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PART - I

Case Scenario - I :

Dr. Ronak Mosay, a renowned lyricist and a folk singer wants to perform with his musicians across the world on a Cultural tour, partially sponsored by Youth Welfare Department of his local government. His next show is in the city of Vancouver, Canada. Dr. Ronak Mosay is an Indian citizen and a person resident in India. Dr. Ronak Mosay is also having his brother living in Canada. Dr. Ronak Mosay also regularly keeps promoting and sponsoring Cricket tournaments in Canada. For his forthcoming tour to Canada, he wants to remit foreign exchange for hotel and for other event booking expense.

Based on the facts given in the above case and by applying the relevant provisions of the Foreign Exchange Management Act, 1999 and the applicable rules (if any) therein, choose the correct answer of the following MCQs : (Q. No. 1 to Q. No. 3)

1. Dr. Ronak Mosay desires to remit US \$ 1,50,000 for payment of prize money to the winning team in a cricket tournament in Canada. He needs to obtain approval from which of the following ?
(A) His bank only, as the amount is less than US \$ 2,50,000.
(B) No approval is required.
(C) The transaction is a prohibited transaction.
(D) Ministry of Human Resource Development (Department of Youth Affairs and Sports)

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2. For his show in Canada, he needs to obtain prior approval for remittance of foreign exchange from : 2
- (A) Ministry of Finance
- (B) Ministry of Information and Broadcasting
- (C) Ministry of Communication and Information Technology
- (D) Ministry of Human Resources Development (Department of Education and Culture)
3. Dr. Ronak Mosay has enquired from you that for which of the following purposes, is he allowed to draw foreign exchange ? 2
- (A) For his own travel to Nepal.
- (B) Remittance of US \$ 50,000 out of lottery winnings to his son in US.
- (C) Remittance for purchase of sweepstakes.
- (D) Gift of US \$ 10,000 to his brother in Canada.

Case Scenario – II :

Rohit and Anushka after passing out the CA examination, incorporated an LLP to work as the practicing Chartered Accountant. Rohit and Anushka were also titled as designated partners. After sometime, Rohit got an opportunity to provide consultancy services on an ongoing basis to a company based in Singapore. Rohit remained in India for 90 days during the Financial Year 2023-24. The LLP continues its operations from India with Anushka whereas Rohit participates in decision making remotely.

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Based on the facts given in the above case and by applying the relevant provisions of the LLP Act, 2008 and the applicable rules therein, choose the correct answer of the following MCQs : (Q. No. 4 and Q. No. 5)

4. As per the LLP Act, 2008, the term resident in India means a person who has stayed in India for a period of : 2
- (A) not less than one hundred and twenty days during the financial year.
 - (B) not less than sixty days during the financial year.
 - (C) not less than one hundred days during preceding one year.
 - (D) not less than ninety days during preceding one year.
5. As per the LLP Act, 2008, whether above LLP fulfills the requirements of designated partner ? 2
- (A) No, as both of the designated partners Rohit and Anushka should be resident in India.
 - (B) No, as both of the designated partners should be non-resident.
 - (C) Yes, as Rohit is a resident of India as defined under the LLP Act, 2008.
 - (D) Yes, as at least one of the designated partners should be resident in India and Anushka is a resident of India.
6. Jade Suites LLC is a chain of hotels and restaurants all over the world. It is proposing to establish a Hotel at Goa. It has appointed a Chartered Accountant Mr. B for taking care of the registration formalities of the company. While the registration process was ongoing, the company entered into a lease agreement with a land owner for the construction of its Hotel. After few months, the Directors of Jade Suites LLC withdrew their interest in establishing a Hotel at Goa due to the news in social media regarding the fall in the tourism industry there. The land owner refused to repay the advance received by him. Can Jade Suites LLC sue the land owner in the capacity of a foreign company ? Referring to the provisions of the Companies Act, 2013, choose the correct option : 2

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- (A) Jade Suites LLC is a foreign company and can sue the land owner for the advance amount given in its capacity as a Foreign Company. It can't sue the Jade Suites LLC as it is incorporated as a foreign company.
- (B) Jade Suites LLC is incorporated as a Foreign Company. The Registration process is not yet complete and hence Jade Suites LLC cannot sue the land owner in its capacity as a Foreign Company.
- (C) The Registration process has started, the company is deemed to be incorporated as a foreign company and hence Jade Suites LLC can sue the land owner.
- (D) Once the registration process has started, the company is deemed to be incorporated as a foreign company and hence Jade Suites LLC can sue the land owner.

7. Any instrument in the form of depositary receipt created by a Domestic Depository in India and authorized by a company incorporated outside India making an issue of such depositary receipts, is called as :

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- (A) American Depository Receipt
(B) Global Depository Receipt
(C) European Depository Receipt
(D) Indian Depository Receipt

8. The term "Year" as per General Clauses Act, 1897 means :

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- (A) Financial year
(B) A year according to the British calendar which starts from January to December.
(C) 365 days
(D) Any period of 12 months

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9. The General Clauses Act, 1897 (Act) was enacted on 1st March, 1897 to consolidate and extend the General Clauses Act, _____ and _____ 2

(A) 1857 and 1887
(C) 1878 and 1880

(B) 1887 and 1893
(D) 1868 and 1887

Case Scenario – III :

XYZ Technologies Ltd. is a public limited company registered under the Companies Act, 2013 and has a diverse shareholder base. Due to large number of shareholders and the fact that many of them reside in different parts of the country, there is a significant interest in appointing proxies to represent shareholders who cannot attend the meeting.

The Directors of XYZ Technologies Limited, desire to conduct an Extra-ordinary General Meeting (EGM) to discuss an important fund raising proposal. The meeting is scheduled to be held at 3 p.m. on 2nd February, 2025, and the notice of the meeting is sent to all the members as required by the provisions of the Companies Act, 2013.

As per the notice, the members who are unable to attend the meeting can appoint proxy and the proxy forms duly filled should be sent to the company so as to reach the company at least 48 hours before the meeting.

Mr. Praveen, a shareholder and experienced investor has often represented many shareholders in prior meetings. This time he has been approached by 52 members to act as their proxy.

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Based on the facts given in the above case and by applying the relevant provisions of the Companies Act, 2013 and the applicable rules therein, choose the correct answer of the following MCQs : (Q. No. 10 to 12)

10. As the Company Secretary of the Company, advise the Board of Directors to reply to the question raised by a member in the meeting with respect to the prescribed period for which the company shall preserve the register of members and copies of documents filed with ROC respectively for _____ and _____.

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- (A) 8 years, 8 years
- (B) 8 years, Permanently
- (C) Permanently, 8 years
- (D) Permanently, Permanently

11. Mr. Praveen has approached you to seek guidance that for how many members he can accord his confirmation to act as proxy as per the provisions of Section 105 of the Companies Act, 2013 ?

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- (A) Mr. Praveen can accord his confirmation to act as proxy for 52 members, if they are holding in aggregate more than 10 percent of the total share capital of the company carrying voting rights.
- (B) Mr. Praveen can accord his confirmation to act as proxy for 52 members, if they are holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights.
- (C) Mr. Praveen can accord his confirmation to act as proxy for 50 members, if they are holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights.
- (D) Mr. Praveen can accord his confirmation to act as proxy for 50 members, if they are holding in aggregate more than 10 percent of the total share capital of the company carrying voting rights.

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12. Mr. Rajan, a member of the company, entitled to vote at a meeting of the company shall be entitled to inspect the proxies lodged provided he has given _____.

- (A) Not less than twenty four hours' notice to the company in writing of the intention so as to inspect the proxies lodged with the company.
- (B) Not less than three days' notice to the company in writing of the intention so as to inspect the proxies lodged with the company.
- (C) Not less than two days' notice to the company in writing of the intention so as to inspect the proxies lodged with the company.
- (D) Not less than twelve hours' notice to the company in writing of the intention so as to inspect the proxies lodged with the company.

Case Scenario – IV :

Classical Diagnostics Ltd. (CDL) is a company engaged in the business of providing diagnostic services in all major cities of India. The CDL have paid-up capital of ₹ 700 crores. The face value of each of the share is ₹ 10 only. As a staff welfare scheme, the CDL has taken Group Mediclaim Policy for all its employees from Bharosa Insurance Company Ltd. (BICL).

BICL was incorporated in 2015 and was having paid-up capital of ₹ 1,500 crores. In order to raise further funds, the BICL has issued bonds, Unit Linked Insurance Plan and debentures to the public. The BICL had also issued Preference Shares on private placement basis and were offered to the employees of the CDL.

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The CDL proposed to change the rights associated with the present shareholders. Out of the ₹ 700 crores of the paid-up capital, the promoter's holding was 60% and rest of the 40% was with the public and other financial institutions. The variation proposed in the shareholder's right is that whosoever surrenders their right to vote in the meeting will be given higher dividend (if declared by the company) which shall be 2% more than the shareholders who retain the right to vote.

The CDL called on Extra-ordinary General Meeting (EGM) for passing of the special resolution. Some of the shareholders did not consent to the proposal of the company and moved to the Tribunal against the variation.

Based on the facts given in the above case and by applying the relevant provisions of the Companies Act, 2013 and the applicable rules therein, choose the correct answer of the following MCQs : (Q. No. 13 to Q. No. 15)

13. Where the holders of at least _____ of the issued shares of a class who did not, consent to or vote in favour of the resolution for the variation, may apply to the Tribunal to have the variation cancelled, and where any such application is made, the variation shall not have effect unless and until it is confirmed by the Tribunal.

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(A) 1%

(B) 10%

(C) 66%

(D) 95%

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14. Bharosa Insurance Company Ltd. (BICL) has issued certain instruments. Which among the following shall not be covered under the definition of "Securities" ? 2
- (A) Bonds (B) Debentures
(C) Preference Shares ~~(D) Unit Linked Insurance Plan~~
15. Classical Diagnostics Ltd. (CDL) proposed for variation in the shareholder's voting right. How much percentage of issued shares of that class shall be required for consent for passing such resolution ? 2
- (A) The holders of atleast 51% of the issued shares of that class.
(B) The holders of atleast 66% of the issued shares of that class.
(C) The holders of atleast 71% of the issued shares of that class.
~~(D) The holders of atleast 75% of the issued shares of that class.~~
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