Roll No										

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Bengaluru

Even Semester End Term Examination, May / June 2026		
Date: 18/05/2026		**Time: 01.00 PM - 04.00 PM**
Course Code: LAW2045	**Course Name: Company Law II**	
Semester: Sixth Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	28	42	20	50	40

PART A: Answer Following Questions. 20 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
1	What is the purpose of the Registrar’s report after inquiry under the Companies Act, 2013,?	2	CO2	BT2
2	Can the Tribunal intervene if directors are transferring assets abroad? Comment	2	CO2	BT2
3	In the winding up of Evergreen Sugar Mills Ltd., the Company Liquidator sought constitution of an Advisory Committee. Certain creditors refused to participate. The liquidator questions whether the committee is mandatory and what its functions are. Advise.	2	CO1	BT2
4	A financially distressed company is unable to pay its debts in India, USA, and UK. What legal frameworks govern winding up and insolvency?	2	CO1	BT2
5	A minority shareholder in a company alleges oppression by majority shareholders. What remedies are available across India, USA, and UK?	2	CO2	BT2
6	The Central Government, after an investigation, finds that a company's affairs are being conducted in a manner prejudicial to public interest. Examine whether the Central Government can itself initiate proceedings Companies Act, 2013 and discuss the scope of 'public interest' as a ground, distinguishing it from 'oppression'.	2	CO2	BT2
7	A company spends CSR funds on employee welfare activities. Is this permissible as per the provisions of the Companies Act, 2013?	2	CO2	BT2
8	Can failure in ESG compliance lead to legal consequences under the Companies Act, 2013?	2	CO1	BT2
9	The NCLT passed a winding up order against Rainbow Textiles Ltd. on 2nd January. However, the Company Liquidator was not informed	2	CO1	BT1

	about the order for 3 weeks, during which the existing management continued to trade and entered into contracts. Discuss the legal consequences			
10	In the winding up of Global Steel Ltd., the Company Liquidator found that 200 shareholders had not paid the full amount due on their shares. He proceeded to prepare a list of contributories. Certain shareholders contended they had sold their shares prior to winding up and cannot be treated as contributories. Advise.	2	CO2	BT2

PART B: Answer Any 1 Following Questions. 10 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
11	Inspectors appointed to investigate MNO Ltd. require access to books, examination of directors under oath, and seizure of documents. Describe the powers and procedure available to them as per the provisions of the Companies Act, 2013.	10	CO1	BT4
12	A group of minority shareholders in XYZ Ltd. alleges that the directors are siphoning funds and acting against the interests of the company. They approach the Tribunal seeking investigation, but they do not meet the prescribed numerical threshold. Critically analyse that the Tribunal still order an investigation.	10	CO1	BT3

PARTC: Answer Any 1 Following Questions. 10 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
13	A multinational corporation seeks to incorporate subsidiaries in India, the USA, and the UK. Compare the incorporation procedures and identify key differences that may affect their decision.	10	CO4	BT4
14	A group of entrepreneurs plans to establish a business in India, the USA, and the UK. They want limited liability, ease of incorporation, and flexibility in management. Advise them on the suitable types of companies in each jurisdiction and justify your answer	10	CO4	BT4

PART D: Answer Any 1 Following Questions. 10 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
15	The Tribunal, while hearing a petition under Section 241, found that the majority shareholders repeatedly excluded the minority director from Board meetings and diverted business opportunities. Discuss the powers of the Tribunal under Section 242 and indicate what specific orders it can pass to remedy such oppression	10	CO3	BT4
16	In the case of Foss v Harbottle (1843), the court refused to entertain a suit brought by shareholders challenging an ultra vires transaction. State the rule and critically analyse its most important exceptions that are directly recognised in the Indian companies law	10	CO3	BT5

	framework.			

PART E: Answer Any 1 Following Questions. 15 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
17	A winding up order was passed against Prestige Builders Ltd. by the NCLT on 1st March. Subsequently, it was found that the petition was filed against the wrong company — the petitioner had actually intended to file against Prestige Constructions Ltd. (a different entity). The directors of Prestige Builders Ltd. applied for recall of the order. Evaluate the legal implications.	15	CO2	BT4
18	Mr. Kapoor was appointed as the Company Liquidator of Falcon Industries Ltd. during its winding-up proceedings under the Companies Act, 2013. During the course of liquidation, a group of creditors discovered that Mr. Kapoor had, through a relative, purchased certain assets of the company at a grossly undervalued price without proper disclosure to the Tribunal. The creditors allege lack of transparency, conflict of interest, and breach of fiduciary duties. In response, Mr. Kapoor contends that the sale was conducted in good faith and in the best interest of the liquidation process. In light of Section 276 of the Companies Act, 2013, examine whether the Company Liquidator can be removed in such circumstances. Examine the grounds for removal, the procedure involved, the role of the Tribunal, and the consequences of such misconduct, including any further action that may be taken against the liquidator.	15	CO2	BT4

PART F: Answer Any 1 Following Questions. 15 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
19	Orion Industries Ltd.'s conduct reflects multiple procedural and substantive violations of Section 135 of the Companies Act, 2013. Firstly, the constitution of the CSR Committee is improper, as a listed company is required to include at least one independent director; restricting the committee to only executive directors defeats the governance and oversight objective of CSR compliance. Secondly, the allocation of CSR funds to a foundation controlled by one of its directors raises concerns of conflict of interest and violates CSR Rules, particularly because activities that primarily benefit employees and their families do not qualify as permissible CSR activities under Schedule VII. Thirdly, the company's failure to spend the prescribed CSR amount, coupled with its omission to transfer the unspent funds to the specified account or fund and its failure to disclose reasons in the Board's Report, constitutes clear non-compliance with statutory requirements. These lapses may attract penalties on the company and its officers in default. Furthermore, the company's justification that reinvestment into business expansion generates employment and indirectly benefits society is inconsistent with the legislative intent of CSR, which mandates direct and accountable expenditure on socially beneficial activities rather than indirect economic contributions. Overall, Orion	15	CO4	BT4

	Industries Ltd.’s actions undermine both the legal framework and the broader objective of ensuring corporate accountability towards social responsibility.			
20	Nova Green Energy Ltd., a listed company in India, publishes an annual sustainability report claiming full compliance with ESG (Environmental, Social, Governance) standards; however, an independent audit reveals repeated environmental violations, dominance of governance by a small promoter group with lack of board independence, selective and misleading disclosures under SEBI’s Business Responsibility and Sustainability Reporting (BRSR) framework, and allegations of “greenwashing” by investors. In this context, critically analyse the legal and regulatory implications of the company’s conduct, discuss the relevance and enforceability of ESG principles in India, and evaluate whether such actions can attract liability despite the absence of a comprehensive ESG statute under the Companies Act, 2013.	15	CO4	BT5

PART G: Answer Any 1 Following Questions. 20 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
21	A minority shareholder in a company alleges that the directors have committed fraud, misappropriated company assets, and issued misleading statements in the prospectus. The shareholder seeks to initiate proceedings and is advised about both a derivative action under the exceptions to the rule in Foss v Harbottle and a class action under Section 245 of the Companies Act, 2013. Evaluate and compare the two remedies on the basis of eligibility to file, nature of wrong, locus standi, statutory thresholds, reliefs available, procedural forum, and the effect of majority ratification, and examine whether both remedies can be pursued simultaneously.	20	CO5	BT5
22	Alpha Tech Pvt. Ltd., incorporated in 2012, failed to commence its business within one year as required under Section 10A and has also not filed annual returns and financial statements for five consecutive years under Sections 92 and 137. The company has further defaulted on repayment of ₹2 crore to creditors, while its directors are alleged to have diverted funds to related-party entities. A group of creditors files a petition for winding up under Section 271 before the NCLT, while simultaneously the Registrar initiates action under Section 248 for striking off the company’s name. Examine the maintainability of the winding-up petition, the interplay between striking off and winding up, the liability of directors, and the remedies available to creditors.	20	CO5	BT5