SEBI Grade A 2024 Interview Transcript

Background *–*

- *Company Secretary (CS) with Training Experience under a Practicing Company Secretary Firm*
- *My interview was primarily based on my training experience.*

Ques 1. Tell us about your family.

Ans. Told about the family background.

Ques 2. You cleared the CS professional exams in 2021, what have you been doing since then?

Ans. After qualifying CS Professional exams, I registered myself for training under a PCS Firm for 2 years up to January 2023. It is mandatory to undergo a training to qualify for the degree.

Ques 3. What experience you got under your training?

Ans. I got diverse opportunities under my training. I learnt how to incorporate a company, drafting of documents, ensuring compliances of companies.

Ques 4. List out the compliances that a company needs to comply.

Ans. Told about various forms and their due dates like MSME-1, DPT-3, DIR-3 KYC, INC-20A, AOC-4, and MGT-7.

Ques 5. What is Form MGT-7 all about?

Ans. It relates to annual return of a company. It includes shareholding pattern, net worth, paid-up capital, who are promoters etc.

Ques 6. Is there any penalty charged to a Company Secretary in case of any violations committed by him?

Ans. Yes, penalty is prescribed under various provisions of the Companies Act.

Ques 7. Which section of Companies Act, 2013 deals with fraud?

Ans. Section 447

Ques 8. In case there are two sub-sections in a law which are contradicting each other, which shall prevail?

Ans. I told that the principal act which governs the law shall prevail.

He told that he was partially convinced.

Ques 9. Have you heard about mens rea?

Ans. Yes, it is the criminal intention of a person.

Ques 10. Whether mens rea is mandatory to be proved as per the provisions of SEBI?

Ans. I was not sure.

Ques 11. How you will make preference shareholders and equity shareholders sit in a general meeting?

Ans. There is separate class meeting for preference shareholders. Generally, they are not allowed to vote in a general meeting.

Ques 12. What are options?

Ans. Options are financial instruments that provide the right but not the obligation to buy or sell an underlying asset at a future date.

Ques 13. What comes under underlying assets?

Ans. Shares, Commodities, Interest rate and Currency

Ques 14. Who issues options?

Ans. I got confused over here.

Ques 15. Are you aware about the recent case of Misthan Foods? What it is all about?

Ans. Yes. It is the case which is related to presentation of misleading financial statements, misappropriation of funds, and siphoning of funds through related party transactions.

Ques 16. Do you make investments?

Ans. Not directly, my father make investments in my name.

Ques 17. Name any share that has been held in your name.

Ans. HDFC Bank and ICICI Bank

Ques 18. What is C-KYC?

Ans. It is centralized KYC that maintains records at a centralized location. It aims to avoid duplication of work.

Here the member said that suppose there are 5 AMCs then what will happen. I told that the AMC shall not be required to ask the client for documents each time rather C-KYC shall provide the same facilitating hassle-free transaction.

Ques 19. Which accounts are needed to make investments?

Ans. Trading Account, Demat Account and Savings Account.

Ques 20. What is dematerialization?

Ans. Process of converting physical certificates into electronic form.

Ques 21. Can electronic certificates be converted to physical certificates? What this process is called?

Ans. Yes, it is called rematerialization.

Ques 22. Is it allowed to keep physical certificates?

Ans. Yes, it can be kept. However, SEBI mandates trading in demat form only.

Ques 23. What do you understand by corporate governance?

Ans. Corporate Governance refers to the adoption of best practices that aim to ensure fairness, compliance and transparency in a company. For example, the Optimum combination of Board, conduct of meetings, and complying with related party transactions.

Overall, I would say that the panel was very cordial.

<u>SEBI Grade A 2024 Interview Transcript</u>

Dear team,

My transcript are

1. Tell me about your family

2. What is concurrent bank audit and meaning of concurrent.

3. What things do you check while undertaking concurrent audit

4. Can we fully automated concurrent bank audit

5. What is REIT

6. CAN REAL ESTATE company can transfer fund to sister concern

7. All real estate company related questions which I don't have any clue.

8. What is listing agreement

9. Independent director

10. How they appoint.

11. What are different types of committees

Such as audit committee,NRC and stackholders committee

12. Differentiated banking

13. Why it is started

14. Payment bank

15. Small finance bank

16. Financial inclusion

Etc

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1) How was your Exp at IIT GN

2) Is IITGN related to IIT Bombay

3) You worked as a Business analyst at SIM Advisory. What was the role

4) Why would the OEM give pricing to an external consultant

4) Was it Cost price or Selling price

5) Was GST involved in Selling Price

6) Your previous job looked more interesting why did you join a mundane orgz like NIACL?

7) Can you write code in python?

8) How can your experience be useful to me.

9) Do you ever regret that you left mechanical engineering and you are into a different field at present

10) Do you know about personal finance?

11) Imagine you are giving a 25 yr old person an advice to invest in the markets what would you suggest him MF or ULIP(some discussion on this)

12) How much is sensex and nifty at present?

13) Are there any other ways of investing in markets apart from mobile apps

14) How much is the work pressure at your present job?

15) Do you know what is Efficient Market hypothesisaq

16) How is the price of gold arrived at

17) You said that price

<u>of financial assests goes down then commodities goes up.. Does it goes up for all commodities ?</u>

<u>18) At present how are the returns in IPOs.. Some discussion on SME IPOs</u>

<u>19) Who determines prices of IPOs?</u>

<u>20) Benefits of reduction of settlement times?</u>

<u>21) What is the TAT of your office?</u>

<u>22) Difference between insurance and assurance?</u>

<u>Some discussion on this</u>

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Ques 1. As I come from CS (Company Secretary) background, one question was asked about what steps are undertaken when a resolution plan is approved (in terms of filings, Stock exchange intimations, etc.)

Ans. Mentioned that resolution plan to be filed with ROC, business will be carried out in normal course, payment to creditors as per the plan, etc.

(Panel member was trying to go deep into the topic but since I was not much aware about it, I clearly mentioned that "pardon me sir but I am not really sure about" hence he changed the topic)

Ques 2. Which authority approves resolution plan?

Ans. NCLT

Ques 3. About ASBA in secondary market.

Ans. Told that- Qualified stock brokers need to provide either ASBA facility or 3-in-1 trading account facility to the retail investors for trading in secondary market.

Ques 4. How a company is incorporated?

Ans. MOA and AOA are framed by promoters, name reservation is done and form SPICE will be filed with MCA. Once approved then Certificate of incorporation will be given which means the company is formed.

Ques 5. Mention any recent SEBI order.

Ans. Mentioned about SEBI investigation on Trafiksol SME IPO wherein order has been passed that company should refund all the application money to the allottees on account of major discrepancies found in prospectus like fund siphoning, etc.

Ques 6. What is bonus issue and its accounting effect.

Ans. Explained the term and mentioned that there is only accounting entries take place and no actual money is involved in the entire process.

Ques 7. What is the term denoted to this process (add on Q.)

Ans. 'Capitalisation of Profits'

Ques 8. Difference between bonus issue and dividend.

Ans. Biggest difference is actual money involvement in dividend but not the case in bonus issue. Further, if any company is in cash crunch situation then bonus issue is a good alternative to reward the existing shareholders.

Ques 9. What is growth stocks?

Ans. Risk and reward are high compare to value stocks. Capital appreciation happens in growth stocks. Long term and risky investors should prefer growth stocks over value stocks and conservative investors looking for capital protection and regular income in the form of dividend, should prefer value stocks.

Ques 10. Family background.

Ans. Standard response.

Ques 11. About structured digital database under SEBI insider trading regulations.

Ans. A database maintained for receivers and senders of UPSI during trading window closure in time stamped manner.

Ques 12. When pre-clearance of trade is obtained?

Ans. Stated the legal provision as per PIT regulation.

Ques 13. What is contra-trade under PIT regulation?

Ans. No opposite share transaction to be undertaken within 6 months of 1st trade. Applicable to only that Company's shares wherein a person is designated person.

Ques 14. Does PIT regulations applicable to all the employees of listed company or only upon designated persons of that company.

Ans. Only Designated persons and insiders.

2-3 more questions (unable to recall).

<u>SEBI Grade A 2024 Interview Transcript</u>

Background – B.Tech in Mechanical Engineering from an IIT, placed as a consultant, UPSC aspirant

<u>*Note:*</u> *The questions are in no particular order. The panel freely asked questions and follow-ups as they wished. I may have missed out on a few questions here. Also, the answers are not the objective truth and the panel rarely makes its agreement/disagreement clear. I've presented them in a skeletal form.*

I was the fifth candidate to enter in the forenoon slot. My interview went on for 25 minutes.

1. Tell me about yourself

   Ans. Highlighted major events from school to current scenario, included interests and certifications as well.

2. Gap years.

   Ans. Explained about UPSC and my progress in it

3. Where were you placed?

   Ans. Spoke about the company

4. Recent issue that happened there. (The firm was in the news, for bad reasons)

   Ans. Spoke about how it has become common, highlighting personal experience as well, and the need for firms to realize that productivity and time spent need not be proportional.

5. If your boss is overburdening you with work, what will you do?

Ans. Spoke about a unified constructive solution based on collaboration over confrontation.

6. Why indices fell recently? Should sebi actively intervene? What is it doing about fpi right now?

Ans. Was an issue in news. Highlighted issues like fpi outflows, geopolitics, fed rate cuts, etc. Intervention should be there only when the resultant market volatility is too high. I spoke about FPI Outreach Cell, forgot about the t+1 day settlement + payment thing.

7. But, corporate earnings for FY25 Q2 have been tepid, other countries are being more attractive, and there are more such factors not in India's favour. So how do you see this?

Ans. Spoke about how analysts see this as a temporary phenomenon and that India is poised to grow at a high rate in the future.

8. Why fpi outflows happened?

Ans. Main – China's fiscal stimulus measures.

9. Is that the only reason? Was China the only country to benefit from our fpi outflows?

Ans. geopolitics, fed rate cuts, favourable valuations in SE Asian countries, etc

10. Did anyone help fill that gap left by FPI outflows? Why isn't there as huge a fall as when the covid pandemic broke out?

Ans. Domestic Institutional Investors played a huge role in this.

11. Why did those DIIs invest here? (There was some extra information on FII vs DII wrt resources, etc)

Ans. I asked for time and then spoke about diversification needs of DIIs, given that equity yields high returns over the long term. (So, a broken answer which was surely not 100% correct but diversification is something they nodded along with).

12. What are clearing corporations?

Ans. Gave definition and their role in reducing settlement risk.

13. You mentioned settlement risk. What happens if a broker isn't able to pay his clients? How does cc help here, specifically?

Ans. Spoke about SGF and how it works.

14. One broker recently got penalized, in the last five years. Name it.

Ans. Couldn’t recollect. They told me it was Karvy

15. Why mechanical engg?

Ans. Family influence, personal interest.

16. Why didn't you take up a job there?

Ans. *<Insert own personal reason>*

17. Imagine you got an offer from sebi and then from a mechanical engineering company, where will you go?

Ans. Highlighted why I was interested in SEBI and contrasted it with the other option.

18. What if you cleared sebi and upsc at the same time? (We all laughed after I expressed surprise when he asked me to assume I topped UPSC)

Ans. I was going to give a practical answer. The Chairman decided to switch to another line of questions before I could answer.

19. What are your hobbies?

Ans. Following my favourite football club.

20. Is watching a sport a hobby? (They were expecting me to mention a hobby involving physical work)

Ans. I conceded that it could be considered a leisure activity. But I also pointed that I do more than just watch games. (The Chairman took over in between and asked other questions)

21. Do you watch cricket?

Ans. Answered that I do but not as much as I used to. When asked why, I spoke about the duration of the games and the time spent studying.

22.You can follow the highlights also, so why is it an issue?

Ans. Spoke about the analysis commentators do, which makes watching the sport more interesting.

23. What happened at baku recently?

Ans. UNFCCC CoP 29 summit

24.What is its theme?

Ans. I was speaking about the Paris Deal. Was corrected and asked about the current summit's theme, which I didn't know about.

25.Tell me about your IIT.

Ans. Spoke about what makes it a top institute, but in a general sense. Should have put in a personalized version.

26.Were you ever interested in running a startup?

Ans. Spoke about my ideas and interests over the years.

27.Do you invest in the market?

Ans. No, so no follow-ups asked.

28.What subjects did you cover in upsc? How far did you go there?

Ans. Mentioned my optional and my favourite ones. Wrote mains multiple times.

29. Will you attempt again? You're still eligible

Ans. Justified why that isn't a priority.

30. Sebi is very tech-focused. Will you be able to adapt?

Ans. Spoke about my foundational skills and the work I've been doing with respect to data analytics.

31.Can you adapt to a different city?

Ans. I've lived across different cities across my life, so this wasn't going to be an issue.

32.What is the china+1 strategy? What's in it for us?

Ans. It was in the news, connected with China's stimulus measures. I highlighted both the pros and the challenges India is facing.

33. How did you feel the level of the exam was?

Ans. Spoke about the level of the questions and the challenge of studying new subjects from scratch.

34. Any other exams you've written

Ans. I had attempted NABARD so I spoke about it. No follow-ups were asked on this.