

*Roll No. ....*

*Time allowed : 3 hours*

*Maximum marks : 100*

*Total number of questions : 6*

*Total number of printed pages : 15*

*NOTE : Answer ALL Questions.*

## **PART-I**

1. Alchemy Pharmaceuticals Ltd. is a listed company and is one of the leading pharma companies, having multiple factories across India. It is currently contemplating to further expand its operations. In April 2026, the statutory audit and annual activities by the secretarial team were in full swing as the financial year 2025-26 was over recently. Sashi, the Company Secretary of the Company, had a detailed meeting with Sumana, the Secretarial Auditor about the upcoming Secretarial Audit. He mentioned to Sumana that, Mannan, one of the independent directors had not attended the board meetings since last many quarters and does not appear to be interested to continue on the Company's Board. There were also media news about his involvement in activities / businesses with other companies, apparently compromising his integrity and independence.

On the point relating to independent directors and their role, Sumana highlighted that, as per SEBI (LODR) 2015, every listed entity should disclose in its report, a chart or a matrix setting out the skills, expertise and competence of the board of directors. And, with reference

to the board's competency diversity, SEBI (LODR) 2015, with the objective of improving transparency, has widened the perspective of board diversity by adding skill diversity as an element of board composition. Therefore, building the right Board requires an understanding of director's competencies. He also emphasised that director's competencies encompass technical and behavioural competencies. He also suggested that the Company's Board can consider appointing a lead independent director, as done by many large corporates.

In last week of April 2026, the Board decided to appoint a new director and even considered convening a board meeting at short notice. Sashi. was on a personal emergency leave, hence this matter was being handled by Arul, Sashi's assistant, a newly qualified Company Secretary, who joined the Company recently. Arul served the notice of the proposed board meeting to be held on 3rd May 2026 through speed post on 1st May 2026 stating in subject line as 'Proposed board meeting on 3rd May 2026' to discuss appointment of new independent director and to discuss other matters, on a plain paper mentioning the Company's name and date. One of the Directors, who was very senior and experienced, called Sashi, expressing concern about the validity of the notice stating that there should be a clear 7 days' notice and that the notice did not contain anything about the meeting being called at a shorter notice. Arul contended that there is a provision in the articles of association for a shorter notice, hence meeting can be held at shorter notice. Considering his absence, Sashi asked

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Arul to consult you, a Senior Company Secretary on this matter. Based on the above facts, answer the following :

- (a) Examine the validity of the notice narrating the irregularities, if any, and the consequences thereof.
- (b) With reference to the provisions of Companies Act, 2013, outline the guidelines for professional conduct of Independent Directors.
- (c) Elucidate the role of the Lead Independent Director.
- (d) Advise the Board on considerations in evaluation of technical and behavioural competencies of directors.

*(5 marks each)*

2. (a) Mehr Fashions Ltd, is a public limited company, promoted by five founders. It manufactures textiles and is well known for its brand 'Flash' As part of its expansion plans and also to raise funds from PE firms, the founders were evaluating to appoint new Directors, who would not only contribute to the Company's strategic growth, but also help in expanding its business. One of the founders Mahik, holds 26% equity in Klothing Private Ltd ('Klothing'). He proposed that if the Company enters into an agreement with Klothing, it can procure raw materials at reasonable price, thereby increasing the profit margin. He recommended the Company Secretary, to take up this agreement for Board approval in the upcoming meeting and said that he would

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brief the other Board members, to ensure that this agreement is approved. He also suggested that, there was no requirement to inform the Board about his holding in Klothing, as it would not impact the decision.

With reference to provisions of Companies Act, 2013, comment whether Mahik's contention is justified ?

*(5 marks)*

- (b) Muneem, is the Chief Manager of Swayan Seva Trust, a registered trust. It is an established Trust which is seeking funds from Corporates, out of their Corporate Social Responsibility (CSR) corpus. One of the trustees asked Muneem whether the Trust will be eligible to receive such CSR funds, as they have never received such funds historically. As Muneem was not sure about the legal requirements, he approached you, a practising Company Secretary to guide him on this matter.

Prepare a brief note indicating the entities that are eligible to undertake CSR and the procedure thereof as per the provisions of Companies Act, 2013.

*(5 marks)*

- (c) Pivot Ltd is a listed company, manufacturing fertilisers. Initially, the Company had an established track record of profitability and followed good corporate governance practices. However, due to business pressures, the management shifted its focus to profitability and has been bypassing the processes and controls for business reasons. Apurv, a

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Partner of M/s AP & Co., LLP, the statutory auditors of the Company had highlighted these issues to the Audit Committee in his quarterly presentation. During the finalisation of the financial statements for FY 2025-26. Apurv issued a management letter indicating the process improvements and internal control weaknesses. He also asked the CFO, to present these documents to the Audit Committee for their review. The CFO contended, that these documents are not required to be reviewed by the Audit Committee.

With reference to the information which an Audit Committee shall mandatorily review, comment whether the CFO's contention is justified.

(5 marks)

3. (a) Nitika Energies Ltd, is a growing company in non-renewable energy space. It has 9 directors on its Board, of which three are independent directors. As a good governance practice, the Company follows board procedures in true letter and spirit. The Company was proposing to enter into an agreement for acquiring solar panels, which would help in expansion of its solar business. The Chairperson of the Company instructed Minu, the Company Secretary to pass this as a business item through resolution by circulation. Minu noted that three of the directors were interested in this item. Advise Minu, on the procedure to be followed for passing the resolution by circulation. Also indicate, when will this resolution be treated as passed.

(5 marks)

- (b) Smruti, a Senior Company Secretary was invited to speak at Woman's Day celebrations at FICI event. While she was preparing for her talk, she was discussing about the woman's work place safety with her friend Zeena, a human rights activist and lawyer. During the conversation, Zeena highlighted that, the Supreme Court of India held that sexual harassment of a woman at the workplace violates her fundamental rights under the Constitution of India. The Court further concluded that such acts constitute a violation of women's human rights. She asked Smruti to cover the guidelines that must be fulfilled by employers and other responsible persons or institutions in relation to sexual harassment at the workplace, in her talk.

Prepare a brief note covering the judicial precedents, if any and the requirements that must be fulfilled by employers and other responsible persons in relation to sexual harassment at workplace.

(5 marks)

- (c) 'Friends in Need', a Not-for-Profit Organization (NPO), is registered on a Social Stock Exchange. Vibhu, the Company Secretary of 'Friends in Need', is required to make a presentation before the Governing Body, about the annual disclosures to be made to the Social Stock Exchange. He reaches out to you, a Company Secretary for inputs and guidance.

Suggest the key points that Vibhu, should incorporate in his presentation with reference to social impact under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the framework of the Social Stock Exchange.

(5 marks)

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*Attempt all parts of either Q. No. 4 or Q. No. 4A*

4. (a) Spurhan Financial Services Private Ltd, is registered as a Non-Banking Financial Company (NBFC) as per the requirements of Reserve Bank of India (RBI). Neyo, its Company Secretary is a proactive professional and endeavours to ensure compliance well within timelines. He came across the guidelines on Corporate Governance for NBFCs issued by the RBI under its Master Directions, about the requirements to appoint Chief Risk Officer (CRO). He informed Muthu, the Managing Director of the Company about these provisions and requirements to appoint CRO, considering that the Company was registered as a NBFC. Muthu, contended that the requirements to appoint CRO, may not apply to the Company, as it has been in operations since last five years only. Advise Neyo, on the requirements to appoint CRO as per the RBI guidelines.

(5 marks)

- (b) Miraj a Senior Professional working with a waste management company in India, was approached by a leading corporate magazine to provide a write up for publication in its monthly journal, 'A Perspective'. He asked Pari, his assistant to prepare a brief write-up on the initiatives to formalize the e-waste recycling sector, by the Indian Government. He suggested Pari to include few points from the E-Waste (Management) Rules, 2016, which provide for compulsory authorization of dismantling and recycling units from the concerned State Pollution Control Boards (SPCBs) or Pollution Control Committees (PCCs). In this context, prepare a brief note explaining the steps taken by Government to address the problems related to e-waste management in India.

(5 marks)

- (c) Shyama, a multifaceted professional, is a practising Company Secretary and on board of many large corporates as an advisor on Human relations (HR) and labour related matters. She is also an accomplished speaker at various forums. She was invited on a podcast titled 'Insights', wherein she spoke about the current day workplace challenges, Gen Z and their thoughts. During the conversation she mentioned that 'Gender Parity' and 'Gender Equality' at work, are very important. The host in the podcast, asked her the following questions :

- What is 'Gender Parity' and 'Gender Equality' at work.
- How workplace gender equality can be achieved.

Indicate briefly what should Shyama's response be for the hosts above questions.

(5 marks)

**OR (Alternative questions to Q. No. 4)**

- 4.A. (i) A notice was received by the Lotus Petals Resident's Welfare Association (LPRWA) from Tirupati Urban Development Authority (TUDA) alleging violations in the construction of the apartments. One of the representatives went to meet the concerned officials of TUDA and had a heated argument. A false complaint was filed against Himan, an officer in TUDA, by LPRWA. Himan approaches you seeking advice to deal with this false complaint and the relief available to him.

With reference to the Lokpal and Lokayuktas Act, 2013, advise Himan.

(5 marks)

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- (ii) Virup is an Environmental Auditor, registered with a designated environmental audit agency, for undertaking environmental audits. He is engaged by Varna Ltd, a Company engaged in Coal mining activities as an environmental auditor. Outline Virup's role and responsibilities, while conducting an environmental audit of as per the Environment Audit Rules, 2025.

(5 marks)

- (iii) As part of periodic updates to the Board, Kirit, the Company Secretary of Jiyot Techno Ltd, informed the Board of Directors about the National Data Governance Policy. He further added that 'to promote innovation and research by start-ups and academia, the Union Budget 2023-24 proposed the introduction of a National Data Governance Policy to enable access to anonymized data for fostering innovation. As part of this policy, the Government of India also plans to establish the India Datasets Programme, which will consist of non-personal and anonymized datasets collected by government entities from Indian citizens or individuals residing in India.' Upon detailed deliberations, the Board asked Kirit, to provide further inputs from a regulatory perspective to understand data privacy requirements and to draft an appropriate policy for the Company.

Prepare a brief note on important regulatory dimensions relating to privacy and disclosure of information under the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 framed under the Information Technology Act, 2000.

(5 marks)

**PART-II**

*Attempt all parts of either Q. No. 5 or Q No. 5A*

5. Hiranya Infratech Ltd is a prominent player in infrastructure sector, specializing in the construction of high-speed highways, metro rails, toll plazas, and expressways in Eastern India. Despite being a fast-growing entity, the Company has recently encountered a series of systemic failures. Media reports have frequently highlighted heavy fines imposed on the Company for non-compliance with various laws and regulations. This regulatory friction, combined with a string of lost business tenders, has led to a significant erosion of the Company's reputation and market share. The Company is currently grappling with a spectrum of risks.

To address the situation and to develop a time-bound corrective action plan, the CEO convened a high-level meeting with all functional heads and the Head of Risk Management. The leadership team identified that risk management must transition to a core management tool integrated into the Company's strategy. The Company now aims to implement a comprehensive internal control system that moves beyond simple protection to a process of detailed risk management across all functions.

In one of the Board meetings, Binak, an independent director, during discussions, provided detailed insights on risk management. He explained to the Board, that all organisations, no matter how big or small, public or private, should practise risk management by implementing appropriate system of internal controls. Effective risk management procedures promote accountability, performance evaluation and compensation and they can boost productivity throughout the entire organisation at all levels. A thorough knowledge and comprehension of the organisation (internally and externally) and the business processes are necessary for risk

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management. Better risk management strategies offer early warning signs so that the problem can be solved quickly. Traditional concepts solely viewed natural disasters like fires, earthquakes and floods as risks and they presumptively reduced those risks by maintaining safeguard equipment and other measures. However, new and different kinds of hazards have evolved as a result of the fast-paced developments in technology, business dimensions and complexity, regulatory changes and environmental concerns. Therefore, managing different forms of risks has become crucial in the age of the rapidly evolving global economy, numerous regulatory compliances, cross-border commercial activities and the need to maintain the survival, viability and sustainability of businesses.

The Company's strategy incorporates risk management as part of its overall organisational strategy. The goal of risk management is to enable an organisation to minimise losses and maximise possibilities by establishing detailed processes and procedures.

Based on the above, answer the following questions :

- (a) Explain the inter-dependent scope of risk-management and internal control.
- (b) Prepare a suggestive template of risk-register covering business risk, financial risk, regulatory and compliance risk.
- (c) Outline the importance of internal audit with reference to risk assessment framework.
- (d) 'Investors are increasingly using these environmental, social and governance (ESG) factors as part of their analytical process to identify significant risks and growth opportunities'. Explain the significance of ESG risk assessment.

*(5 marks each)*

*OR (Alternative questions to Q. No. 5)*

**5.A.** Vrindavan Mithai Wala Ltd, a listed company, has long been a popular name in the retail stores and restaurants. With an expansive footprint of retail stores and restaurants across the country, the brand became synonymous with quality and consumer trust. Building on this established brand equity, the Board of Directors approved a capital-intensive diversification strategy transitioning from sweets and restaurants into the full-scale hospitality sector. This culminated in the launch of a premium hotel wing under the group's popular flagship brand. The transition from high-volume food retail to complex hotel management presented immediate structural challenges. While the initial phase of hotel operations appeared to stabilize, the Company's internal control oversight failed to keep pace with the specialized regulatory requirements of the hospitality industry.

Following a surprise survey conducted by Government authorities, several critical deficiencies were identified in the Company's management practices, like non-compliances with FSSAI regulations, waste management, child labour, labour laws, PF & ESI Acts. The Company was levied substantial regulatory fines that directly impacted its profitability. News of the environmental and other non-compliances were reported by the media, causing a sharp decline

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in share price and brand goodwill. Plans for further expansion into the hospitality sector were immediately suspended as the management shifted its focus toward damage control and risk mitigation.

In the wake of these losses, the executive management embarked on a comprehensive study of corporate risks and review of internal control system by internal audit function. It also considered a detailed risk analysis to address the existing issues and recommend further course of action. The internal audit department was entrusted with assessment of operational non-compliances and to recommend remediations thereof. The internal audit manager prepared a detailed programme in light of the main risks identified by the Company.

Based on the above answer the following questions :

- (i) Outline the specific responsibilities and duties of internal auditors.
- (ii) 'Identification of current and potential hazards is the first stage in risk analysis. These might originate from a wide range of sources.' Discuss.
- (iii) Explain operational risk and highlight the challenges witnessed in mitigating such risks.
- (iv) Indicate who is responsible for risk management in the background of Companies Act, 2013 and SEBI (LODR), 2015.

(5 marks each)

**PART-III**

6. (a) Pheonix Ltd is among top 200 companies in terms of market capitalization of various companies listed on the stock exchanges. While discussing ESG disclosures in the Board meeting, CEO of the Company, asks Sini, the Company Secretary to brief the Board on applicability of ESG disclosures pertaining to value chain participants. Sini collated the following value chain data :

- Total purchases in FY 2025-26 : ₹ 1,000 crores
- Total sales in FY 2025-26 : ₹ 800 crore
- Upstream (Purchases) :

Supplier	Value (₹ in crore)
A	300
B	200
C	150
D	100
E	50
F	30
G	20
H	10

On the basis of the above, indicate the suppliers for which the Company is required to make ESG disclosures for value chain.

(6 marks)

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(b) Global Reporting Initiative (GRI) Reporting protocols aim to cover a wide range of ESG issues. GRI offers environmental performance indicators divided into primary categories that should be used as part of the environmental sustainability report. Outline any five primary categories under which these indicators are categorized.

*(5 marks)*

(c) ‘There are several standards and guidelines that organizations can use to conduct sustainability audits.’ Explain.

*(4 marks)*

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