

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 5

NOTE : Answer ALL Questions.

PART-I

1. (a) XYZ Ltd. has not filed Annual return for the financial year 2017-18. Write a note on the consequences of non-filing of Annual Return by the company in relation to a Director of the company, as per provisions laid under the Companies Act, 2013.
- (b) “Good Corporate Governance demands compliances level that match the intentions of Legislature, expectations of Stakeholders and requirements of Regulators”. Explain.
- (c) Describe the role of a Company Secretary as an Insolvency Professional.
- (d) You are appointed as Compliance Officer in a listed company. An Independent Director asks you to describe the scope of Corporate Compliance. Prepare a brief note.
- (5 marks each)

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

2. (a) How does Enhanced Due Diligence (EDD) in KYC differ from Customer Due Diligence (CDD) in KYC ?
- (5 marks)
- (b) Explain the procedure for search Report under IPR Laws.
- (5 marks)

: 2 :

- (c) What are the disadvantages of Electronic records ?
(5 marks)
- (d) Explain the compliances under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) [SEBI (LODR)] Regulations, 2015 relevant to the common obligations to any listed entity indicating the time period and event of each.
(5 marks)

OR (Alternate Question to Q. No. 2)

- 2A. (i) Z Ltd. seeks your opinion on the role of the various levels of management for compliance ownership. Explain the role.
- (ii) You are appointed as Compliance Officer of the company. One of the foreign investor in the company is hesitating to provide personal data during the KYC saying that KYC is a risky process and data can be misused by someone. Prepare the list of risks involved in the KYC process.
- (iii) What is peer review and describe its contents ?
- (iv) XYZ Bank Ltd. has sanctioned a term loan for ₹ 5,000 crore to CXT Ltd. The purpose of the loan is to develop the townships in 5 Smart Cities including Mumbai. The 30% of the loan amount is to be used for Mumbai only. However, during the verification of the records of the company, it was found that certain land area in Mumbai is a disputed area where the Hon'ble High Court has granted stay till next hearing. You are appointed by the Bank as Secretarial Auditor for making a search report. What are the documents to be inspected by the Secretarial Auditor in the instant case ?

(5 marks each)

: 3 :

PART-II

3. (a) Differentiate between Audit Plan and Audit Programme.
- (b) Prepare a note on Illustrative checkpoint on the Cyber Security Audit.
- (c) “A Corporate Social Responsibility (CSR) Audit aims at identifying environmental, social or governance risks faced by the organization and evaluating managerial performance in respect of those”. Explain the purpose of CSR Audit.

(5 marks each)

4. (a) X & Co. Practicing Company Secretary, was appointed as Secretarial Auditor of a Company. During the audit certain irregularities were found. However, before the finalisation of the Report, the Company Secretary of the Company suggested a communication on the subject. Brief the stages involved for communication and discussion to finalise the Final Report of Secretarial Auditor.
- (b) Prepare a note on provisions with respect to punishment under Section 392 of the Companies Act, 2013 for contravention of the provisions by a foreign company.
- (c) If the amount of a fraud detected by a Secretarial Auditor during the course of his work in a company is ₹ 50 lakh, explain his duties to report.
- (d) What are the guiding criteria for identifying the applicable laws while conducting the Secretarial Audit ?
- (e) A firm of Company Secretaries is to be engaged as professional experts in due diligence process. What are the preconditions of accepting the professional engagement by the firm to maintain the quality ?

(3 marks each)

: 4 :

5. (a) As a Company Secretary, prepare a note differentiating between concept of Ethics and Values.
- (b) ABC Ltd. has got the licence for setting up of a Rubber enterprise in State of Tamil Nadu. While providing the environmental clearance, Ministry of Environment, Forest and Climate Change imposes the condition for audit to check the compliances of norms issued with respect to environment. The company engages C & Co. Practicing Company Secretary (PCS) for this specific purpose. Prepare a note on Environmental Due Diligence as the PCS.
- (c) During the Secretarial Audit of the Company, auditors found various reports of expert. Some reports comprise technical details about the plant and project including assessment. Write the note on the reliability of the said reports.

(5 marks each)

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

6. (a) A fraud is punishable offence whereas the non-compliance also attracts the penalties. Differentiate between the two concepts i.e. Fraud and Non-Compliance.
- (5 marks)
- (b) Internal audit is applicable to every company. Comment.
- (5 marks)
- (c) FKZ Ltd. is a public limited company carrying business of manufacturing the electric products having a paid up capital of ₹ 75 crore and turnover of ₹ 250 crore as per latest audited financial statement. Answer the following :
- (i) Explain the applicability of Secretarial Audit to this company.

: 5 :

- (ii) Define 'Turnover' as per section 2(91) of the Companies Act, 2013.
- (iii) Explain the provision regarding appointment of the Secretarial Auditor.
- (iv) In case, 'S' a Secretarial Auditor, is found involved in the fraud amounting of ₹ 3 lakh (does not involve any public interest), then state the penalty for such action.

(2+1+1+1=5 marks)

OR (Alternate Question to Q. No. 6)

- 6A.**
- (i) There are various heads under which due diligence of Competition Law can be carried out. Explain.
 - (ii) Why is there a need of external experts' opinion on various technical matters to auditors ?
 - (iii) XYZ Ltd. a public limited company appointed R, a practicing professional, as an Internal Auditor of the company. During its audit procedure, he came to know some material information of the company which was revealed, due to incompetency of his audit staff, to the outsiders. The company filed a suit against him stating that due to his unprofessional and irresponsible behaviour, the company has to bear a huge loss. Explain the auditor's responsibility & duties in respect of the information acquired while performing the audit assignment.

(5 marks each)

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