

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: **Corporate Law**
LL.M. Semester-I (Batch: 2014-15)

LL.M. End Term Examination: November-2014



Date: 17th November, 2014

Duration: 3 hours

Max. Marks: 70

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 anything 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 “The doctrine of piercing the veil allows the court to disregard the separate legal personality of a company and impose liability upon the persons exercising real control over the said company. However, this principle has been and should be applied in a restrictive manner, that is, only in scenarios wherein it is evident that the company was a mere camouflage or sham deliberately created by the persons exercising control over the said company for the purpose of avoiding liability. The intent of piercing the veil must be such that would seek to remedy a wrong done by the persons controlling the company. The application would thus depend upon the peculiar facts and circumstances of each case.” (10)
- Analyse the above statement in the context of corporate governance in India.
- Q.2 Independent directors were included as integral part of corporate governance reforms in order to strengthen the regulatory framework in many jurisdictions. However, the problems continue despite the presence of independent directors on the board of directors. Indian experience is no different in this regard. Experts point out that time has come to look beyond independent directors as they have failed to do what was expected from them. (10)
- Critically evaluate the above-mentioned statement.
- Q.3 It has become fashionable these days to talk of Corporate Social Responsibility (CSR). Everyone talks about it. It is shown to be panacea to all the problems which afflict our contemporary society. Debate about CSR is continuing since the last century at the international level and international community has moved forward in the direction of consolidating CSR regime. With the enactment of Companies Act 2013 in India, an entirely new dimension is added to the debate. (10)
- Discuss the development of CSR at the international level and how far, in your opinion, provisions regarding CSR in the Companies Act 2013 as well as rules therein carries forward the mandate of the international community.

Part-BAnswer **any two** of the following:

- Q.4 Analyse the concept of corporate restructuring. Write the procedure for a Court based merger in India as per the provisions of the companies Act, 1956. Explain the following mergers. (10)
- Horizontal Merger
 - Vertical Merger
 - Conglomerate Merger
- Q.5 a. A company M/s ROLANDO Gh Ltd. is a public company. The company wants to raise fund from the public through the Public Issue. The issue size is 500 crores. The registered office of the company is situated at Rajkot. (7+3=10)
Write the detailed procedure of public issue for the company M/s ROLANDO Gh Ltd. in compliance with the requirements under the companies Act, 2013 and the ICDR regulation of SEBI.
- b. The company M/s ROLANDO Gh Ltd. is intending to invite 198 persons who are the friends and relatives of the employees, directors and promoters of the company to raise an issue size of 1000 crores without issuing the prospectus.
Whether the company can do so? Substantiate your answer with the help of relevant principles of company law.
- Q.6 A, B, C, D are four brothers. They have a family run business. They want to incorporate a public Ltd. company. (6+4=10)
- The authorized paid-up capital of the company is 20,000 Crore.
 - The company's registered office will be situated at Bangalore.
 - All of them with their wives will subscribe the MOA.
 - The suggested name of the company by them is M/s Hitachi Electronics Ltd.
 - They are intending to distribute the electronic products in the name of Hitachi by incorporating the said company.
 - They are intending to start the other businesses like textile, sale and distribution of the imported electronic products etc. in future.
 - The company's liability will be limited by shares.
- Being the corporate advocate, advise the above members about the procedure and the legal requirements for the incorporation of the company.
 - Draft the Memorandum of Association of the above company.

Part-C

- Q.7 Distinguish **any two** of the following: (2x5=10)
- Memorandum of Association and Article of Association
 - Doctrine of Constructive Notice and Doctrine of Indoor Management
 - Compulsory Banking Merger and Voluntary Banking Merger
- Q.8 Write short notes on **any two** of the following: (2x5=10)
- Winding up
 - Doctrine of Ultra Vires
 - Prospectus
