

Roll No: -----



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May, 2018

Program: B.B.A., LL.B. (Corporate Law)

Semester – VI

Subject (Course): Corporate Governance (Hons.)

Max. Marks : 100

Course Code : LLBL 451

Duration : 3 Hrs

No. of page/s: 3

Section-A

Answer the following

10 Marks (5×2)

1. What is the minimum composition requirement of Nomination and Remuneration Committee under Companies Act, 2013 ?
2. What is the required composition of Stakeholders Relationship Committee?
3. Whether company secretary is “key managerial personnel” or not. (Yes/No)
4. Which companies are mandated to have a Small shareholder’s director on BoD as per the Companies Act, 2013?
5. Which companies are mandated to have Audit Committee under Companies Act, 2013 ?

Section-B

Write notes on the following:

20 Marks (4×5)

6. German Corporate Governance system
7. Political Contribution by Companies
8. Related Party Transactions
9. Class Action Suits under the Companies Act, 2013

Section-C

20 Marks (2×10)

10. Provide an overview of corporate Governance under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
11. Evaluate the changed scenario of corporate governance in the USA after the Sarbanes Oxley Act.

Section-D

50 Marks (5×10)

Case Study: ABC Ltd., an Indian Company has a Board of Directors consisting of 15 male directors. The board has 10 executive directors and 8 non-executive directors. Out of these 8 non-executive directors, 6 are independent and 1 is woman. The Chairperson of the BoD is the MD of the company.

The Board has Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Environment Committee, Ethics Committee and Share Transfer Committee.

The composition of the committees and record of their meetings is as under:

Committee	No. of Members	No. of Non-executive directors	No. of Independent Directors	Chairperson	No. of Meetings held in calendar year
Audit Committee	6	5	3	Independent Director	2
Stakeholders Relationship Committee	5	4	2	Independent Director	2
Nomination and Remuneration Committee	5	4	2	Non-Executive Director	2
Environment Committee	3	-	-	Executive Director	2

Ethics Committee	4	2	1	Non-Executive Director	1
Share Transfer Committee	4	2	1	Non-Executive Director	1

The company has held 6 meetings of BoD on 20th of January, April, June, July, October and November in the year 2018.

Based on the above facts, answer the following questions:

- a) Analyse the Corporate Governance compliance status and consequential effect of non-compliance (if any) to ABC Ltd. as on March 31, 2018, if ABC Ltd. is an unlisted public company in India.
- b) Make suggestions to POR Ltd. to improve its corporate governance performance as an unlisted company under the Companies Act, 2013.
- c) Analyse the Corporate Governance compliance status and consequential effect of non-compliance (if any) to ABC Ltd. as on March 31, 2018, if ABC Ltd. is a public company listed at NSE Ltd., India.
- d) Make suggestions to POR Ltd. to improve its corporate governance performance as a listed company.
- e) Which activities under the provisions of the Companies Act, 2013 may assist ABC Ltd. in meeting its corporate social responsibility as an additional suggestive measure?

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Section-A

Answer the following

10 Marks (5×2)

1. CII Code was voluntary in nature. True/False
2. Enlist the key managerial personnel as per the Companies Act, 2013.
3. Which Companies must have a Nomination and Remuneration Committee as per the Companies Act, 2013?
4. Which Companies need to have an Audit Committee as per the Companies Act, 2013?
5. Which schedule of Companies Act, 2013 guides the duties of Independent Directors?

Section-B

Write notes on the following:

20 Marks (4×5)

6. Agency theory
7. Stakeholders' Relationship Committee
8. Nomination and Remuneration Committee
9. Auditing Standards in India

Section-C

20 Marks (2×10)

10. Critically analyse the role of independent directors under the Companies Act, 2013.
11. What are the prominent features of the Japanese corporate governance system?

Section-D

50 Marks (5×10)

Answer following questions while citing relevant provisions of law:

Case Study: XYZ Ltd. is an Indian Company listed on the NSE. The company's board has 10 male directors consisting of 4 executive directors and 6 non-executive directors. Out these 6 non-executive directors, 3 are independent.

The BoD met 5 times on 15th of February, May, June, September and October respectively in the calendar year 2018.

The Board has Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Environment Committee, Ethics and Compliance Committee and Share Transfer Committee.

The composition of the committees and record of meetings is as under:

Committee	No. of Members	No. of Non-executive directors	No. of Independent Directors	Chairperson	No. of Meetings held in the Calendar year
Audit Committee	4	3	2	Independent Director	3
Nomination and Remuneration Committee	3	2	1	Non-Executive Director	1
Stakeholders Relationship Committee	4	3	2	Independent Director	3
Environment Committee	1	-	-	Executive Director	1

Ethics and Compliance Committee	2	1	-	Non-Executive Director	1
Share Transfer Committee	2	1	-	Non-Executive Director	1

Based on the above facts, answer the following questions:

- a) Analyse the Corporate Governance compliance status and consequential effect of non-compliance (if any) to XYZ Ltd. as on March 31, 2018, if XYZ Ltd. is an unlisted public company in India.
- b) Make suggestions to XYZ Ltd. to improve its corporate governance performance as an unlisted company in view of the Companies Act, 2013.
- c) Analyse the Corporate Governance compliance status and consequential effect of non-compliance (if any) to XYZ Ltd. as on March 31, 2018, if XYZ Ltd. is a public company listed at NSE Ltd., India.
- d) Make suggestions to XYZ Ltd. to improve its corporate governance performance as a listed company.
- e) Which activities under the provisions of the Companies Act, 2013 may assist XYZ Ltd. in meeting its corporate social responsibility as an additional suggestive measure?