



Chhatrapati Shahu Ji Maharaj
University, Kanpur

Answer Script Details
Barcode 7768230

Roll No. 23086004394
Total Mark 61/100.00

Exam LLB_ODD-EXAM-DEC-24
Subject LLB303 - COMPANY LAW

Question wise Mark Summary

Q.No Mark Q.No Mark Q.No Mark Q.No Mark

1A 3/4 9 9/15

1B 3/4

1C 2/4

1D 2/4

1E 3/4

1F 3/4

1G 3/4

1H 2/4

1I 2/4

1J 3/4

2 NA/15

3 9/15

4 NA/15

5 9/15

6 8/15

7 NA/15

8 NA/15

Chhatrapati Shahu Ji Maharaj University Kanpur, Uttar Pradesh

PART-I

Date of Exam: 03/02/25 Shift: I Room No.: 47
 Paper Code: LLB303 Subject: COMPANY LAW Year/Sem: 3rd
 Name of Candidate: ASHRUTI SRIVASTAVA
 Roll No.: 23086004394

Signature of Candidate
Signature of Investigator
 COE Facsimile

PART-II

MARKS OBTAINED										
Q	1	2	3	4	5	6	7	8	9	10
(a)										
(b)										
(c)										
(d)										
(e)										
(f)										
(g)										
(h)										
(i)										
(j)										
Total										
Total Marks in Figures								Max. Marks		
Total Marks in Words										

LLB303
 Paper Code

PART-III

Course: BACHELOR OF LAWS
 Session: 2024-25 Year/Semester: 3rd
 Subject Name: COMPANY LAW
 Medium: English Hindi
 Paper Code: LLB303
 Exam Date: 03022025
 Name of Candidate:
 ASHRUTI SRIVASTAVA
 Father's Name:
 SURENDRA SRIVASTAVA

कॉलेज कोड
College Code

एग्जाम सेंटर कोड
Exam Centre Code

K N O S A A ● 0 0 E B 1 1 1 F D 2 2 2 H J 3 3 3 ● K 4 4 4 L L 5 ● 5 R M 6 6 6 S ● 7 7 7 U T 8 8 8 U 9 9 9 W	K N O S A A ● 0 0 E B 1 1 1 F D 2 2 2 H J 3 3 3 ● K 4 4 4 L L 5 ● 5 R M 6 6 6 S ● 7 7 7 U T 8 8 8 U 9 9 9 W
--	--

एग्जाम का प्रकार
Type of Exam

Regular Ex-Student
 Re-Ex
 Back Paper Exam

ANSWER BOOKLET NO.

7768230

LLB303
Paper Code

PART-IV

Enrolment Number: C S J M A 20000038789

कैंडिडेट का रोल नंबर
Candidate's Roll Number

पेपर कोड
Paper Code

2 3 0 8 6 0 0 4 3 9 4 0 0 ● 0 0 ● ● 0 0 0 0 1 1 1 1 1 1 1 1 1 1 1 ● 2 2 2 2 2 2 2 2 2 2 3 ● 3 3 3 3 3 3 ● 3 3 4 4 4 4 4 4 4 ● 4 4 ● 5 5 5 5 5 5 5 5 5 5 6 6 6 6 ● 6 6 6 6 6 6 7 7 7 7 7 7 7 7 7 7 7 8 8 8 ● 8 8 8 8 8 8 8 9 9 9 9 9 9 9 9 ● 9	LLB303 A 0 0 0 ● 0 0 N B 1 1 1 1 1 1 P C 2 2 2 2 2 2 R E 3 3 ● 3 ● 3 T F 4 4 4 4 4 4 G 5 5 5 5 5 5 Z 6 6 6 6 6 6 7 7 7 7 7 7 8 8 8 8 8 8 9 9 9 9 9 9
---	--

Signature of Candidate

Signature of Investigator

केन्द्राध्यक्ष
 ब्रह्मानन्द कालेज
 C S Kanpur
 COE Facsimile

COE Facsimile

नोट- 1. परीक्षार्थी को निर्दिष्टित किया जाता है कि उत्तरपत्र पढ़ने से पूर्व ध्यान से अधिकांश सभी निर्देशों को सावधानीपूर्वक पढ़ें।
 2. उत्तरपत्र में भरी जाने वाली प्रतिक्रियाएँ सभी तथ्यों से शुद्ध होनी चाहिए। 3. भरोसे की जाने वाली सभी प्रतिक्रियाओं से ध्यान दें।

INSTRUCTION TO THE CANDIDATE FOR FILLING PART-I

1. Read the instructions carefully given on the answer script and admit card.
2. Write Date of Exam, Shift, Paper Code & Name of Subject Correctly.
3. Write Name & Roll No. Correctly.
4. Write Semester & Branch Correctly.

INSTRUCTION TO THE CANDIDATE FOR FILLING PART-III

1. Use blue or black ball point pen for writing alphabets & numerals in boxes.
2. Carefully study the example before you start marking.
3. As shown in the example below, blacken the circles completely.



4. Make no Stray marks on this sheet.

5. DO NOT WRITE OR MARK ON THE BAR CODE.

IN ORDER TO AVOID UFM (UNFAIR MEANS) :

1. The Roll No. and Answer Book no. found elsewhere or any other symbol found in the answer book will be treated as unfair means.
2. Any tampering of Bar Code and Booklet no shall be treated as Unfair Means.
3. Do Not bring the materials like slip of paper/mobile/digital diaries/ study material/ revision notes in examination hall. Possession of the mobiles/ digital diaries/electronic/digital watch and any other electronic gadget except memory less scientific calculator shall be considered as UFM case.
4. Do not keep or paste currency note in answer script it shall be consider as UFM.

अनुचित साधन से बचने हेतु :

1. उत्तर पुस्तिका को निर्दिष्ट स्थान को छोड़कर अनुक्रमिक एवं उत्तरपुस्तिका का उपयोग कहीं और न किया गया कोई भी चिह्न न बनायीं क्योंकि यह अनुचित साधन प्रयोग की परिधि में आता है।
2. उत्तर पुस्तिका को बालकोष्ठ अथवा उत्तर पुस्तिका संख्या पर छेद किए जाने पर अनुचित साधन प्रयोग माना जायेगा।
3. कहीं-कहीं से लिए बालतुं यात्रा न लाये, जैसे लिपे हुए कागज के टुकड़ों, मोबाइल, डिजिटल डायरी, डिजिटल लॉज, काली, चुम्बक या अन्य बालतुं जो अनुचित साधन को अज्ञात करते हैं। संकेत संकेतित उत्तरपत्र में ही केवल लेख विद्युत्-लिखित कोम्प्यूटर से जाने की अनुमति होगी।
4. उत्तर पुस्तिकाओं में काले या लाले में ही उत्तर पुस्तिका में लिखेंगे। ऐसा करना अनुचित साधन प्रयोग की परिधि में आता है।

उत्तरपुस्तिकाओं की भरने दिशा

1. प्रश्न पत्र एवं उत्तर पुस्तिका पर दिये गये निर्देशों को ध्यान से पढ़ें।
2. उत्तर पुस्तिका के दूसरी तरफ लिखें।
3. उत्तर पुस्तिका के पृष्ठों पर टो-टो लिखें।
4. उत्तर पत्र पर अपने अनुक्रमिक को अतिरिक्त लिखें।
5. उत्तर पत्र को एक एक उत्तर पत्र ID संकेतों के पृष्ठों लिखें।
6. अपनी तिथि भरें।
7. उत्तर पुस्तिका के पृष्ठों की संख्या देखें। अगर उत्तर पुस्तिका में पृष्ठ (1-24) से कम है या कटे हुए हैं, तो पत्रों शुरू होने के पूर्व दूसरी उत्तर पुस्तिका से लें।
8. उत्तरपत्र को देख, यदि उत्तरपत्र को लिखें को, लिखें आ-नाम उत्तर पत्र में कोई चिह्न है तो उत्तरके पत्रों पर होने के 30 मिनट के अन्दर एक निर्दिष्ट को उत्तरपत्र लिखें, उसके बाद विद्युत्-लिखित उत्तर लिखें करने नहीं की जायेगी।
9. दूसरी के उत्तर लिखने के लिये पत्रों का प्रयोग न करें।
10. कौ-काली या अतिरिक्त पत्र नहीं लिखें जायेगा।

INSTRUCTION TO THE CANDIDATE

1. Read the instructions carefully given on the Question Paper, Admit Card & Answer Script.
2. Do not write anything on back side of the cover page.
3. Write on both sides of pages of answer book.
4. Do not write anything on question paper except Roll Number.
5. Write Paper Code & Question Paper Id carefully
6. CHECK the number of pages (1-24) or any other kind of damage in your answer script. if found then change the answer script immediately before the commencement of examination.
7. CHECK the Question Paper for any kind of discrepancy e.g. Subject Code, Sub Name, and Question of the Question Paper during first THIRTY MINUTES of the commencement of the exam, so that it can be corrected in TIME. After that no corrections shall be entertained by the university.
8. Do not use pencil for answering the question.
9. Write status correctly e.g. those appearing in carry over papers should fill in status as Carry Over. Those appearing as Ex- Students should fill in status as ex.
10. No supplementary answer book & graph paper will be provided.

INSTRUCTION TO THE CANDIDATE FOR FILLING PART-IV

1. Use blue or black ball point pen for writing alphabets & numerals in Boxes.
2. Use blue or black ball point pen for filling the circles.

	1	8	1	5	4	3	2	1	6	9
0	0	0	0	0	0	0	0	0	0	0
1	●	1	●	1	1	1	1	●	1	1
2	2	2	2	2	2	2	●	2	2	2
3	3	3	3	3	3	●	3	3	3	3
4	4	4	4	4	●	4	4	4	4	4
5	5	5	5	●	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	●	6
7	7	7	7	7	7	7	7	7	7	7
8	8	●	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9	●

Note- If your Roll No. is of 10 digits. Please leave first three columns.



Answer no- 1(a)

A company is a group of association of person having a same interest in the business or any field of art, tech, agriculture and so on. A company is formed by the process which has to be followed. The necessary steps to be taken to form a company. These are -

- formation of a company
- incorporation of a company
- floatation of charges
- commencement of business.

Once the company got incorporated, it becomes a separate legal Entity. It means company can sue or to be sued. Company can purchase or sell property. Separate Legal Entity means company is able to file suit or to be suit. As become become the legal person, so it has got these rights.

Company become a artificial person and it has their own right. It becomes able to purchase share and it has perpetual succession. But to know ^{the} real character behind the company, its ^{reception} rule are to be followed i.e., Lifting of Corporate Veil. When any circumstances happens which is ultra-vires, court use the tool of lifting the corporate veil to know the real character of company.



Answer no-1 (b)

Company is a legal term which is made of 'com' and 'pans'. It generally means the group of (one or more) person having their lunch together in order to discuss on a common topic. On the basis of Registration, there are two types of company.

i) Private Company - sec 2(68) of Companies Act, 2013 defines the Private

Company. A private company -

- cannot transfer its share.
- It is formed by the minimum of two person.
- Word 'Private' or 'Private Limited' should be used.
- In private company the maximum no. of member are 200.

ii) Public Company - sec 2(71) of Company Act, 2013 defines the Public

Company. A Public company -

- other than private company.
- It is formed by the minimum of 7 member.
- In ~~private~~^{public} company there are no limit of maximum no. of members.





Paper Code

LLB303



3

Answer no-1(c)

An Article of Association is a document containing the rules of internal management. According to Sec 2(5) of Company Act,

"An Article of Association is made in pursuance of this act and can be altered from time to time as prescribed in this act."

Article of association is a document containing the internal management of the company. It is ~~more~~ less important than Memorandum of Association.

Essential feature of Article of Association -

- Article of Association must filed with the ROC.
- Article of Association contains the management structure of the company.
- It is subordinate to the Memorandum of Association. It come under the MOA.
- Content of Article of Association must be mention clearly.



Paper Code

LCB303



4

Answer no- 1 (d)

Sec 2(71) of Company Act, 2013 defines the Public Company. Public Company consist of -

- other than private members
- It is formed by the minimum of seven members to form a Public Company.

The minimum limit to form a Public Company is seven member and there is no maximum limit to the members of the Public Company. Public Company issue their share in the public for subscription. Private company does not issue their share in public, they issue their share from friends, known ones, relatives. Public Company has to mention 'limited' with its name and in case of Private Company 'Private limited' Company should be mentioned.



Answer no-1(c)

Sec 2(10) of Companies Act, 2013 defines the Board of Director or Board: "the Board of Directors contains the members of group of Director."

- The company consist of Executive and Non-Executive Director. Executive Directors are called the permanent director of the Company. Non-Executive Director are known as Independent director also.
- Executive Director of a company has Managing Director or Whole time Director. A Managing Director of a company manages the affairs in the company. they are the important organ of the company. they take participate in internal management of the company and all the internal activities of a company.

Duties of Managing director :-

- 1) Managing Director regulates the internal management of the company.
- 2) they can call the meeting and regulates the activities of company.
- 3) they discussed the agenda of the meeting in General Meetings.



Answer no-1 (f)

Share capital of a company means the value which generate from the subscribing of share by the public company. Share is the small unit of a capital and it is generally issued to subscribe by public.

Kinds of Share Capital -

- 1) Authorised Share Capital - The share which is authorised by company to issue. It is also called Nominal share.
- 2) Issued Share - The share which is issue for subscription by the public.
- 3) Subscribed Share Capital - The value of issued share for which the public subscribed.
- 4) Called Paid up Share Capital - The amount of subscribed share which is paid.
- 5) Called up Capital - The share which is called by the company to subscribe is called up capital and the remaining is Uncalled Capital.
- 6) Unpaid Share Capital - The remaining amount of subscribed paid up share. Called Unpaid share capital.
- 7) Reserve Share Capital - Some capital reserve by the company and use when the company wind up, called Reserve Share Capital.



Paper Code

LLB303



7

Answer no- 1 (g)

Share of the company is defined as the smallest unit of capital and which is issued to the public for subscription. About 90% of the share are subscribed by the comp public to be issued. There are two kind of shares—

1) Equity shares — In equity share, shareholders have voting rights or differential rights. Equity share are not get dividends in first order. they have high risk or high profit. any circumstance would be happenend. they are the owner of company. they will not get ~~any~~ preference in first order. they get the dividends at last when the preference order will fulfill.

(ii) Preference share — In preference share, person get dividend in first order. they are not the owners of the company. they get ~~any~~ when they are not getting dividend in one year. they can also converted preference share into equity share. further preference share can be classified as—

- (i) Commulative and Non Commulative Preference Share
- (ii) Redeemable and Non-Redeemable Share
- (iii) Convertible and Non-Convertible Share



Paper Code

LLB303



8

Answer no-(h)

Once the company get incorporated, It is able to act as separate legal entity. Company has so many rights once it incorporate. Company is able to transfer its property, can be sue and sue, has perpetual succession and many more rights. The effect of Certificate of incorporation are —

- 1) Separate Legal Entity
- 2) Perpetual Succession
- 3) Transferability of share
- 4) Can be sue and sued
- 5) Limited Liability
- 6) Corporate Personality.

- Separate Legal Entity — Company become a separate legal entity and it has got legal rights.
- Perpetual Succession — Once the member of company expire, the company remain exist. there is no effect on it.
- Limited Liability — Company is limited by share or Guarantee. It is limited to that extent only.



Paper Code

LTB 303



9

Answer no- 1 (i)

Debentures are the amount which is get by a person in behalf of a loan. It is not similar to the interest because interest is charged on a loan by specific percent but the debenture can generate differentially. Its value is not fixed per year. As the interest is fixed before giving loans, debenture is not fixed and it is produced by the means of an loan which is given to a person.





Answer no-1(j)

Shareholder of a company is a person who acquiring the share of the company. He is a member of the company and participates in internal activities of the company. A shareholder of a company is a member of a company but the member cannot be shareholder of company. The rights of the shareholders are -

- i) Voting right :- Shareholders are the members of the company. So they have right to vote in meetings of the company.
- ii) file a petition :- Shareholder can file a petition in case of oppression and mismanagement cause in the company.
- (iii) Right in Shares - As they purchase the share of the company. So they have right to forfeiture of share & transfer share.
- (iii) Right to appoint Proxy :- Shareholder can appoint proxy if they want are unable to attend the meeting of the company. They give have the right to appoint proxy in that case.



Paper Code

LCB303



11

Section - B

Answer no - (3)

Membership of Company -

Any person can become a member of a company by purchasing the share of a company or by other means also. Member of a company is a person who takes part in the activities of the internal management of the company.

Who can Become a Member of Company?
Member of a Company will be formed if a person —

- are of sound mind.
- are not adjudicate insolvent.
- major (above 18 years of age)
- not deal with the legal proceedings.
- not refused to become as member by the Tribunal or Court.
- Any other reason as may be prescribed under this Act.





Disqualification to become a Member of Company —

There are following grounds which make the person disqualified to become a member —

- by forfeiture of share. (unlawful means)
- by cessation of membership
- by lien of share. (unlawfully)
- insolvency
- death
- any unlawful act.

How to become a Member of Company?

→ By A person can become a member of company by following means —

- 1) By Transferability of Share — A person can become a member of a company to take the transfer share of a company.
- 2) By purchasing a share — to purchase a share of a company a person can become a member.
- 3) By special Resolution — to pass a resolution which is special Resolution, a person can become a member of the company.



Compliance → the name of the member must be submitted to the ROC within 15 days.

Difference between the Members and Shareholder.

1) A member of a company has some other rights which is not provided to the Shareholder.

Shareholders are the person who holds the share of the company, so they have rights to that extent only.

2) To become a member of the company, a person can have a no. of procedure to become and to become a shareholder of the company, a person must have to buy the shares ✓ to the company.

3) Members of a company have their ownership and Proprietary right to the company but the shareholders cannot have these rights.

4) Shareholders are the members of the company but the members are not the Shareholders of the company. ∴



Paper Code

LCB303



14

5) A member of a company has its broad scope whether the shareholder has come in the ambit of the member of the company.

thus, we can say that the scope of member is ~~narrower~~ broader than the scope of shareholder in the company.

Answer no. → (5)

Company is a group of association of person having the same interest in business or any field. once the company get incorporated it become a separate legal entity. It can be sue or being sued. So when the dispute occur in the company, the National Company Law Tribunal helps to resolve the dispute in corporate matters.

Formerly the dispute of corporate matter was resolved by the Common Law Courts. But after the Amendment the dispute regarding the corporate matter filed in the National Company Law Tribunal.

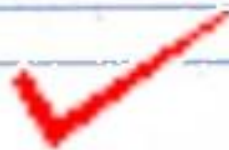


Constitution of National Company Law Tribunal.

The members of the NCLT are consist of—

- 1) President— who is the judge of the High Court.
- (ii) Technical Members— Technical Members can be appoint in either ways—
 - a) a corporate lawyer having an experience of more than 15 years, or
 - b) a Chartered Accountant having an experience of more than 15 years, or
 - c) a Cost Accountant having an experience of more than 15 years, or
 - d) a Company secretary having an experience of more than 15 years.
 - e) a judicial member having the interest of law, trade, technical, industrial and also work as the joint secretary under Central Govt.
 - f) A corporate person who become corporate lawyer under the Industrial Dispute Act.

Term— The term of these members are of 5 years and they are not more than age of 70 years of age.





When the company's disputes occur the any of the member can file a petition under National Company Law Tribunal.

A NCLT Petition can be filed under NCLT by :-

- ① the member of company.
- ② the Registrar of Company
- ③ any authorised person by the Government.
- ④ by the central or state Government.

The National Company Law Tribunal has option to -

- dismiss it.
- or proceed it
- any other decision as they may take.

Role of National Company Law Tribunal -

- 1) To solve the Dispute - ✓ An order to solve the dispute in the company, a person can file a petition in NCLT when the oppression and mismanagement cause in the company.
- 2) Appoint the Official Liquidator - When the company ~~is~~ is about to wind up, an official liquidator will be appointed by the Tribunal to pay the debts and liabilities.



3) Remove the Directors - If any of the Directors acts ultra-vires and breach of contract, then the Tribunal has a right to remove the directors from the company.

4) Any order beneficial for Company - If anyone file a petition to wind up the company in Tribunal, the Tribunal gives an appropriate time to present all the proof and if necessary, it provide remedy to the company so that company can work properly.

Thus, these are the role of the Tribunal. If National Company Law Tribunal (NCLT) ordered and an aggrieved party want to appeal then he may go to the National Appellate Tribunal. If they further want to appeal then he may go to the Supreme Court for further appeal.



Section-C

ANSWER-(6)

The Director of the company is the main organ of the company. Director is the soul of the company. A company cannot run without the member. Thus, the Directors are the main and important organ to run the management of the company.

According to Gower, "Director are the main organ of the company who administers the company."

Director are the important person as the company cannot run on its own.

Sec 2(10) of Companies Act, 2013, defines the Board or Board of Directors. It says "Board of Directors are the association of directors or the group of directors."

Who can become a Director of Company? - A person who want to become a member of company, he must -

- (i) completed the age of 18 years (major)
- (ii) ~~was~~ sound mind.





- (iii) not an adjudicating insolvent.
- (iv) not an undischarged insolvent (whose legal proceeding are going on).

Disqualification to become a Director -

There are some grounds by which a person cannot become a Director in the Company -

- stuck in legal matter.
- imprisonment of 6 month - A person cannot become a ^{director} member for 5 years.
- criminal liability and imprisonment - A person cannot become a Director of the Company.

Appointment of Directors -

1) First Director - first directors are appointed by the company as the company incorporated. His name is mentioned in the MOA.

2) Independent Directors - There are $\frac{1}{3}$ rd of the directors are must be independent directors.

3) Appointment by Board -

- (a) Additional Director 162(1) - additional director till ^{next} AGM
- (b) Alternate Director 162(2) - when ceases, they appointed.



(c) Women Director - A company must be appoint a woman director in case of public listed company.

Duties of the Director -

1) Statutory Duty :-

- (i) Director acts as a trustee of the company. He has maintain a fiduciary relation with company.
- (ii) Director called the meeting of the company.
- (iii) Directors have the voting rights. He has right to vote.
- (iv) He has to manage the shares, buybacks, internal management of the company.

2) Common Law Duty :-

- (i) Director must act in good faith and malafide reason.
- (ii) Some time Director act as an employee of the company because he has full time worker of the company.
- (iii) Director must act in the intra vires of the act.
- (iv) Director cannot make fraud and misrepresented the other members of the company.



Powers of Directors —

- 1) The Director may file a petition to National Company Law Tribunal if any chaos happened and the mismanagement cause in the company.
- 2) Directors are the legal representative of the company so he can take part in legal proceeding in behalf of the company.
- 3) If any act done which is Intra vires but not mention in the MOA and AOA, he can satisfy the act and make it applicable.
- 4) If any ultra vires property acquired through investment then he can give his assent to applicability of that act. But it is not followed in the ultra vires acquired property through transaction.

Liabilities of Directors —

- 1) If a person purchase share by reading the MOA and AOA and it contains any misleading thing then the directors are personally liable.
- 2) When the company wind up, the directors are liable to the extent.
- 3) If fraud, misrepresentation done under the authority of the Director, the Director are personally liable for it.





Answer - (8)

The Memorandum of Association is an important document which is submitted to the ROC. It is the object of the company. It contains the scope and objective of the company for which the company works.

Sec 2(56) of Company Act, 2013 defined Memorandum of Association. It says —
“A Memorandum of Association is made in pursuance of this act and can be altered from time to time as may be prescribed.”

The Memorandum contain the main scope and objective of the company. To read MOA, a person can make sure to buy share or do any activity with the company or not.

Sec-2 of the Company Act, 2013 defines the word 'Alteration'. Alteration means adding, dismiss, or ratify. The Alteration of Memorandum is a crucial process. To alter the MOA, the following steps can be taken —

- 1) Name Clause — ✓ Name clause can be altered by passing the special resolution.



- If the name is similar kind of then the Central Government ordered to change the name.

2) Registered Clause - To change the residential address of the company. from one place to other it must be inform to the ROC.

- If the residential address change where the other ROC are ~~para~~ under control then it must be signed by the creditors.
- If the change take place between the state then it must be approved by the central govt. ~~and~~ also After 15 days, new certificate will be issue.

3) Object Clause - The alteration in the objective of the Public Company can't take place. because it will affect the right of the member and shareholders.

4) Liability Clause - In case of limited to Unlimited liability, it can't possible to change ~~to~~ ~~it~~ it affects the right of the members and shareholders. But in case of limited by guaranteed or limited by share it can change by passing an special resolution.



Paper Code

LCB303



24

Thus, these are the legal provisions which are related to the alteration of the Memorandum of the Association. To change or alter the content of Memorandum of Association is a crucial process. It can be altered by taking the time and so many procedure as compared to the Article of Association.



Do Not Write anything in this Portion