



# PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
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## Make Up Examinations – December 2025

Date: 26 - 12- 2025

Time: 1.00pm to 04.00pm

School: SOL	Program: B.A.LL. B/ BB.A.LLB/B.COM.LLB (HONS.)		
Course Code: LAW118	Course Name: COMPANY LAW I		
Semester: MK	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

Q.No.	Question	Marks	Level	CO
1.	What is a Director Identification Number (DIN) and why is it mandatory?	2 Marks	L1	CO4
2.	What do you understand by shareholders' meetings?	2 Marks	L1	CO3
3.	A public company wishes to alter its Articles to include provisions for issue of bonus shares. Explain the legal process and shareholder approval requirements involved.	2 Marks	L1	CO2
4.	Which Company Rules apply to the provisions relating to directors, and why are they important?	2 Marks	L1	CO2
5.	Explain the legal provisions regarding the advertisement of a prospectus.	2 Marks	L1	CO3
6.	Discuss the duties and liabilities of directors as per the provisions of 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.	Who is an Alternate Director, and under what conditions can one be appointed?	2 Marks	L1	CO4
9.	What is an Abridged Prospectus, and what information must it contain?	2 Marks	L1	CO5
10.	Who are Small Shareholders, and how can they participate in the appointment of a director?	2 Marks	L1	CO5

## Part B

### Answer the Questions.

**Total Marks 80M**

<b>11.</b>	<b>a.</b>	A supplier entered into a contract with Delta Ltd., assuming that internal company procedures for approval were followed. Later, the company refused to honor the contract, citing internal irregularities. Examine whether the supplier can claim protection under the Doctrine of Indoor Management, highlighting exceptions.	<b>10 Marks</b>	<b>L2</b>	<b>C 04</b>
<b>Or</b>					
<b>12.</b>	<b>a.</b>	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.	<b>10 Marks</b>	<b>L2</b>	<b>C 04</b>
<b>Or</b>					
<b>13.</b>	<b>a.</b>	Gamma Ltd. passed a resolution to increase its authorized capital and issue bonus shares. A year later, it decided to extinguish part of its paid-up capital due to surplus funds. The shareholders are confused about the legal distinction between these two actions. Advise Gamma Ltd. by explaining the legal and procedural difference between alteration of share capital and reduction of share capital, including the role of shareholder approval and the National Company Law Tribunal (NCLT).	<b>10 Marks</b>	<b>L2</b>	<b>C 04</b>
<b>Or</b>					
<b>14.</b>	<b>a.</b>	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.	<b>10 Marks</b>	<b>L2</b>	<b>C 04</b>
<b>Or</b>					
<b>15.</b>	<b>a.</b>	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.	<b>10 Marks</b>	<b>L2</b>	<b>C 03</b>
<b>Or</b>					
<b>16.</b>	<b>a.</b>	Beta Ltd., while setting up a new subsidiary, proposes to appoint different types of directors, such as a nominee director, an additional director, and an alternate director. As the Company Secretary, advise the management on the <b>legal framework, appointment process, and differences</b> among these types of directors as per <b>Section 161 of the Companies Act, 2013</b> .	<b>10 Marks</b>	<b>L2</b>	<b>C 03</b>

<b>17.</b>	<b>a.</b>	The management of Orion Ltd. ignored multiple shareholder complaints regarding misappropriation of company funds. Shareholders holding 15% of the voting rights seek to call an EGM on their own. Evaluate their right to do so and outline the legal process and time limits under the Companies Act, 2013.	<b>15 Marks</b>	<b>L3</b>	<b>C 04</b>
<b>Or</b>					
<b>18.</b>	<b>a.</b>	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.	<b>15 Marks</b>	<b>L3</b>	<b>C 04</b>
<b>Or</b>					
<b>19.</b>	<b>a.</b>	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.	<b>15 Marks</b>	<b>L3</b>	<b>C 04</b>
<b>Or</b>					
<b>20.</b>	<b>a.</b>	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.	<b>15 Marks</b>	<b>L3</b>	<b>C 04</b>
<b>Or</b>					
<b>21.</b>	<b>a.</b>	The Board of Alpha Pvt. Ltd. entered into a contract in which one of the directors, Ms. Y, had a personal interest. Subsequently, shareholders alleged a breach of fiduciary duty and misuse of authority. With reference to statutory provisions and case law, analyze the legal position of directors as agents, trustees, and officers of a company under the Companies Act, 2013.	<b>20 Marks</b>	<b>L4</b>	<b>C 05</b>
<b>Or</b>					
<b>22.</b>	<b>a.</b>	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 indoor management and ostensible authority. In this background, examine whether the Board's resolution can be sustained despite the absence of	<b>20 Marks</b>	<b>L4</b>	<b>C 05</b>

		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.			
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