

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. (a) Unique Ltd., a start-up company launched in the year 2019, manufactures electric two-wheelers. Jayco, the Company Secretary was discussing the corporate compliance framework of the company. One of the consultants suggested that the Compliance Chart is a vital part of the framework and the company must at present first focus on preparation of the Compliance Chart. Explain the activities in preparation of a compliance chart and its contents.
- (5 marks)
- (b) Odee Ltd., a listed company has appointed two independent directors. As part of its familiarization policy it provides key updates and background about the company to the newly appointed directors. The directors have requested you as the Company Secretary of the company to explain the process of Corporate Compliance Reporting. Explain the process.
- (5 marks)
- (c) Some financial institutions require a Report by the Company Secretary in practice on certain additional points relevant and important for them for cross verification of documents from the MCA records. Prepare a table for such items normally covered under the said report.

(5 marks)

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- (d) Vijay is the Company Secretary of Gemmy Ltd. which is having an annual turnover of ₹ 500 crore for last three financial years. As part of annual certifications, he asked Mohan, a Practicing Company Secretary (PCS) to sign the latest annual return. Vijay refused to sign the annual return as he thinks that it should be done by Mohan, PCS. What are the requirements for Annual Return Certification by a Company Secretary in Practice? Is Vijay justified in saying so ?

(5 marks)

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

2. (a) The Board of directors of Bee & Bee Ltd. was of the view that as the company was diversifying its operations, it should evaluate digitizing the books of accounts and other records. The Board sought views from the Company Secretary about the same and asked him to appraise them about the Document Management System including good documentation practices. Advise the Board as the Company Secretary.

(5 marks)

- (b) A to Z & Co. of qualified Company Secretaries is a recently set up professional firm. Tej, the Managing Partner wants to understand the criteria to be adopted by a professional as per KYC norms. Outline the key elements for incorporating KYC Policies. Also, explain any *six* important points in proper implementation of KYC.

(5 marks)

- (c) Axe Ltd., a company providing information technology and enabled services, had raised ₹ 1,200 crore through public issue of its equity shares and was listed on BSE and NSE. The company has also taken a loan of ₹ 500 crore from a consortium of bankers. As part of its due diligence process, the consortium has appointed you as

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a Practicing Company Secretary to prepare a search report relating to stock exchange compliances. Explain the procedure for such search report including the key documents to be analysed.

(5 marks)

(d) Indian media and entertainment sector comprises mainly of film industry, animation industry and TV channels. Name any *ten* specific laws applicable to media and entertainment sector.

(5 marks)

OR (Alternate Question to Q. No. 2)

2A. (i) Shekh & Co. LLP, a Company Secretaries firm provides various secretarial and related consulting services. Arun has recently started a private equity fund and was looking for targets for investment. Arun requested Shekh & Co. LLP to examine documents of Jim Ltd. filed with Ministry of Corporate Affairs (MCA). Explain in brief the process of examination of documents registered on MCA 21 portal.

(5 marks)

(ii) The audit of Financial Statements in respect of Spinex Ltd. for the year ended 31st March, 2021 was not completed due to difference of opinion on certain accounting matters between the Management and the Statutory Auditors. Hence, the company was not able to hold its Annual General Meeting (AGM) within the statutory timelines. As the AGM was not conducted, the Company Secretary was in a dilemma whether to file the Annual return. Advise the Company Secretary.

(5 marks)

(iii) IT Ltd. acquired 99% equity shares in Zeb Ltd. on 1st February, 2021. Amongst other compliances the Company Secretary informed the finance team that the consolidated Financial Statements of IT Ltd. are required to be prepared and presented to the Board. The CFO asks the Company Secretary to prepare a brief note on compliances relating to the Financial Statements and forms to be filed with Registrar of Companies for discussion with the Statutory auditors. Outline the key points to be covered in the note and indicate the relevant forms to be filed.

(5 marks)

(iv) Sames Ltd. is a recently listed company. To cater to the growing reporting requirements, the company recruited various professionals across its finance and secretarial team. The Company Secretary was requested to prepare a Compliance training and education programme for providing training to the new recruits. Briefly explain the objective and contents of such Compliance training programme.

(5 marks)

PART-II

3. (a) Neha, a Practicing Company Secretary was appointed as the Secretarial Auditor of Nex Ltd. Neha was issued an engagement letter, soon after his appointment. Later, the Management of the company reached out to Neha, seeking some changes to the engagement letter. Describe the details which should form part of the engagement letter. Can an engagement letter be changed after being issued ?

(5 marks)

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- (b) Mega Ltd. has identified Helping Hands, a reputed NGO for executing its CSR activities as an implementation agency. However, one of the directors suggested it would be better if the company considers to go for a FCRA due diligence before finalizing and appointing the NGO. Explain in brief about the FCRA due diligence.
- (5 marks)*
- (c) As a Company Secretary, how would you deal with a complaint by the Registrar of Companies (ROC) and the Serious Fraud Investigation Office (SFIO) in a Special Court.
- (5 marks)*
4. (a) Define Speculation. How Suspicion is different from Speculation ?
- (b) Distinguish between Meta-Ethics and Applied Ethics.
- (c) “To be efficient and effective, the internal auditor must have adequate independence.”
Comment.
- (d) “A fraud triangle is a tool used in forensic auditing.” Elucidate.
- (e) Raj, the Secretarial Auditor of Netcap Ltd. wants to seek external confirmations. Guide Raj about the steps involved in obtaining external confirmations.
- (3 marks each)*
5. (a) Mehar, a Chartered Accountant was working as a Manager in Finance team of Sita Mining Ltd. Mehar was curious to know about the Secretarial Auditor comments on compliance with applicable laws and regulations. In the preliminary meeting, he asked Rohan, the Secretarial Auditor about the process of identification of applicable laws to the Company. Explain the process.

(5 marks)

: 6 :

(b) Mayank has recently started as a Company Secretary in Practice. He has got an assignment of internal audit. Advise Mayank about internal audit and its stepwise approach.

(5 marks)

(c) The Board of Directors of Vee Kay Ltd. has received a letter from a whistle blow alleging insider trading by few members amongst the Senior Management. The Board has appointed you to perform the insider trading audit. Explain the essential factors enabling review and reporting of insider trading audit.

(5 marks)

Attempt all parts of either Q. No. 6 or Q. No. 6A

6. (a) “A Peer Reviewer has to report under certain guidelines as prescribed by ICSI. The reporting is to done in three different forms”. Discuss in brief the statement as given in the guidelines.

(b) You have made a presentation to the Risk Management Committee of your company about the various risks and the mitigation plans thereof. The committee has asked you to formulate the action plan to address the identified risks. Explain the points to be considered while formulating the action plan.

(c) “The audit checklist assists auditors in conducting a thorough, systematic and consistent audit.” Briefly highlight the benefits of checklist.

(5 marks each)

: 7 :

OR (Alternate Question to Q. No. 6)

- 6A.** (i) Gee & Kay Ltd. has appointed Rajshekhar & Co., a Company Secretaries firm as the Secretarial Auditor for the year ended 31st March 2021. The Secretarial Audit of the company for the previous year was performed by Suryadev & Co. Is Rajshekhar & Co., required to communicate with the previous auditor before accepting such engagement ? If yes, draft a letter to be addressed to the previous incumbent.
- (ii) “After the exit meeting and the completion of the audit procedures, the auditor should prepare an executive summary of audit finding”. Comment and list out points which should form part of executive summary.
- (iii) Write a brief note on guidance criteria for verification of compliances under Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.

(5 marks each)

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