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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: 11/03/2026

Time: 09:30 AM - 11:00 AM

Course Code: LAW3029

Course Name: Corporate Laws

Semester: Eight Semester

Max. Marks: 50

Weightage: 50%

| CO - Levels | CO1 | CO2 |
|-------------|-----|-----|
| Marks       | 62  | 28  |

### PART-A: Answer Following Questions. 10 M

| Qn.No | Questions  | M | CO  | BT  |
|-------|--|---|-----|-----|
| 1     | Explain the circumstances under which the conduct of company affairs would amount to "oppression" within the meaning of the Companies Act, 2013.   | 2 | CO1 | BT1 |
| 2     | Mention any two recognized exceptions to the rule in Foss v. Harbottle and briefly state the rationale behind them.  | 2 | CO2 | BT2 |
| 3     | A contract provides that disputes shall be referred to the Managing Director whose decisions shall be final and binding, but does not use the term "arbitration." Examine whether such a clause can amount to a valid arbitration agreement. | 2 | CO2 | BT2 |
| 4     | Explain the legislative objectives of the Arbitration and Conciliation Act, 1996.  | 2 | CO2 | BT2 |
| 5     | Explain the concept of the "Seat" of arbitration and discuss its legal significance.   | 2 | CO2 | BT2 |

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

| Qn.No | Questions   | M  | CO  | BT  |
|-------|---|----|-----|-----|
| 6     | Silverline Estates Ltd. is a public company with dispersed shareholding. The Board of Directors entered into a contract to sell a valuable company asset to a firm owned by relatives of two directors at a price significantly below market value. A group of minority shareholders alleges that:<br>I) The transaction was not disclosed properly.<br>II) The majority shareholders ratified the transaction in a | 10 | CO1 | BT3 |

|   |  |    |     |     |
|---|--|----|-----|-----|
|   | <p>general meeting.</p> <p>III) The directors who benefited from the transaction participated in voting.</p> <p>IV) The minority files a civil suit in their own name seeking to set aside the transaction and claim damages.</p> <p>Analyse the applicability of the Rule in Foss v. Harbottle to the above facts. Examine whether any exception applies and whether the minority shareholders can maintain the action.</p>   |    |     |     |
| 7 | <p>Green Horizon Pvt. Ltd. is a quasi-partnership company formed by two families holding equal shares. After disputes arise, one group:</p> <ol style="list-style-type: none"> <li>1) Removes the other group's nominee director.</li> <li>2) Refuses to circulate financial statements.</li> <li>3) Allots shares to friendly outsiders, altering voting balance.</li> <li>4) Excludes the minority from key management decisions. The majority argues that all decisions were passed by valid resolutions.</li> </ol> <p>Analyse whether the above conduct amounts to oppression under. Examine the judicial tests for oppression and whether "just and equitable" winding up principles are relevant.</p> | 10 | CO1 | BT4 |

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

| <b>Qn.No</b> | <b>Questions</b>  | <b>M</b> | <b>CO</b> | <b>BT</b> |
|--------------|---|----------|-----------|-----------|
| 8            | <p>Starline Exports Pvt. Ltd. is a closely held company formed by two brothers with equal shareholding and equal representation on the Board. Due to serious personal disputes, board meetings become dysfunctional. One group blocks all decisions, refuses to sign financial statements, and paralyzes business operations. The minority files a petition under Section 241 alleging oppression. The majority argues that personal disputes cannot amount to oppression.</p> <p>Examine whether breakdown of mutual trust in a quasi-partnership company can justify relief under the Companies Act, 2013. Discuss the relevance of the "just and equitable" principle.</p> | 10       | CO2       | BT4       |
| 9            | <p>An Indian company enters into a contract with a foreign corporation providing:</p> <ol style="list-style-type: none"> <li>I )Seat of arbitration: London</li> <li>II )Governing law: English law</li> </ol> <p>Before commencement of arbitration, the Indian party seeks interim relief under law before an Indian High Court to prevent alienation of assets located in India. The contract was</p>  | 10       | CO1       | BT4       |

executed in 2011. Analyse the applicability of judicial principles. Would the position differ if the agreement was executed in 2015? Give reasons.

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

| Qn.No | Questions   | M  | CO  | BT  |
|-------|---|----|-----|-----|
| 10    | <p>A party approaches the court under Section 9 of the Arbitration and Conciliation Act, 1996, seeking an interim injunction to restrain the disposal of goods forming the subject matter of a dispute before the commencement of arbitration proceedings, and during the pendency of the application, the arbitral tribunal is constituted;</p> <p>critically examine whether it can be invoked prior to initiation of arbitration, analyze the legal effect on the court's power to grant interim relief after constitution of the tribunal, and discuss the scope and role of Section 17 in the grant of interim measures, particularly considering the interplay between pre-arbitral and post-tribunal relief, and the implications for preserving the efficacy of the arbitral process.</p> | 10 | CO1 | BT4 |
| 11    | <p>Metro Tech Pvt. Ltd. has three shareholders holding equal shares. One group issues additional shares to their associates without offering them proportionately to existing shareholders. The minority's shareholding reduces from 33% to 15%, and they lose board representation. The majority claims the issue was necessary for raising capital. Analyse whether the minority can seek relief under the Company Law, If oppression is established, what type of orders can the Tribunal pass? Are these powers preventive, remedial, or punitive?</p>  | 10 | CO1 | BT5 |

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

| Qn.No | Questions   | M  | CO  | BT  |
|-------|---|----|-----|-----|
| 12    | <p>A defendant who participates in interim hearings subsequently files an application underof the Arbitration and Conciliation Act, 1996 after filing its written statement. Critically analyse whether the court is obliged to refer the parties to arbitration, discuss the statutory conditions under such reference, and analyze the legal and procedural consequences of delay in filing the application, particularly in the context of doctrines of waiver, estoppel, and acquiescence, as well as the court's discretion to reconcile judicial efficiency with the principles of arbitral autonomy and party consent.</p> | 10 | CO2 | BT5 |
| 13    | <p>An insurance policy between X Insurance Ltd. and Mr. A contains a clause stipulating that no legal proceedings shall be initiated against the insurer unless an arbitral award has first</p>   | 10 | CO1 | BT5 |

been obtained, and further provides that any dispute under the policy shall be referred to arbitration in accordance with the Arbitration and Conciliation Act, 1996. Subsequently, a claim arises under the policy following a fire at the insured premises, and the insured, apprehensive of delay, directly institutes a civil suit in the competent court without first invoking arbitration. The insurer moves to dismiss the suit on the ground that the parties are bound by the arbitration clause.

Critically examine whether such a contractual stipulation can validly postpone the right to sue, whether it operates as a prohibition or limitation on court jurisdiction, and

Analyze the extent to which the clause is enforceable, taking into account doctrines relating to ouster of judicial jurisdiction, mandatory arbitration clauses, public policy considerations, and the balance between party autonomy and access to justice; further, examine the consequences of non-compliance and the legal remedies available to the insurer and insured.