

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 8

NOTE : Answer ALL Questions.

PART-I

1. (a) ABC Ltd. is a publicly listed company that operates in the technology sector. The company has recently appointed Ravi Sharma as an independent director. Below is the information about Sharma and his family :

Skills, Experience, and Knowledge :

- Sharma has a degree in law and over 15 years of experience in corporate governance and legal matters in the tech industry. He has been a legal advisor to various technology companies and has significant experience in corporate restructuring and mergers.
- He does not have specific experience in finance, sales, or marketing but has been involved in several board-level decision-making processes in his previous roles.

Family Members :

- Sharma's father, Shankar Sharma, is a promoter and director of XYZ Ltd., a company in the same industry.
- Sharma's sister, Priya Sharma, is a director in XYZ Ltd and holds shares in XYZ Ltd.

Financial and Indebtedness Status of Relatives :

- Sharma's father, Shankar Sharma, had personally guaranteed a loan of ₹ 60 lakh for XYZ Ltd. to the bank in the last financial year. There is no record of any other indebtedness or security provided by Ravi Sharma's relatives for the company.

Based on the above information, do you believe that Ravi Sharma qualifies to be appointed as an independent director of ABC Ltd. as per Rule 5 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ? Justify your answer with reference to the specific criteria mentioned in Rule 5.

(5 marks)

- (b) MNC Limited is a public company that adheres to the corporate governance norms under the Companies Act, 2013. The company has a Board of Directors, along with a Company Secretary.

In January 2024, the Board held a meeting, and the next meeting was scheduled for May 2024. However, due to unforeseen circumstances, the Chairman decided to adjourn the May meeting without any objection from the majority of the directors present.

Required :

- (i) Narrate the procedure for convening a Board meeting. Who is authorized to summon a meeting ? Is it in Chairman's Authority to adjourn the meeting ?
- (ii) What is the minimum number of Board meetings a company must hold in a calendar year ? Also, explain the maximum interval allowed between two consecutive meetings.

(5 marks)

: 3 :

- (c) TechnoPro Solutions Limited is a public company listed on a recognized stock exchange and adheres to the corporate governance norms under the Companies Act, 2013, as well as the SEBI (LODR) Regulations, 2015. As part of its corporate governance practices, TechnoPro Solutions Limited has formed an Audit Committee of the Board.

The Board of Directors is preparing the annual report and is required to disclose the details related to the Audit Committee under Section 177(8) of the Companies Act, 2013, as well as under SEBI (LODR) Regulations, 2015.

Required :

- (i) What specific disclosures should TechnoPro Solutions Limited make in the Board's report regarding the Audit Committee under Section 177(8) of the Companies Act, 2013 ?
- (ii) Explain the disclosures that should be made in the corporate governance section of the annual report regarding the Audit Committee as per SEBI (LODR) Regulations, 2015.

(5 marks)

- (d) CompliServe Solutions Limited is a public company adhering to the provisions of the Companies Act, 2013. As part of its corporate governance practices, the company is required to implement various policies, including CSR policy, Risk Management policy, Vigil Mechanism policy, and Nomination & Remuneration Policy.

- (i) Describe what the CSR policy of the company must include ?
- (ii) What is required to be ensured under Companies Act, 2013 by the Nomination and Remuneration Committee while formulating the Nomination and Remuneration Policy ?

(5 marks)

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

2. (a) Eco Green Ltd., a publicly listed company in the renewable energy sector, is in the process of enhancing its sustainability disclosures for the financial year 2025. The company is planning to align its reporting with the IFRS Sustainability Disclosure Standards and is particularly interested in implementing IFRS S1 and IFRS S2.
- The Board of Directors has asked for a detailed report on how the company should incorporate these two standards into its annual reporting. What key disclosures must be made to align with global best practices ?
- (b) You are a Corporate Governance professional engaged by PQR Ltd., a publicly listed company, to help review its corporate governance framework. The company is seeking your guidance on ensuring compliance with Regulation 62 of SEBI (LODR) Regulations, 2015, related to the disclosure of key corporate governance information on its website. Advise the key items that the company is required to disclose on its website under Regulation 62 of SEBI (LODR) Regulations, 2015.
- (c) As a Company Secretary of LMN Ltd., you are tasked with drafting a Board Charter to address current governance challenges, including unclear roles between the Board, CEO, and Management, as well as issues with related party transactions and conflicts of interest. Draft the key sections to be included in the Board Charter.

(5 marks each)

: 5 :

OR (Alternate question to Q. No. 2)

- 2A. (i) What are the financial statements disclosure requirements for insurance companies as per the IDRA Regulations, 2002 ?
- (ii) “Promoter occupies an important position in the life of the Company, especially in the formative years.” Who is officer in default under Section 2 of the Companies Act, 2013 ? What are his roles and liabilities according to SEBI (Issue of Capital and Disclosures Requirement) Regulations 2018 ?
- (iii) What are the key provisions under the Companies Act, 2013, with respect to Board Evaluation ?

(5 marks each)

3. (a) What are the major technologies that are fueling the growth of Regulatory Technology (RegTech) Companies ?
- (b) The National Foundation for Corporate Governance (NFCG) plays a significant role in promoting research and disseminating quality information on corporate governance. Discuss the internal governance structure of NFCG, highlighting its key components and how they contribute to the organization's mission of enhancing corporate governance practices.
- (c) What details are to be maintained by the Company in case of Issue of Sweat Equity Shares ?

*(3 marks)**(3 marks)**(3 marks)*

- (d) How the orders are enforced in disciplinary proceedings under Rule 12 of NFRA Rules ?

(3 marks)

- (e) Under the IRDA (Appointed Actuary) Regulations, 2000, the Appointed Actuary holds a pivotal role in maintaining the solvency and financial health of an insurance company. What are the matters upon which an Appointed Actuary should provide professional advice or certifications to the board ?

(3 marks)

PART-II

4. (a) What do you understand by Enterprise Risk Management ? What are its components ?
- (b) What is Risk Matrix ? Why is it useful ?
- (c) Sapphire Enterprises Pvt. Ltd. is in the process of annual review of its business strategy for the upcoming fiscal year. You are tasked with ensuring that strategic risks are effectively managed throughout the planning and execution process.
- What are the steps in process of managing strategic risk within Sapphire Enterprises Pvt. Ltd.'s strategic planning framework to ensure that risks are identified, measured, and monitored for successful execution of the company's strategy ?
- (d) Risk identification plays a crucial role in ensuring the success of a project by minimizing the impact of potential risks and maximizing opportunities. Discuss the primary objective of the risk identification process in project management. Also, outline the key steps involved in implementing an effective risk identification process.

(5 marks each)

: 7 :

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

5. (a) A company's management is concerned about the safeguarding of assets and ensuring the reliability of financial information.
- What do you mean by Accounting Controls ? What are the objectives of internal controls relating to accounting system ?
- (b) Discuss the importance of Information Technology (IT) in enhancing internal controls within an organization.
- What are the circumstances under which manual elements should be used in internal control ?
- (c) "Corporate Citizenship is a mandate beyond law." Discuss.
- (d) What are the Key Drivers of Sustainability Reporting ?

*(5 marks each)****OR (Alternate question to Q. No. 5)***

- 5A. (i) Financial reporting is integral to corporate governance and effective stakeholder communication. Explain the key importance of financial reporting for an organization, focusing on its role for various stakeholders. Furthermore, critically analyse the limitations of the current financial reporting model, particularly in terms of providing forward-looking and relevant information for decision-making.

(5 marks)

- (ii) Integrated reporting has gained significant importance in modern corporate governance. Explain why businesses need to adopt integrated reporting practices. Also, discuss the key benefits that an organization can derive from implementing integrated reporting in terms of transparency, stakeholder communication, and long-term value creation.
(5 marks)
- (iii) Discuss the initiatives for Integrated Reporting in India.
(5 marks)
- (iv) What are the classification and techniques of Internal Control ?
(5 marks)

PART-IV

6. (a) What are the four fundamental principles of Business Ethics ? Highlight benefits of Business Ethics.
(6 marks)
- (b) What are the Contemporary Global Trends on ESG ? Highlight key points.
(4 marks)

————— o —————