

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 7

NOTE : Answer ALL Questions.

PART-I

1. Arham Logistics Limited, a listed company, has duly constituted an Audit Committee. One of the matters considered by the Audit Committee, was quarterly internal audit report. Board was informed by Chairman of the Audit Committee that there was no adverse remark reported in the internal audit report. An independent Director requested a copy of internal audit report, which was denied by CFO stating that it is only the prerogative of Audit Committee to consider internal audit report and hence copy of the same need not be placed in the Board meeting or circulated.

Based on the above facts, answer the following questions :

- (a) Whether this stand taken by CFO will amount to undermining the authority of the Board of Directors ?
- (b) What is the role of Chairman of the Audit Committee ?
- (c) What is the role of Chairman of the Board of Directors ?
- (d) Not providing the copy will not make other directors liable for any unusual observation in internal audit report.
- (e) Is the principle of transparency flouted ?

(4 marks each)

Attempt all parts of either Q. No. 2 or Q. No. 2A

2. (a) Surabhi Pharmaceutical Ltd. is a listed company. The Board of the Company comprises of following :

Mr. AG, Chairman (Executive)

Mr. RS, Managing Director

Mr. AR, Whole-Time Director

Mr. DS, a Cost Accountant by profession, Nominee Director of XYZ Bank and Member of the Audit Committee

Mr. UB, Practising Advocate (Independent Director)

Mr. SP, retired Chairman of a Bank and Member of Audit Committee (Independent Director)

Ms. KV, a practising Chartered Accountant and Chairman of Audit Committee (Independent Director)

Due to certain personal issues, Ms. KV resigned from the directorship with effect from 01.04.2021. What immediate steps the Company should take to comply with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to composition of the Board and Audit Committee ?

(5 marks)

: 3 :

- (b) XYZ & Co, is an auditor of VPN Limited which is a listed company and the balance sheet of VPN Limited is being signed by X who is also a partner in other Audit firm PQR & Co. The original tenure of XYZ & Co. has expired on 31st March, 2021. Can PQR & Co. be appointed as an auditor of the company for Financial Year 2021-22 ? Explain with relevant provisions of the Companies Act, 2013.

(5 marks)

- (c) Corporate Secretaries International Association Limited (CSIA), a body for Corporate Secretaries & Governance Professionals was established in the year 2017 as a company limited by guarantee in Hong Kong with certain objectives. Discuss the main objectives of CSIA.

(5 marks)

OR (Alternate question to Q. No. 2)

- 2A.** (i) Describe the principles in respect of :

- (1) Audit, Risk and Internal Control
- (2) Remuneration

Under the UK Corporate Governance Code, 2018.

(5 marks)

: 4 :

- (ii) ECHO Enterprises Ltd., a listed company has following subsidiaries. The details of income of ECHO Enterprises Ltd. and its subsidiaries are as under :

Holding Company	₹ in Crore
ECHO Enterprises Ltd.	1,000.00
Subsidiaries	₹ in Crore
ANCHOR Batteries Ltd.	200.00
EAZY Chemicals Ltd.	250.00
REAL Power Ltd.	400.00

Examine the above in terms of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to compliance relating to subsidiaries and advise the Boards of all companies regarding various compliances.

(10 marks)

3. (a) As per Ind AS 24, what are the parameters of considering a person or an entity as related party ?
- (b) “National Financial Reporting Authority (NFRA) has the powers to oversee the quality of service of Auditor as well as to suggest measures for improvement.” Discuss.
- (c) Explain the content of “Management Discussion and Analysis” section of the Annual Report.
- (d) Why do institutional investors rely on proxy advisors ?
- (e) Stakeholder engagement is the process by which an organisation involves people who may be affected by the decision it makes or can influence the implementation of its decisions. In reference to stakeholder’s engagement, explain the three key principles of stakeholder’s engagement.

(3 marks each)

: 5 :

PART-II

4. (a) As per COSO Framework of Enterprise Risk Management (ERM), there are certain components of Enterprises Risk Management. Explain different components of Enterprise Risk Management in brief.
- (b) Explain the term “Risk Register” and give a template of Risk Register in an organization.
- (c) Explain the Fraud Risk and the methodology to manage the Fraud Risk in an organisation.
- (d) Risk oversight is the responsibility of the entire Board and the same can be achieved through a structured review mechanism. In view of this statement, explain the review mechanism which may be followed by the Board for Risk Oversight.

*(5 marks each)***PART-III***Attempt all parts of either Q. No. 5 or Q. No. 5A*

5. (a) The Companies Act, 2013 brought revolutionary changes and mandated the Corporate Social Responsibility (CSR) provisions for the companies. As per the provisions related to CSR, eligible companies need to file a CSR Report on annual basis. What are the contents of CSR report ?
- (b) Integrated reporting is founded on integrated thinking, which helps to demonstrate interconnectivity of strategy, strategic objectives, performance, risk and incentives and helps to identify sources of value creation. In reference to integrated reporting, explain the International Integrated Reporting Council (IIRC).

*(5 marks)**(5 marks)*

(c) Explain the regulatory framework with respect to sustainability reporting in India.

(5 marks)

(d) As per SEBI Circular No. CIR/CFD/CMD/10/2015 dated 4th November, 2015, a format for “Business Responsibility Report (BRR)” has been prescribed. This circular prescribes the BRR framework into five sections. Explain the contents of these five sections, in brief.

(5 marks)

OR (Alternate question to Q. No. 5)

5A. (i) “A trusted employee who has easy access to a business’s finances may abuse his authority by stealing company funds.” Considering the statement, narrate any 10 points to be worth noted for a variety of internal control techniques in your organisation.

(5 marks)

(ii) As a Company Secretary of the Company, you are asked by the management to provide inputs on Internal Control to be observed by the Audit Committee mandatorily in terms of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. State any five information which are to be mandatorily reviewed by the Audit Committee in this regard.

(5 marks)

: 7 :

(iii) “Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards) helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues.” Considering the statement, discuss any five distinctive elements of the GRI Standards.

(5 marks)

(iv) State any five points/sub-points which are incorporated in the compliance certificate which shall be furnished by CEO and CFO of a company in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(5 marks)

PART-IV

6. (a) Explain the term “Ethical Dilemma” and the mode to come out of Ethical Dilemma.

(5 marks)

(b) Karl-Henrik Robert along with a group of 50 scientists developed four basic, non-negotiable system conditions for global sustainability. What are these conditions ?

(5 marks)

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