

*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) After passing of the Professional Examinations, A has applied in renowned Company Secretary Practicing Firm. He was selected for 21 months training and assigned Annual Filing relating work. He has successfully registered himself on portal of MCA. A approached his senior, as he is facing other issues during the filing. Being a Company Secretary, list out requirements to overcome common errors noticed in E-Filing for reference of A.

*(5 marks)*

(b) M is a Manager in Nationalized Bank. During the investors' meet, it was desired by Senior Management that a presentation on Customer Due Diligence and Know Your Client be put up. Being a professional, prepare a note on Customer Due Diligence (CDD), Know Your Client (KYC) and its importance to assist M.

*(5 marks)*

: 2 :

- (c) ABC Ltd., whose registered office situated in Vadodara, Gujarat, is in process to acquire 100% shareholding of an NBFC whose Bonds are listed on National Stock Exchange (NSE). As per information provided by NBFC, there are 5 series of Bonds, which were issued by NBFC in year 2013, 2014, 2017, 2019 and 2021 respectively. The term of each series is 10 years and fixed interest rate of 8.90% per annum. As ABC Ltd. is an unlisted public company, therefore, it desired from Practicing Company Secretary to provide Search and Status Report of Stock Exchanges. Explain the process of preparing the Search and Status Report of Stock Exchanges. What are the disclosure obligations of high value debt listed Companies with respect to Related Party Transactions as per circular issued by SEBI on January 07, 2022.

(5 marks)

- (d) Records Management provides a professional approach to caring for the records and archives which is governed by certain key concepts. Explain the concepts that govern the care of records and archives.

(5 marks)

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

2. (a) “Compliance Chart is only key component of Corporate Compliance Framework.” Explain.

(5 marks)

: 3 :

(b) Explain how each of the following major frauds can be taken place in case of loans/ funds transactions :

- (i) Shot gunning
- (ii) Concealing Liabilities
- (iii) Misstatement
- (iv) Advances Portfolio Accounts
- (v) Higher lag time.

(5 marks)

(c) X and Y partners of a ZK LLP undertakes ₹ 2,50,000/- each in the total contribution of ₹ 5,00,000 of the firm. X transferred the amount of ₹ 2,75,000/- in ZK LLP's bank account as the contribution. Referring the relevant provisions of the Limited Liability Partnership (LLP) Act, 2008 answer each of the following :

- (i) What will be the contribution of Y in the LLP ?
- (ii) Explain how the contribution contributed by X will be treated ?

(5 marks)

(d) X Ltd. requires the services of a qualified professional for valuation of its asset class "Securities or Financial Assets" as per the provisions of the Companies Act, 2013. P who is appearing in the professional examination of ICSI in December 2022, approaches the X Ltd. and offered his services on a subsequent date subject to passing of the professional examination on declaration of the result. Can P do so ? Explain in terms of the relevant provisions of the Companies Act, 2013 and related rules the eligibility of the professional to be engaged for such purpose. Also explain the term "Securities or Financial Assets".

(5 marks)

*OR (Alternate Question to Q. No. 2)*

- 2A. (i) Your client based in Delhi plans to enter into Aviation sector. As a Company Secretary in Practice, list out the specific laws applicable to the Aviation sector.
- (ii) What does the term documentation connote ? Name the 10'Cs which form the guiding principles of good documentation.
- (iii) Prepare a note on pre-certification.
- (iv) SEBI emphasizes Listed entity to address and resolve the grievances raised by stakeholders and investors. The basic aim of Annual investors' meet is to protect the interest of stakeholders and prospective investors. In view of this, Grievance Redressal Mechanism is mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Prepare a note on Grievance Redressal Mechanism.

*(5 marks each)*

**PART-II**

3. (a) There are various provisions in the Corporate Laws, where the material information is required to be disclosed. It serves the purpose of the law makers to bring the transparency and to protect the interest of stakeholders.

In view of this, describe the concept of materiality.

*(5 marks)*

: 5 :

- (b) X, Y and Z are three partners in JK LLP, a firm of Practicing Company Secretaries. X holds 1% paid-up share capital in ABC Ltd. Y holds shares of nominal value of ₹ 70,000/- in ABC Ltd. Referring the provisions relating to ICSI Auditing Standards, advise whether JK LLP can be engaged for the Secretarial Audit of ABC Ltd.
- (5 marks)
- (c) Explain “Statement of Confidentiality” in Peer Review in detail. Who is required to file it and what are the consequences of non-compliance in this regard ?
- (5 marks)
4. (a) What types of information with respect to ‘Maintenance of Professional Skills and Standards’ are sought by Quality Review Board during the peer review of Practicing Company Secretary/Firm.
- (3 marks)
- (b) LMP Ltd. asks you as a Company Secretary to suggest an audit and explain objectives as well as its dimensions of the process in order to protect the sensitive data and intellectual property and also protection of networks to which multiple information resource are connected.
- (3 marks)
- (c) What are the documents required for application for compounding under Foreign Exchange Management Act (FEMA), 1999 ?
- (3 marks)

(d) What are the special events which are required to be reported under Secretarial Audit Report ?

(3 marks)

(e) Can a Company Secretary be appointed as an Internal Auditor of the Company ? Explain the role of Internal Auditor.

(3 marks)

5. (a) The Board of Directors of ATP Ltd. authorized its one of the Directors X to appoint Secretarial Auditor of the Company. Can X do so as per the provisions of the Companies Act, 2013 ? Also explain pre-engagement meeting in the Audit Engagement Process.

(5 marks)

(b) Z Ltd. is a listed Company, in pharma sector. During the Covid-19, for expansion, it acquired M Ltd., which is an unlisted Company. The medicine in Highly demand named 'ROLO' was produced by M Ltd. in large quantity. During the investigation, it was found that there was big scam, where the merged entity has given huge incentives amounting ₹ 2000 Crore approximately to medical professionals for recommending the ROLO. The government has also constituted a special committee to report on the same. A Company Secretary firm was engaged to report on fraud. In view of this type of cases, what other types of transactions to be noticed under the term of 'Fraud'. Who is considered as an Auditor for fraud reporting ?

(5 marks)

: 7 :

- (c) How would you identify the events having major bearing on affairs of the Company during secretarial audit ?

(5 marks)

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

6. (a) Objectivity is essential for any Secretarial Auditor in exercising professional judgement during the audit. In light of above statement, explain the term objectivity and various threats to Auditor's Objectivity in detail.
- (b) Describe various heads of Due Diligence of Competition Law.
- (c) J Ltd., having paid up capital of ₹ 150 crore and turnover of ₹ 1000 crore, has appointed a Company Secretary in Practice to carry out its Audit as per provisions of the Companies Act, 2013. Name the applicable Secretarial Auditing Standard and explain in detail with respect to Forming of Opinion and Third Party Report or Opinion (including the situation(s) requiring Third Party Report) as per the applicable Standard.

(5 marks each)

*OR (Alternate Question to Q. No. 6)*

**6A.** (i) A Practicing Company Secretary Firm, while submitting its Secretarial Audit Report, observed that there are lot of non-compliances of the provisions of the Companies Act, 2013.

In view of this, explain the process for reporting with qualification. Also brief about the signing of Secretarial Audit Report.

(ii) What do you mean by the term Non-Disclosure Agreement (NDA) ? Explain its functions and content.

(iii) Explain the role of an Internal Audit in the internal control mechanism of a company.

*(5 marks each)*

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