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**Presidency University**

**Bengaluru**

**SCHOOL OF LAW**

**Make-Up Examinations, July 2024**

**Winter Semester**: VI

**Course Code**: LAW302

**Course Name**: Corporate Governance

**Date**: 08/07/2024

**Time**: 9:30AM -12:30PM

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Do not write any matter on the question paper other than roll number.*
3. *x*

**Part A**

**Answer any 4 Questions. Each question carries 5 marks. (4Qx 5M= 20M)**

1. Write short note on Shareholder’s basic rights.
2. Advise a promoter of a listed company methods through which promoter can trade legally under insider trading regulations of SEBI.
3. Explain how related party transactions can be manipulated?
4. What is the eligibility of an independent director as per the Companies Act, 2013?
5. Highlight at least three distinct provisions under the Companies Act, 2013 to oversee auditing process to ensure minimization of corporate frauds.
6. Enumerate various duties of directors as per Section 166 of the Companies Act, 2013.

**Part B**

**Answer any 4 Questions. Each question carries 10 marks. (4Qx10M=40M)**

7. Analyze the duties of a company’s director in India.

8. Discuss the purpose of the Stakeholder relationship Committee along with its functions.

9. Explain one private placement regulation violations in India with detailed facts?

10. Advise a private client on compliances required in preparing a trading plan under SEBI (Prohibition of Insider Trading) Regulations, 2015

11. “Directors are trustees of the company” Critically analyze statement.

12. “Independent Directors are puppets” Critically analyze the statement.

**Part C**

**Answer any 2 Questions. Each question carries 20 marks. (2Qx20M=40M)**

13. Case Study: XYZ Ltd. is an Indian Company listed on the BSE. The company’s board has 12 directors consisting of 5 executive directors and 7 non-executive directors. Out of these 7 non-executive directors, 3 are independent. The BoD met 5 meetings of on 5 th of February, May, June, September and October in the year 2023. Its paid-up capital is Rs. 35 crore, and turnover for year 2022-23 was Rs. 25,000 crore. It has around 950 shareholders, debenture-holders, and depositholders. Suggest the board committees (with minimum composition requirement) to be constituted by XYZ Ltd.

14. The DHFL scandal was the biggest corporate fraud of 2019, and is still under investigation. It is a classic case of meddling with the books. In this case, the “Bandra Books” were at the centre of the massive corporate fraud which is still under investigation. The supposed Bandra branch for which a parallel set of books exist, does not exist in reality. A forensic report declared: “out of the Rs. 23,815 crores shown as disbursed to Bandra Book entities in the accounts of the Company, only Rs. 11,755.79 crores was actually disbursed” to 91 entities, but was portrayed as comprising 2,60,315 home loan accounts. In fact, when the auditor “verified some of these “91 entities”, it was found that 34 of them had invested part of the loan amount back into companies linked with DHFL. According to SEBI, if the fake income in the Bandra books is taken out, DHFL has been making losses for years. The fraud has allowed DHFL to raise a whipping Rs. 24,000 crores through public issue of debt securities. Highlight the corporate governance principles violated in this case study. Also, suggest at least three measures to prevent these violations.

15. A public listed company into technology sector is being acquired by another huge tech company. The takeover is not friendly. Advise the target company on various takeover defenses that can be taken.