

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

**Course: Corporate Law I
Semester-VI (Batch: 2017-22)**

End Semester Online Examination: February 2021

Date: 8th February, 2021

Duration: 8 hours

Max. Marks: 50

Instructions:

- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.
- Prescribed Word Limit: 10 Marks:550-600 words, 8 Marks:500-550 Words, 4 Marks: 280-300 Words, 2 Marks: 80-100 Words.

- | | | Marks |
|-----|---|-----------------|
| Q.1 | <p>The company ABC Ltd., is the holding company of three subsidiary companies namely XYZ Ltd., MNP Ltd. and TMC Ltd. There is a dispute between shareholders of the company ABC Ltd. One of the shareholder Mr Mann holding 12.73% of equity share capital in ABC Ltd. wants to file a petition against the act of the majority shareholders. The ABC Ltd. wants to file petition/s against the three subsidiary companies in the capacity of shareholder on various issues.</p> <p>Further, a shareholder (Mr Taxim) of ABC Ltd. wants to file a complaint against the directors of the company on the ground of fraud. (Presume that the fraud involves an amount of 9 Lakh and not involves public interest).</p> <p>The registered offices of the companies are situated at the following places:</p> <p>ABC Ltd: Kolkata
XYZ Ltd: Hyderabad
MNP Ltd: Aizawl
TMC Ltd: Port Blair</p> <p>Read the above fact and answer the following:</p> <p>a) Decide the jurisdictions to file the petition/s by Mr Mann, ABC Ltd., and complaint by Mr Taxim mentioning the relevant provisions of the Companies Act, 2013.</p> <p>b) Write a note on the legal framework related to jurisdiction in company law and practice mentioning the hierarchy and appeal procedure in accordance with the provisions of the Companies Act, 2013. Mention at least three emerging challenges with the Adjudicating Authorities in India.</p> | <p>(2+8=10)</p> |
| Q.2 | <p>Write a research note on ‘Corporate Governance and Accountability’ in accordance with the provisions of the Companies Act, 2013 and relevant rules and regulations mentioning the following:</p> <ul style="list-style-type: none"> • Composition of the BOD • Independent Director | <p>(10)</p> |

- Woman Director
- Related Party Transactions
- SEBI-LODR Compliances

Q.3 Read the attached document (Public Announcement for Information Purpose by Burger King India Ltd) and answer the following with the analysis of relevant provisions of the Companies Act, 2013. (5x2=10)

- a) It is mentioned in the attached document that it is a public announcement by Burger King India Ltd for information purpose only not a prospectus. Why this document can't be called as a Prospectus? Write the characters of a prospectus.
- b) Presuming it (the attached document) as an abstract of prospectus, if Burger King will send the document to all the students of your batch (approximately 180), with an invitation to subscribe the shares of Burger King, would it be considered as Public Issue? Write the difference between Public Issue and Private Placement.

Q.4 a) Write two examples of Oppression with legal analysis. (4x5=20)

- b) Write two examples of Mismanagement with legal analysis.
- c) There are three groups (members of a joint family) of shareholders in the company M/s MagnetP Ltd in addition to others. Group 1 holds 22 % of equity share capital, group 2 holds 8.5 % of equity share capital and group 3 holds 29.5 % equity share capital. All of them have entered into an agreement with few conditions. One of the conditions was, each group will nominate a director to the BOD of M/s MagnetP Ltd. in spite of the shareholding. All the three groups have been maintaining good relation, since the signature of the agreement. A dispute started between the three groups. Group 1 and group 3 did not vote in favour of the candidate nominated by group 2 to be appointed as a director. Group 2 wants to file a petition u/s 241 of the Companies Act, 2013 for breach of the agreement.

On the basis of the above fact, answer, 'Whether group 2 will succeed, if a petition will be admitted by the NCLT u/s 241?

- d) In the above question (QC), whether group 2 is eligible to file a petition u/s 241? Yes/No- justify.
- e) Critically analyse the TATA-MISTRY legal controversy highlighting the legal issues and order of the Adjudicating authorities.
