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PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester Mid Term, March 2026

Date: 13/03/2026

Time: 02:00 PM - 03:30 PM

Course Code: LAW2045

Course Name: Company Law II

Semester: Sixth Semester

Max. Marks: 50

Weightage: 50%

CO - Levels	CO1	CO2	CO3
Marks	26	44	20

PART-A: Answer Following Questions. 10 M

Qn.No	Questions	M	CO	BT
1	State one statutory ground on which a winding-up petition may be maintained against the company.	2	CO1	BT1
2	Briefly state the reason for the refusal of the statutory register and books during routine inspection.	2	CO1	BT1
3	Discuss the main objectives of CSR Committee for the strategic action plan under company law.	2	CO2	BT2
4	State the rights of the Minority shareholders whether they can directly approach the Tribunal for the maintainability of their rights.	2	CO2	BT2
5	State the power of Tribunal exercise supervisory jurisdiction during the winding-up process.	2	CO1	BT2

PART-B: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
6	An Official Liquidator fails to take custody of company assets immediately after appointment, resulting in substantial loss. Discuss the statutory duties of the Official Liquidator under the Companies Act, 2013 and determine whether such failure amounts to breach of statutory duty.	10	CO1	BT2
7	During winding-up proceedings, disputes arise regarding fraudulent preference and undervalued transactions entered into prior to liquidation.	10	CO1	BT2

Describe the scope and jurisdiction of the NCLT in adjudicating such matters under the Companies Act, 2013.

PART-C: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
8	The Board of a large conglomerate removes its Executive Chairman without prior notice, citing loss of confidence. Minority shareholders allege oppression and lack of probity. Analyse the principles laid down in Tata Consultancy Services Ltd. v. Cyrus Investments Pvt. Ltd. (Cyrus Mistry case) in determining what constitutes oppression under the Companies Act, 2013.	10	CO2	BT3
9	Minority shareholders of a company allege that the majority directors diverted corporate opportunities for personal gain. The company itself refuses to initiate action. Discuss the rule to determine whether the minority shareholders can maintain a derivative action and exceptions to the rule.	10	CO2	BT3

PART-D: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
10	A public company has failed to spend the required 2% CSR amount for three consecutive financial years. The Board merely discloses the reasons in its report but does not transfer the unspent amount to the specified CSR Fund. Analyse the legal consequences of such non-compliance under the Companies Act, 2013 and liability of the Board and recommend the corrective compliance steps.	10	CO2	BT4
11	A contributory, aggrieved by a winding-up order passed by the National Company Law Tribunal (NCLT) under Companies Act, 2013, files a civil suit before a District Court seeking a declaration that the order is void for violation of natural justice and lack of jurisdiction, along with an injunction restraining the Official Liquidator from taking charge of the company's assets. Evaluate whether a civil court can entertain a collateral challenge on grounds of fraud or jurisdictional defect, and discuss the constitutional limits on such parallel proceedings.	10	CO2	BT4

PART-E: Answer Any 1 Following Questions. 10 M

Qn.No	Questions	M	CO	BT
12	<p>Zenith Infratech Pvt. Ltd. is a closely held company where the majority shareholders control the board and key managerial decisions. Over the past year, the majority has repeatedly passed resolutions that marginalise minority participation in decision-making and restructure voting arrangements in a manner that significantly weakens minority influence. Minority shareholders allege that these actions are part of a continuous pattern of oppression and mismanagement.</p> <p>On the basis of the above facts examine</p> <p>A.The scope of class action remedies available to minority shareholders,</p> <p>B. The powers of the Tribunal in preventing oppression and mismanagement, and</p> <p>C. Limits of the rule of majority in the context of emerging shareholder activism</p> <p>D. The role of proxy advisors under the Companies Act, 2013.</p>	10	CO3	BT4
13	<p>A financial creditor issues a statutory demand notice to a closely-held public company alleging default of a substantial secured debt. The company disputes the quantum of liability, contends that the debt is subject to arbitration, and argues that its temporary cash-flow constraints do not amount to commercial insolvency as it continues to operate profitably with valuable fixed assets. Simultaneously, minority shareholders allege diversion of funds and a complete breakdown of management confidence, urging that the substratum of the company has disappeared.</p> <p>Critically analyse the maintainability of the winding-up petition under Companies Act, 2013 in light of a bona fide dispute regarding the debt and the evidentiary threshold required to establish commercial insolvency.</p> <p>Distinguish doctrinally and conceptually between “inability to pay debts” and the “just and equitable” ground for winding up, and evaluate the extent to which the Tribunal may exercise discretionary jurisdiction when both grounds are simultaneously pleaded.</p>	10	CO3	BT4