

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Corporate Law
Semester-I (Batch: 2019-20)

LL.M. End Semester Examination: November 2019

Date: 13th November, 2019

Duration: 3 hours

Max. Marks: 50

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write any thing on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

PART - A

Marks

Q.1 Answer the following:

(5+5
=10)

- (a) Write the existing legal procedure to incorporate a company in India.
- (b) Analyse the following concepts with examples:
 - i. Doctrine of Constructive notice.
 - ii. Doctrine of Ultra Vires

Q.2 The share holdings of Ankola group (group of family members) and M/s Ciktem Ltd (a company) in a company M/s MaxT Ltd. are 33% and 40 % respectively. The registered office of M/s MaxT Ltd is situated at Mumbai. Both the parties (Ankola group and M/s Ciktem Ltd) have entered into an agreement for the supply of cement by Ankola group to the M/s Ciktem Ltd. One of the condition in the agreement was that M/s Ciktem Ltd. will make payment within 30 days from the date of delivery of the cement. A dispute arose between them related to non-payment and quality of cement. M/s Ciktem Ltd. insisted to go for arbitration as there was an arbitration clause in the agreement. The Ankola group did not prefer arbitration. M/s Ciktem Ltd invoked the arbitration clause and the Ankola group approached the Board of Director of M/s MaxT Ltd. The Board of Director tried to reconcile the matter but failed. The Ankola group wants to file a petition for oppression and mismanagement against M/s Ciktem Ltd.

- (a) What would be the jurisdiction for filing the petition by Ankola group? (01)
- (b) Being the corporate advocate for M/s Ciktem Ltd, defend your company with the support of the principles of company law. (02)
- (c) Whether the Ankola group is eligible to file the petition? (02)
- (d) Write conceptual note on 'oppression and mismanagement' with the analysis of decided cases. (05)

Q.3 Write an analytical note on the following: (Any one)

(05)

- (a) The Insolvency and Bankruptcy Code, 2016.
- (b) Winding up procedure.

PART -B

Q.4 'The conduct of auditors as watchdogs in the last decade have raised many eyebrows. Government seems to be seriously concerned regarding strengthening corporate governance in this regard. Regulatory conflicts and overlaps pose its own kind of

(10)

problems. In the prevailing confusion, misconducts of even serious nature, either get overlooked or draw inadequate response.'

Discuss the genesis and rationale behind establishing National Financial Reporting Authority (NFRA). How far it is expected to fulfill its mandate in the light of relevant provisions and experiences?

- Q.5 'Independent directors act as a guide to the company. Their roles broadly include improving corporate credibility and governance standards functioning as a watchdog, and playing a vital role in risk management. Independent directors play an active role in various committees set up by company to ensure good governance.' (10)

'The strengthening of the role of independent directors in the Companies Act, 2013, is actually an example of true legislative consensus reached after three years of detailed deliberation by a Parliamentary Standing Committee. In terms of the process involved, it was a model law having had the maximum amount of scrutiny, discussion and legislative debate.

Independence of 'Independent Directors' has proved elusive time and again. Analyse the efforts made to ensure independence in the light of the above-mentioned statements.

- Q.6 The Companies Act 2013 provides legal framework for Mergers. Discuss its salient features. Analyse the judicial approach in redressing the issues confronted in the process. (05)

OR

Discuss, with suitable examples, as to what extent and with what restrictions, the Companies Act 2013 permits Buy Back of Shares. (05)
