

Name:	
Enrollment Number:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
Online End Semester Examination, June 2021

Course: Corporate Governance
Program: LL.M
Course Code: CLCC7009

Semester: II
Time: 03 hrs.
Max. Marks: 100

SECTION A
Each Question carries 5 Marks

	Question	CO
Q1	What do you understand by ‘separation of ownership and control’ in Corporate Governance	CO 1
Q2	Enumerate the theories of Corporate Governance	CO 2
Q3	SEBI’s consultation paper on review of regulatory provisions related to Independent Directors proposes that “Appointment and re-appointment of IDs shall be subject to “dual approval” - Explain	CO 3
Q4	Is ‘corporate governance’ norms different for the State Owned Enterprises (SOEs)? Why?	CO 2
Q5	Enumerate the key questions of Law decided by the Supreme Court in <i>Tata Mistry Case</i>	CO 1
Q6	Discuss the ‘Principles governing disclosures and obligations’ provided in SEBI LODR	CO 3

SECTION B
Each Question carries 10 marks

Q7	<i>OECD: “Corporate governance involves a set of relationships between a company’s management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.” Reflect upon your idea of ‘corporate governance’.</i>	CO 1
Q8	Discuss the role of Ministry of Corporate Affairs in enhancing ‘corporate governance’ regulations and compliance in India	CO 2
Q9	<i>“Efficient corporate governance requires a clear understanding of the respective roles of the Board and of senior management and their relationships with others in the corporate structure. The relationships of the Board and management shall be characterized by sincerity; their relationships with employees shall be characterized by fairness; their relationships with the communities in which they operate shall be characterized by good citizenship; and their</i>	CO 3

	<p><i>relationships with government shall be characterized by a commitment to compliance.” - Corporate Governance Guidelines of Wipro Ltd.</i></p> <p>Write a detailed note how the company works on their relationships with the communities in which they operate. Explaining Business Responsibility Reports (BRR), comment whether it has contributed to this mission.</p>	
Q10	Kotak Committee on Corporate Governance provided for the ‘principles of the change agenda’, which were guided by three conceptual underpinnings. Discuss	CO 3
Q11	You are Company Secretary of a listed company. You have been asked to prepare report on corporate governance to be included in the annual report of the company. Briefly explain the major contents of such report.	CO 2
<p>SECTION C Each Question carries 20 marks.</p>		
Q12	<p>On 24th June 1987, Satyam Computer Services Ltd (Popularly known as Satyam) was incorporated by the two brothers, B Rama Raju and B Ramalinga Raju , as a private limited company with just 20 employees for providing software development and consultancy services to large corporations (the company got converted into public in 1991). During the year 1996, company promoted four subsidiaries including Satyam Renaissance Consulting Ltd, Satyam Enterprise Solutions Pvt. Ltd., and Satyam Infoway Pvt. Ltd. Satyam Computer Services Ltd in 1997 was selected by the Switzerland-based World Economic Forum and World Link Magazine as one of India's most remarkable and rapidly growing entrepreneurial companies. Satyam Infoway (Sify), a wholly owned subsidiary of Satyam Computer Services Ltd, was the first Indian Internet Company listed on NASDAQ. Mr. B. Ramalinga Raju, Chairman of Satyam, was awarded the IT Man of the Year 2000 Award by Dataquest. In 2001, Satyam became world’s first ISO 9001:2000 company to be certified by BVQI. In 2003, Satyam started providing IT services to World Bank and signed up a long term contract with it. In 2005, Satyam was ranked 3rd in Corporate Governance Survey by Global Institutional Investors.</p> <p>Problems in Satyam begin when on December the 16th, 2008; its chairman Mr Ramalinga Raju, in a surprise move announced a \$1.6 billion bid for two Maytas companies i.e. Maytas Infrastructure Ltd and Maytas Properties Ltd saying he wanted to deploy the cash available for the benefit of investors. The two companies have been promoted and controlled by Raju’s family. The thumbs down given by investors and the market forced him to retreat within 12 hours. Share prices plunges by 55% on concerns about Satyam’s corporate governance. In a surprise move, the World Bank announced on December 23, 2008 that Satyam has been barred from business with World Bank⁴ for eight years for providing Bank staff with “improper benefits” and charged with data theft and bribing the staff. Share prices fell another 14% to the lowest in over 4 years. The lone independent director since 1991, US academician Mangalam Srinivasan, announced resignation followed by the resignation of three more independent directors on December 28 i.e. Vinod K Dham (famously known as father of the Pentium and an ex Intel employee), M Rammohan Rao (Dean of the renowned Indian School of Business) and Krishna Palepu (professor at Harvard Business School). At last, on January 7, 2009, B. Ramalinga Raju announced confession of over Rs. 7800 crore financial fraud and he resigned</p>	CO 4

as chairman of Satyam. He revealed in his letter that his attempt to buy Maytas companies was his last attempt to “fill fictitious assets with real ones”. He admitted in his letter, “It was like riding a tiger without knowing how to get off without being eaten”.

(a) Analyze the aforesaid facts, and based on your research on corporate frauds due to corporate governance failures, critically outline the major corporate governance lapses in this case. (5)

(b) Role of promoter had come under scrutiny in this matter, what steps were taken to deal with misuse of power by the promoters in subsequent reforms on corporate governance? (5)

(c) What is your reflection upon the Independent Directors resigning after surfacing of the fraud? Discuss the accountability of independent directors under the current corporate governance regulations in India (10)