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Reg. No.....

Name.....

LL.M. DEGREE EXAMINATION, NOVEMBER 2024

Second Semester

Branch I—Commercial Law

Course 2—LW010202—LAW OF CORPORATE GOVERNANCE

(2023 Admissions—Regular/2021—2022 Admissions—Supplementary)

Time : Three Hours

Maximum Marks : 70

*Answer any **five** questions.*

All questions carry equal marks.

1. The IBC does not have a framework for group insolvency. Comment on this by stating Videocon case. Also state about cross-border insolvency by implicating Jet Airways case. The Reserve Bank of India (RBI) in its 'Report on Trend and Progress of Banking in India 2021-22', expressed that "A group resolution framework, in which the resolution of borrowers belonging to the same corporate group if undertaken together, could help in improving the efficacy of the IBC". Comment on this.
2. Financial distress disrupts firms from growing especially when firm go bankruptcy. Comment this. Determine the effect of corporate governance structures: managerial ownership, institutional ownership, independent commissioners, board of commissioners size, and board of directors size on financial distress.
3. "Corporate governance is a systematic process by which it is directed and controlled to enhance its wealth generating capacity". Substantiate this statement. Explain the levels of governance structure. Explain the role, powers and responsibilities of Board of Directors and also the importance of Corporate Management Committee (CMC).
4. The basic principal relating to the administration of the affairs of a company is that "the will of the majority prevails or majority is supreme". Comment on this. The Companies Act, 2013 has laid down certain provisions which restricts supremacy of majority and confer rights on minority to apply to the National Company Law Tribunal or Central Government in case of Oppression or Mismanagement. Explain this.

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5. The merger has been widely used under the Competition Act, 2002 for including the acquisition of shares and for having control over the voting rights and over the assets of the enterprise. Explain this statement. Distinguish between Horizontal merger and Conglomerate merger. Also explain 'Green Channel Route' under Competition Law.
6. Explain the three vital elements of corporate governance, viz., accountability, transparency and equality of treatment of all stakeholders. Of these, accountability is recognized as the key element of good corporate governance. Critically comment on 'Non-conformity with standards of financial reporting and absence of transparent reporting practices often result in unscrupulous management of companies, and investors suffer losses mainly due to lack of accountability on part of directors and management.'
7. Explain the challenges of corporate governance as discussed in Irani Committee Report, 2004. State the multiple classification of the company.' Small companies should suffer the consequences of regulation that may be designed to ensure balancing of interests of stakeholders of large, widely held corporates', Comment on this.
8. Discuss the Eradi Committee and the evolvement of National Company Law Tribunal (NCLT). What are the major functions of NCLT ? What is the National Company Law Appellate Tribunal (NCLAT) ? State the importance of Section 430 of Companies Act, 2013. The proceedings of the NCLAT can be considered judicial proceedings. Comment. Differentiate between NCLT and NCLAT.

(5 × 14 = 70)

