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Mid Term Examinations - October 2026

Date: 08/10/2026 **Time:** 11:45 AM - 01:15 PM

Course Code: LAW3007 **Course Name:** Company Law - I

Semester: Fifth Semester **Max. Marks:** 50 **Weightage:** 50%

CO - Levels	CO1	CO2
Marks	44	136

PART A: Answer Following Questions. 10 M

Q.N.	Questions	M	CO	BT
1	What is meant by “Previous Company Law” under the Companies Act, 2013? Explain with reference to the relevant statutory provision.	2	CO1	BT1
2	What is meant by entrenchment of provisions in the Articles of Association? Explain the relevant provisions under the Companies Act, 2013.	2	CO1	BT1
3	What restrictions are imposed on the name of a company under the Companies Act, 2013? Explain with reference to the relevant provisions.	2	CO2	BT1
4	Discuss the consequences of an ultra vires transaction with reference to the Companies Act, 2013 and relevant judicial principles.	2	CO2	BT2
5	What is a Government Company? Explain the statutory requirements for a company to qualify as a Government Company under the Companies Act, 2013.	2	CO1	BT2

PART B : Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
6	Ramesh identifies a business opportunity for manufacturing solar panels. He frames the entire scheme, incorporates "SolarTech Private Limited", and gets two close relatives appointed as the only directors. He then sells his own patented technology to the newly formed company at a price far above its market value, without disclosing to the board either his ownership of the patent or the profit he stands to make. Six months later, minority shareholders discover the transaction and wish to challenge it. Examine whether Ramesh can be treated as a promoter of the company and discuss the nature of the duty he owes to the company. Analyse whether the disclosure required by law was actually made, and state the remedies available to the company or its shareholders in case of non-disclosure.	10	CO2	BT4
7	Three friends want to start a business together and are considering registering a company with only two members. One of them separately wants to know whether he can start a company entirely on his own, without any co-founder. They also want to understand what would be required if, at a later stage, they wish to raise capital from the general public. Explain the minimum membership and formation requirements for the different kinds of companies recognised by law, and advise the friends on which form would suit (a) two persons starting together, and (b) one person starting alone. Briefly explain what change would be required if they later wish to raise funds from the public.	10	CO1	BT2

PART C: Answer Any 1 Following Questions. 10 M				
Q.N.	**Questions**	**M**	**CO**	**BT**
8	"Bright Motors Insurance Limited", a newly formed insurance company, wishes to register its name. "Bright Motors Traders Association", an existing and well-known body representing motor traders, objects to the registration, claiming that the similarity in names will deceive the public into believing that the two bodies are connected. Applying the legal principles governing the choice of a company's name, decide whether the objection is likely to succeed. Support your answer with the tests that courts apply to determine whether a name is "calculated to deceive".	10	CO2	BT2
9	The objects clause of "GreenBuild Limited" permits it only to manufacture and sell construction materials. Without amending its memorandum, the directors enter into a contract to help finance the construction of a highway project in a neighbouring country, believing this would indirectly increase demand for the company's materials. The company later wishes to avoid the contract, arguing it was never validly entered into. Analyse whether the contract entered into by the directors is valid or beyond the powers of the company. Discuss the consequences of such a transaction for the company, for the directors personally, and for the third party involved.	10	CO2	BT3

PART D: Answer Any 1 Following Questions. 10 M				
Q.N.	**Questions**	**M**	**CO**	**BT**
10	Mr. Verma owns 99% of the shares of "Verma Textiles Private Limited" and is also its sole managing director. He insures the company's factory building in his own personal name. He also routes some of his personal debts through the company by disguising them as company loans, so as to keep them out of reach of his personal creditors. After a fire destroys the factory, Mr. Verma claims the insurance amount in his individual capacity. Separately, his personal creditors seek to recover their dues by attaching the company's assets. Examine, with reference to the principle of separate legal personality, whether Mr. Verma can succeed in his personal insurance claim. Evaluate whether a court is likely to disregard the corporate structure so as to allow his personal creditors to recover their dues from the company's assets.	10	CO1	BT4
11	The internal regulations of "Skyline Constructions Limited" require the Board to obtain approval at a general meeting before borrowing any large sum of money. A bank lends a substantial amount to the company after the managing director assures it that the required approval has been obtained; in fact, no such approval was ever obtained. The company later refuses to repay the loan, arguing that it was never properly authorised internally. Examine whether the bank can recover the loan from the company, applying the relevant principles governing an outsider's reliance on a company's internal proceedings. Would your answer differ if a director of the bank also sat on the board of the borrowing company and was personally aware that no approval had in fact been obtained?	10	CO2	BT1

PART E: Answer Any 1 Following Questions. 10 M				
Q.N.	**Questions**	**M**	**CO**	**BT**
12	"Orion Limited" appoints Mr. Khan as managing director for a fixed term of eight years, the appointment being made under a resolution that refers to its internal regulations. Two years later, the company changes those regulations by the requisite special majority so as to allow removal of any director, including a managing director, at any time without cause. Mr. Khan is removed a few months later and claims damages for breach of his term of appointment. Evaluate the validity of the change made to the company's internal regulations, and assess whether Mr. Khan is nevertheless entitled to any remedy, despite the company's power to alter those regulations.	10	CO2	BT2

13	An individual with substantial personal income forms four separate private companies and routes his personal investment income through them in the form of "loans" back to himself, so as to pay tax at a much lower rate than would apply to his personal income directly. Evaluate whether the separate identity of these companies is likely to be disregarded by the tax authorities, and justify your conclusion with reference to the underlying rationale for disregarding a company's separate existence in matters relating to revenue.	10	CO2	BT5