

1. Order: Try to write specific answers.

2. Unit-1 Read the question understand what is required in the answer and then start writing.

3. GIRMCE: Avoid writing common points. This only increases your point number not marks

Question 2(a)

Corporate Governance:

1. Governance means to frame policies and check whether the organization adhere to such policies.
2. Governance is derived from the word "governate" which means to steer direction for maximisation of profit.
3. Corporate governance means to steer the company in the desired direction for maximisation of profit.
4. Corporate governance is mainly concerned with transparency, accountability, fairness and responsibility.
5. Corporate governance deals with various matters like conduct of the Board, relation of the company with its shareholders and stakeholders, timely and adequate disclosures, grievance redressal mechanism etc.

Question-2(b)

Kautilya's fourfold duty of a King:

1. Kautilya's Arthashastra asserts that the King is a servant of the people in the Kingdom.
2. Kautilya's Arthashastra provides for fourfold duty of a King for good governance in the Kingdom.
3. It can be even applied to the Corporates in the present scenario.

The Kautilya's fourfold duty of a King are:

(a) Vidhi: It means growth

In the present day context, it can be applied to corporates as the growth of value of investment of the shareholders

(b) Raksha: It means protection

For corporates, it would mean protection to the investment value and interest of both shareholder and stakeholder **risk**

(c) Palana: It means rule

For corporate, this can be dealt as the conduct of affair of the business by the board of directors **compliance to the law in letter and spirit**

(d) Kshema: It means happiness

In the present day context, it means the happiness of the shareholder for any value added for the company and their investment **social security system equated to corporate social responsibility**

Question-2(c)

Continual disclosures:

① According to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Continual disclosures means the disclosures to be made on a continuous basis. Unlike event based disclosures, these disclosures must be made for every reporting period.

- There are many such matters in SEBI (LODR) Regulations, 2017 which require continual disclosures.

Question-2(d)

Question was about Remuneration Committee of CPSE

Remuneration Committee:

1. According to SEBI regulations, every listed company must form a Nomination and Remuneration Committee.

2. Remuneration Committee must be formed with at least 3 directors of which at least 50% must be independent directors.

3. This Committee is responsible for nominating directors to the board having specific required qualifications and fixing remuneration to such directors.

4. This Committee must formulate Nomination and remuneration policy and every nomination of every director must adhere to this policy.

You have written about nomination and remuneration committees of listed companies

Question-2(e)

Whistle Blower policy:

1. Whistle Blower policy means the employees, get knowledge of some fraud, then they can report it to the board or Audit Committee giving all the relevant facts about the fraud.

2. According to SEBI Regulations, every listed company must have formulate Whistle Blower policy and review and update it periodically.

3. All such employees must be given a chance to directly communicate to the board or Audit Committee, regarding the fraud in the company.

4. The Company after framing the Whistle Blower policy and after getting approved from the board, it must be circulate among all the employees, officers etc, of the Company.

You can include the aspects covered by the policy. Refer model answer for the same.

Question-1(a)

Majority Rule vs Minority:

1. According to Companies Act, 2013, any resolution may be passed at the general meeting either through simple majority i.e. by ordinary resolution or special resolution. **Very brief answer. Can elaborate further.**
2. Hence the Minority is not getting further chance to speak and raising idea against such issue.
3. Many case laws like Foss vs Harbottle also deals with this issue.
4. There are many exceptions to this case law.
5. Although the minority should be given right, the powers of majority ~~cannot~~ cannot be taken away. Section 241 deals with oppression ^{Mismanagement}.

Question-1(b)

Unitary board & two tier board:

1. In a country like India, unitary board is more prevalent.
2. In this type of unitary board, the board of directors take decisions regarding all matters. They are solely responsible for decision making.
3. However, in case of two tier board, the board is ~~of~~ divided into two parts. The responsibilities would be divided among them. **clear separation between the tasks of monitoring and that of management. The supervisory board oversees the direction of the business and the management board is responsible for the running of the company. The supervisory board controls the management board through appointing its members.**

Question-1(a)

Whistle Blower Mechanism:

1. Every listed company must have whistle blower mechanism a policy related to it.
2. This concept of whistle blower was in existence even in Ancient India. Kautilya proposed that "An informant who supplies information about embezzlement just under perpetration shall, if he succeeds in proving it, gets a reward".
3. In the same way, any employee of the company, gets the knowledge of some fraud, report such fraud to the board or Audit Committee.

only a part of the question is answered

which is known as whistle blower mechanism.

4. Such employees must be given access to the Audit Committee members, so that his reporting about the fraud gets easy.
5. If such employee succeeds in proving that the fraud had took place, then such employee will be rewarded.
6. There are various types of whistle blower.

Question-1(a)

1. The listed Company shall ensure that the Contents of the website are correct.
2. The SEBI (LODR) Regulations, 2015 and other regulations require lot of matters to be uploaded on the website.
3. For examples policies like Nomination and remuneration policy, whistle blower policy, grievance redressal mechanism procedure etc. are to be uploaded on the website of the Company from time to time and any updation or reviews must also be uploaded with specific importance to changes, if any.
4. Hence the listed company shall ensure that contents of the website are correct and comply with all the regulatory requirements.
5. Any change in the content of its website within two working days from the date of such change in content.

all points refer to website and matter

Refer model answer for the information to be uploaded on the website

Question-1(b)

Responsibilities of Board of directors in a listed Company:

1. In a listed entity, the Board of directors are presumed to be highly responsible to the conduct of the affairs of the Company.
2. There are many regulatory authorities which regulate the workings and performance of the board.
3. According to Companies Act, 2013, every the board of directors are responsible for fairly conducting the affairs of the Company.
4. They are responsible for timely and adequate disclosure.
5. The Board of directors must also form committees as per the regulations of SEBI (LODR) Regulations, 2015.

same point

There are many more specific responsibilities of the board mentioned in the model answer. Do refer the same as the points mentioned here seem to be common points.

6. As per Secretarial Standard-1, there board meetings must be ~~at least~~ must be atleast four board meetings in a company and ~~not more~~ the gap must not exceed 120 days between two executive meetings.

7. The Committees formed by the board must report to the board of directors on a timely manner.

8. The board of directors must maintain transparency and are accountable for the affairs of the business.

9. Board's report must contain all the information as required.

Question - 3

Barriers to visionary leadership:

1. Every company has its own mission and vision and it ~~always~~ strive to achieve the goals set by it.

2. But there are many barriers to the achievement of goals.

3. The board of directors may ~~not~~ conduct the affairs of the

company if due to many factors like **Frank Martinelli - Lists the barriers with a view to helping companies identify them in their organizations and to remove them to facilitate visionary board leadership. These are given in detail in the model answer . Do refer.**

- political factors
- undue influence
 - personal interests over and above the company's interest
 - wrong guidance
 - risk not managed properly
 - fraudulent behaviour of some employees or other personnel etc.

4. Hence these all act as barriers for the visionary leadership.

5. The board of directors must maintain transparency and guide the entire company in the correct manner to accomplish its goals

6. The board of directors must overcome such barriers by placing internal control, motivating the employees, guiding the company in a proper manner etc.

Question - 5

Meaning of Independent director:

1. According to SEBI regulations, every listed company must have atleast one independent director.

2. According to Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015, an Independent director means a person:

- who doesn't hold any shares of the Company or any interest in the Company

- who is not a related party to the Company under section 188 of the Companies Act, 2013

- who doesn't involve in the day-to-day operations of the Company.

3. The Independent directors of the Company must meet at least once in isolation in a financial year.

~~There are no regulations by which companies~~
You can refer model answer for more details.

5. In such meeting, the Independent directors assess the value performance of the Company, the performance of the individual directors and the board as a whole.