.	**a.**	The Board of Zeta Ltd. conducted a virtual meeting through video conferencing, where the quorum was incomplete due to network failure. Later, decisions were recorded as unanimous. Evaluate the legal validity of this meeting under the provisions of the Companies Act, 2013.	**15 Marks**	**L3**	**CO4**

19.	**a.**	Mr. R invested in shares of Alpha Ltd. after relying on its prospectus, which falsely claimed ownership of a patent. Later, he discovered the statement was untrue and caused financial loss. Discuss the remedies available to him under the Companies Act, 2013 for misrepresentation in the prospectus.	**15 Marks**	**L3**	**CO4**
		Or			
20.	**a.**	Omega Ltd.'s Articles required two directors' signatures for executing a loan contract. A bank granted a loan on a document signed by only one director. Later, Omega Ltd. refused repayment, claiming the contract was unauthorized. Examine the applicability of the Doctrine of Indoor Management and its exceptions in this case.	**15 Marks**	**L3**	**CO4**

21.	**a.**	Aqua Ltd., incorporated to manufacture packaged drinking water, began producing soft drinks to increase profits. A shareholder challenges this expansion. Discuss the legal implications of this act under the Doctrine of Ultra Vires and explain how the MOA clauses restrict such actions.	**20 Marks**	**L4**	**CO5**
		Or			
22.	**a.**	The Board of Directors of Delta Ltd., a public company undertaking major infrastructure projects, convened an urgent meeting to approve a proposal to borrow ₹50 crores from Zenith Bank in order to avoid delays and contractual penalties on an ongoing expressway project, even though the company's paid-up capital and free reserves together totalled only ₹32 crores. Without obtaining the prior approval of shareholders through a special resolution, and acting solely on the Managing Director's assurance of urgency, the Board unanimously passed the borrowing resolution under its general powers to manage the company's affairs. Later, a group of shareholders challenged the validity of this decision on the grounds that the directors acted beyond their statutory limits, exceeded the borrowing ceiling without shareholder sanction, breached fiduciary duties by relying on incomplete disclosures, and exercised their powers for an improper purpose. Meanwhile, Zenith Bank, which had already disbursed part of the loan, argued that it relied in good faith on the apparent authority of the Board and that the company is bound under the doctrines of	**20 Marks**	**L4**	**CO5**

		indoor management and ostensible authority. In this background, examine whether the Board's resolution can be sustained despite the absence of shareholder approval, whether the company is bound by the borrowing despite the alleged non-compliance, whether the directors may incur personal liability for acting beyond authority, and whether the shareholders' challenge can succeed notwithstanding the partial disbursement of funds.			