

- The question paper comprises two parts, Part I and Part II.
- Part I comprises Multiple Choice Questions (MCQs).
- Part II comprises questions which require descriptive answers.
- Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
- Answers to Questions of Part I are to be marked on the OMR answer sheet given on the cover page of descriptive answer book only. Answers to questions in Part II are to be written inside the descriptive answer book. Answers to MCQs, if written inside the descriptive answer book will not be evaluated.
- OMR answer sheet given on the cover page of descriptive answer book will be in English only for all candidates, including for Hindi medium candidates.
- The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive answer book.
- You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
- Duration of the examination is 3 hours. You will be required to submit the descriptive answer books with OMR cover page to the invigilator before leaving the exam hall, after the conclusion of the exam.
- The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the descriptive answer book.
- Candidate found copying or receiving or giving any help or defying instructions of the invigilators or having/using mobile phone or smart watch or any other electronic gadget will be expelled from the examination and will also be liable for further punitive action.

30 marks

PART - I

- Answer all MCQs.
- Use HB pencil only to darken the circles for MCQ answers in the answer sheet.
- After each MCQ, four options have been given. Choose the correct or most appropriate option and darken the corresponding circle against the question number in the OMR Answer Sheet, completely, as shown below, with HB pencil.

Marking the Answers

Example :

For Question No. 12, if the candidate considers the correct answer to be C, he is to mark as shown below (Correct Method)

12 (A) (B) (C) (D)

Not as shown below
(Wrong method) :

12 (A) (B) (C) (D)
12 (A) (B) (X) (D)
12 (A) (B) (C) (D)
12 (A) (B) (C) (D)
12 (A) (B) (C) (D)

- Any answer to MCQ marked inside descriptive answer book will not be considered and no marks will be awarded.
- If a candidate wants to change the option already darkened, he should erase it completely, with good quality eraser and ensure that no mark is visible after erasing.
- No mark will be awarded if no circle is darkened or more than one circle is darkened for a particular MCQ.
- There is no negative marking for a wrong answer.
- Rough work, if any, must be done on the pages, specified as SPACE FOR ROUGH WORK only and nowhere else in the question paper booklet or in the answer sheet.
- Before commencement of the exam, please fill up the necessary information in the space provided below and also in the answer sheet.

Total No. of Printed Pages : 16

Maximum Marks : 30

Roll No.

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Question Paper
Booklet Code

D	E	N	1
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Name of the Candidate

Signature of the Candidate

This booklet is the property of the Examination Body. Any unauthorized and illegal circulation of its contents in part or in full in any manner whatsoever is strictly prohibited. Candidates involved in such unauthorized and illegal acts are liable to be prosecuted besides being disqualified to appear in any further examinations of the Examination Body.

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- (1) After each MCQ, four options have been given. Choose the correct or most appropriate option and darken the corresponding circle against the MCQ number in the OMR answer sheet.
- (2) Answer to MCQs, if written inside the descriptive answer book shall not be awarded any mark.
- (3) Please ensure to write and darken correct MCQ booklet number in the OMR answer sheet. The correct MCQ booklet number must also be written in the attendance register.
- (4) Please write your Roll No. and name on the topmost page of the MCQ booklet at the specified place without fail.



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PART – I

(MCQ)

Case Scenario – I

Sunset Pvt. Ltd., a private company incorporated in 2016, was engaged in large-scale construction projects. In April 2024, the company faced a severe cash crunch. The board decided to raise funds urgently. On 20th April 2024, one of the directors, Mr. Ramesh, advanced ₹ 25 lakh to the company. He orally stated that the money came from his personal account but did not provide any written declaration. On 25th April 2024, the company also circulated a notice inviting deposits from the public promising 11% interest. Within 15 days, ₹ 80 lakh was collected from the public. The company did not appoint any trustees, did not deposit 20% of maturing deposits into a Deposit Repayment Reserve Account, nor did it purchase deposit insurance.

In June 2024, Sunset Pvt. Ltd. borrowed ₹ 2 crore from Horizon Bank against the creation of a mortgage on its plant and machinery. However, the company never filed particulars of the charge with the Registrar of Companies. In March 2025, default occurred both in repayments of deposits and in repayment of the bank loan. Subsequently, winding-up proceedings were initiated. During liquidation, depositors filed claims before the Tribunal for repayment of deposit amount along with interest. Horizon Bank also sought to enforce its security.

Meanwhile, the company had fixed its Annual General Meeting (AGM) on 30th September 2024. The notice was issued to all members on 10th September. On the scheduled date of AGM, only one shareholder attended within half an hour of the meeting time. The chairperson adjourned the meeting to 7th October 2024. On the adjourned date, again only one shareholder was present, but resolutions regarding approval of accounts and reappointment of a director were passed. Another member later challenged the validity of those resolutions.

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In parallel, a group of minority shareholders alleged that the invitation for deposits was a disguised attempt by the directors to avoid stricter conditions of raising secured loans, and that the company deliberately failed to comply with deposit related provisions. They filed a complaint seeking disqualification of directors for contravention of statutory requirements. The Tribunal was also approached to determine whether the resolutions passed at the adjourned meeting could bind absent shareholders when only one member attended. The creditors argued that such resolutions could not stand in law, whereas the directors maintained that said resolutions were validly passed under statutory provisions.

Adding to the complications, the Ministry initiated prosecution under Section 76A of the Companies Act, 2013, for default in repayment of deposits, making every officer of the company personally liable with fines and imprisonment. At the same time, the Registrar imposed penalties under Section 86 of the Companies Act, 2013, for failure to register charges. Directors argued that since the company was already in winding up, they should not be personally liable. The Tribunal had to decide whether liability under Section 76A attracted automatically on default and whether non-registration of charges rendered Horizon Bank's security unenforceable in liquidation.

Based on the facts given in above case scenario and by applying the relevant provisions of the Companies Act, 2013, choose the correct answer of the following questions : (Q. No. 1 to Q. No. 3)

1. The default by Sunset Pvt. Ltd. in repaying deposits raised from the public, and the initiation of proceedings under Section 76A, will result in : 2
 - (A) Only the company being punishable with fine, directors not liable.
 - (B) Directors liable only if wilful fraud is proved.
 - (C) Both company and every officer in default being liable, with imprisonment possible.
 - (D) Only depositors entitled to civil recovery, no criminal liability arises.



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2. For failure to register a charge created in favour of Horizon Bank, the effect under Section 77 read with Section 86 is : 2

- (A) The charge is void against liquidator and creditors, and company along with officers are liable for penalty.
- (B) The charge remains valid against liquidator and creditors, but company is fined.
- (C) The charge becomes void ab initio even between company and bank.
- (D) The charge can still be enforced if bank produces the mortgage deed in court.

3. In the adjourned general meeting of Sunset Pvt. Ltd., where only one shareholder attended and resolutions were passed, the validity of such resolutions will be determined by : 2

- (A) Articles of Association only.
- (B) Section 103, which provides that members present at adjourned meeting form quorum.
- (C) Section 96, which deals with the holding of AGM.
- (D) Tribunal's discretion under Section 98.

Case Scenario – II

Novus Labs LLP was formed in 2019 by three practising technologists, Asha (designated partner no.1), Rohan (designated partner no. 2) and Mira (partner). In 2024 Novus decided to convert into a private limited company to raise institutional capital and to offer stock options to employees. The LLP completed conversion formalities and on 10th October 2024, Novus Labs Pvt. Ltd. (the Company) was incorporated; Asha (who had acted as the LLP's designated partner and had been the compliance lead) became Managing Director and retained 60% of equity, Rohan became a non-executive director and Mira took 10% equity, while the balance was allotted to two angel investors. Within the same financial year, Novus Labs Pvt. Ltd. planned two fund-raising steps. First, on 20th November 2024 the Board



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approved a private placement offer to identified investors aggregating to 205 persons (the invitations included 5 Qualified Institutional Buyers and 10 employees to be issued under the employee stock option scheme). The Board relied on the fact that these investors were known to the company and treated the issue as a private placement. Second, in March 2025, the company proposed a rights issue to raise further working capital (i.e. 1 right equity share for every 2 equity shares held) and sent the notice of offer to shareholders only two days prior to opening the issue. Ninety-four percent (94%) of the members had earlier given written consent via email that the company may adopt a short notice period. During the private placement process some foreign subscribers were nationals of a neighbouring country that shares a land border with India; the company's secretarial team received queries whether any additional Government approvals under FEMA were required. Meanwhile Asha (now MD) received a notice from an investor alleging non-compliance with procedural formalities for private placement and warning of invocation of penalties and refund obligations under the Companies Act. The company's finance head is not sure, whether the 205 persons invitation is treated as a public offer; whether QIBs and employees are to be counted in the 200 person threshold; whether the dispatch of short notice of offer (2 day) for the rights issue is valid for this private company and whether Asha (previously designated partner) has any special filing or liability exposure for procedural defaults that may arise under the relevant provisions.

Based on the facts given in above case scenario and by applying the relevant provisions of the Companies Act, 2013, choose the correct answer of the following questions : (Q. No. 4 to Q. No. 5)

4. In the facts above the company issued private placement invitation letters to 205 identified persons in aggregate during the financial year. Which of the following statements is correct ?

(A) The issue will be deemed to be a public offer (and Sections 23 – 41 will apply) because the total number of invitees (205) exceeds 200, so Section 42 is violated.



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(B) The company need not file any return of allotment (Form PAS-3) for private placement issues and hence has no filing exposure.

(C) Even if excluded, because any single allotment to more than 180 persons is prohibited, the issue is invalid and the entire subscription must be refunded.

(D) The issue will not be deemed a public offer because QIBs and employees under an ESOP are excluded while computing the 200-person threshold; after excluding them the count is 190 (< 200), so it remains a valid private placement subject to other procedural compliances.

5. The company sent the rights-issue notice to shareholders only two days prior to opening the issue. Considering Sections 60 – 62 implications and conversion of LLP to Company (designated partner Asha is now MD), which statement is correct ? 2

(A) The rights issue is valid in a private company since the shareholders' written consent exceeded 90%, so the 2 day dispatch is acceptable for this private company; Asha (formerly designated partner) will be treated as an officer/director for compliance purposes and is bound by filing/penalty provisions if defaults occur.

(B) The rights issue is invalid because Section 62 requires a minimum of 15 days' notice to shareholders and no member consent can shorten this statutory minimum period.

(C) The rights issue is valid only if the company is listed; for unlisted private companies Section 62 does not apply.

(D) The rights issue is valid only if the company simultaneously increases its authorised capital first by an ordinary resolution and also obtain written consent from the shareholders holding not less than 95% shares; otherwise the offer is void.

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Case Scenario – III

In Hyderabad's tech hub, Horizon Innovations Ltd. was a fast-growing company, famous for its digital payment solutions. But in 2022, the company faced a serious problem—not with its technology, but with the auditor who was supposed to audit its financial statements.

At the AGM on September 30, 2021, shareholders appointed M/s. Vikas & Associates as statutory auditor for 2021–22. The firm's lead partner, Vikas Reddy, was a respected CA with 15 years of experience. Most shareholders trusted him, but one investor, Anjali Desai, who owned 10% shares, was suspicious. When Anjali checked the auditor's background, she found following issues :

- Vikas Reddy's spouse owned 10,000 shares (₹ 100 each) in Horizon, which was never disclosed.
- The firm had taken a ₹ 50 lakh loan from Horizon in 2020, still unpaid.
- Vikas had also provided tax consultancy services to Horizon in 2020 – 21.
- The firm did not submit the mandatory eligibility certificate under the Companies Act, 2013.

Anjali complained to the Registrar of Companies (ROC), Hyderabad, saying the auditor was ineligible under Section 141. The investigation confirmed her claims. The ROC ruled that Vikas & Associates was ineligible and must vacate office under Section 141(4) and imposed the penalties. Horizon was fined ₹ 2,00,000 for appointing an ineligible auditor. Vikas & Associates was fined ₹ 50,000 for accepting the appointment. Further, Horizon was ordered to call an Extraordinary General Meeting (EGM) within 60 days to appoint a new eligible auditor.



Based on the facts given in above case scenario and by applying the relevant provisions of the Companies Act, 2013, choose the correct answer of the following questions : (Q. No. 6 to Q. No. 8)

6. Vikas & Associates argued that the 10,000 shares held by Vikas Reddy's spouse were held in her personal capacity and not in the firm's name. How should this argument be treated under professional ethics and company law ? 2

- (A) Acceptable, as the shares were not in the auditor's name.
- (B) Acceptable only if disclosed to the Board before appointment.
- (C) Not acceptable, as relatives' shareholding is also considered for eligibility.
- (D) Acceptable if the auditor's spouse had no voting rights.

7. The audit firm did not furnish the eligibility certificate as prescribed before its appointment. What is the importance of this certificate ? 2

- (A) It is a voluntary self-declaration provided at the auditor's discretion.
- (B) It is a mandatory requirement under Section 139(1) read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, confirming that the auditor satisfies the eligibility criteria under Section 141.
- (C) It is a requirement applicable only to listed companies.
- (D) It is a certificate issued by ICAI attesting to the auditor's professional competence.



8. Following the regulatory authority's decision, Horizon Innovations Ltd. was penalized and directed to convene an Extraordinary General Meeting (EGM) to address the auditor's disqualification. Which of the following provisions correctly applies in this situation ?

2

- (A) When an auditor becomes disqualified, the auditor must vacate the position, and such vacation shall be deemed to be a casual vacancy and the company is required to appoint another eligible auditor.
- (B) The regulatory authority has the power to directly appoint a new auditor for the company.
- (C) The law requires the company to rotate its auditors periodically each financial year.
- (D) The company may retain the same auditor by passing a special resolution till the next AGM.

Case Scenario – IV

Globacom Pvt. Ltd., a tech Services Company headquartered in India, plans to engage in several foreign exchange transactions :

- (1) Send sponsorship funds worth USD 1,30,000 to support a private tech conference abroad, organized by a non-governmental association.
- (2) Remit royalty payments totaling USD 1,50,000 under a technical collaboration agreement for licensing software developed overseas.
- (3) Make a marketing payment exceeding ₹ 15,000 in a foreign print publication to promote inbound tourism (targeting foreign visitors).
- (4) Sponsor several cultural exchange tours for college students for USD 80,000.



The Finance Team must determine which transactions are permitted, which require prior government approval, and which are strictly prohibited under the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA).

Based on the above facts, answer the following questions : (Q. No. 9 to Q. No. 11)

9. Related to the remittance of the amount mentioned for sponsoring a private tech conference abroad - which of the following is the correct option ? 2

- (A) Allowed freely as it's a promotion of trade.
- (B) Prohibited under Schedule I.
- (C) Requires prior approval under Schedule II.
- (D) Does not require approval from the Government if routed via EEFC or RFC account.

10. Above said royalty remittance under a technical collaboration agreement -

Which of the following is the correct option ? 2

- (A) Freely permissible without approval.
- (B) Prohibited under Schedule I.
- (C) Requires approval under Schedule II since the amount exceeds thresholds.
- (D) Only allowed if remitted from an EEFC or RFC account.

11. Globacom has made two other remittances -

- (1) Marketing payment (₹ 15,000/-) in foreign print media to promote inbound tourism.
- (2) Cultural exchange tours sponsorship worth USD 80,000.

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Which of the following is the correct option ?

- (A) Both (1) and (2) are freely permissible.
- (B) (1) is allowed freely, but (2) requires prior government approval.
- (C) (1) requires approval, but (2) is freely permissible.
- (D) (1) is prohibited, and (2) requires approval.

Case Scenario – V

M/s ABCD Capital Limited, a listed public company, was found guilty of manipulating its share prices through false disclosures in its quarterly financial statements. The company's Managing Director, Mr. Arvind, was charged under :

- (1) Section 447 of the Companies Act, 2013 (Fraud), and
- (2) Regulation 9 & 10 of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 read with Section 24 of the SEBI Act, 1992, for misleading investors and distorting the securities market.

The SEBI Adjudicating Officer imposed a monetary penalty of ₹ 25 lakh and recommended criminal prosecution. Later, the Special Court under the Companies



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Act also imposed a fine of ₹ 10 lakh and three years' imprisonment on Mr. Arvind for the same fraudulent act.

Mr. Arvind appealed, raising two legal objections :

- (1) That he cannot be punished twice for the same act of fraud under both SEBI and the Companies Act (double punishment issue).
- (2) That the fine imposed under SEBI Act cannot be recovered using Code of Criminal Procedures, since SEBI laws are "special" enactments with their own mechanisms.

Based on the facts given in above case scenario and by applying the relevant provisions of the General Clauses Act, 1897, choose the correct answer of the following questions : (Q. No. 12 to Q. No. 13)

12. Which of the following statements correctly applies to Mr. Arvind's claim of "double punishment" under the General Clauses Act, 1897 ? 2

- (A) He cannot be trialed under both SEBI Act and Companies Act for the same fraudulent act.
- (B) He can be punished twice under both enactments for the same offence.
- (C) He can be trialed and convicted under both enactments but cannot be punished twice for the same offence.
- (D) Once SEBI imposes a penalty, Companies Act proceedings automatically become void.

13. If the SEBI Act, 1992 does not expressly exclude the application of Code of Criminal Procedure provisions for fine recovery, which of the following is correct as per the provisions of the General Clauses Act, 1897 ?

2

- (A) The fine cannot be recovered under Code of Criminal Procedure because SEBI is a special law.
- (B) Code of Criminal Procedure provisions like issuance of warrant for levy of fine will automatically apply.
- (C) SEBI must recover fines only through civil recovery suits.
- (D) The Central Government must issue a separate recovery notification.

Case Scenario – VI

Aquarius Design LLP was incorporated on 1st April 2023 with three partners – Arjun, Anjali, and Nakul.

Arjun and Anjali were Designated Partners, while Nakul was an ordinary partner contributing ₹ 5 lakh capital.

In August 2023, Nakul withdrew ₹ 3 lakh from the LLP's bank account without prior consent and used it to repay his personal car loan. The LLP later suffered a major business loss and defaulted on a vendor payment of ₹ 7 lakh. Meanwhile, Anjali went abroad for six months and stopped taking part in management but remained formally a designated partner.

In January 2024, the LLP admitted a new partner Bheem, a relative of Arjun, but no notice of his admission was filed with the Registrar. Around the same time, the LLP borrowed ₹ 10 lakh from Mr. Sharma, who believed Anjali was still actively managing the firm.



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Later, an internal audit revealed that Arjun knowingly prepared a false Statement of Account & Solvency, showing profits though the LLP was in serious financial trouble. The LLP failed to file that statement within the prescribed period and continued business till October 2024, when Mr. Sharma demanded repayment.

Based on the facts given in above case scenario and by applying the relevant provisions of the Limited Liability Partnership Act, 2008 (LLP), choose the correct answer of the following questions : (Q. No. 14 to Q. No. 15)

14. (i) Is Nakul personally liable for the ₹ 3 lakh withdrawn from LLP funds for personal use?

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(ii) Is Anjali, who was a designated partner but inactive and abroad, personally liable for vendor debts incurred while she was away?

2

15. (i) Is Bheem liable to Mr. Sharma for LLP debts incurred before his admission, since no notice of admission was filed?

&

(ii) Is Arjun personally liable for LLP obligations arising from the false Statement of Account & Solvency not filed within time ?

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Maximum Marks - 70

Total No. of Questions - 6

Total No. of Printed Pages - 12

GENERAL INSTRUCTIONS TO CANDIDATES

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11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators or having / using mobile phone or smart watch or any other electronic gadget will be expelled from the examination and will also be liable for further punitive action.

PART - II

70 Marks

1. Question paper comprises 6 questions. Answer Question No. 1 which is compulsory and any 4 out of the remaining 5 questions.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.

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PART – II

1. (a) ABC Ltd., a listed company in the Indian manufacturing sector, has concluded its financial year ended 31st March 2025. The company is now considering declaring a final dividend of ₹ 3 per equity share, with a face value of ₹ 10 per share. Before proceeding, the Board of Directors seeks to ensure that the proposed dividend complies with all relevant provisions of the Companies Act, 2013, particularly those related to the permissible sources and conditions for dividend distribution. The summarized financial position of the company for FY 2024-25 is as follows :

- Revenue from operations amounts to ₹ 10,000 lakhs, and
- Other income contributes an additional ₹ 1,000 lakhs, bringing the total income to ₹ 11,000 lakhs.
- The company has incurred expenses (excluding depreciation) of ₹ 8,000 lakhs, and Provided for depreciation of ₹ 1,200 lakhs, as per Schedule II of the Companies Act.
- The resulting profit before tax (PBT) stands at ₹ 1,800 lakhs, with a tax provision of ₹ 450 lakhs, leading to a net profit after tax (PAT) of ₹ 1,350 lakhs.

In addition to current year earnings, ABC Ltd. has accumulated retained earnings of ₹ 2,000 lakhs from previous financial years and holds free reserves (excluding any revaluation reserves) of ₹ 500 lakhs. The company has 100 lakh equity shares and the total proposed dividend payout amounts to ₹ 300 lakhs (i.e., ₹ 3 per share).

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Based on the above information, analyse whether ABC Ltd. is eligible to declare dividends under the following scenarios in compliance with the Companies Act, 2013 :

- (1) Out of the current year's profits.
- (2) Out of the accumulated profits of previous years only.

Support your answer with appropriate provisions and calculations under the Companies Act, 2013.

(b) MNP Tech Ltd., a fast-growing start-up in Bangalore, recently issued equity shares at a premium of ₹ 200 per share, raising a Securities Premium balance of ₹ 10 crore. 5

The CFO proposes the following uses of the Securities Premium Account to manage the company's financial commitments and investor expectations :

- (1) To write off advertisement expenses of ₹ 50 lakhs incurred during the product launch.
- (2) To issue fully paid bonus shares worth ₹ 2 crore to the existing shareholders, as a gesture of goodwill.
- (3) To provide ₹ 1.5 crore for the premium payable on redemption of preference shares.
- (4) To distribute ₹ 1 crore as interim dividend since the company has not yet earned adequate profits.

As a legal advisor to the company, examine the validity of each proposed use with reference to the Companies Act, 2013.

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(c) (i) Skynex Ltd., incorporated in India in 2024, is engaged in the manufacture of lithium batteries for two-wheeler. The company markets its products domestically and exports to Mexico. During the financial year 2025, the company engaged in the following transaction :

Commission paid to the agent in Mexico for the sale of the company's commercial plot in India to the tune of USD 50,000 against the inward remittance of USD 9,50,000 from Exchange Earners Foreign Currency (EEFC) Account.

Examine whether the above transaction is exempt from the approval of the RBI, with reference to the relevant provisions of FEMA, 1999.

(ii) Bob, a Director at Skynex Ltd., along with his wife, major son, and father, purchased a property in Mexico, holding equal shares in the property. They collectively remitted USD 1,000,000 during the financial year. Bob confirmed that all family members complied with the applicable terms and conditions, and the amount sent is within the limit prescribed for remitting funds to Mexico.

Examine whether Bob and his family members can remit USD 1,000,000 to Mexico in a single financial year without requiring any approval.

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2. (a) Amrit Praksh Ltd. was incorporated in 1996 and its registered office is in Dehradun. For expanding the business in manufacturing Mobile equipment (including its Spare Parts) to mobile accessories also, it required capital and for this the Company issued 10,00,000 equity shares of ₹ 10 each at par to the public by issuing a prospectus. The prospectus discloses the minimum subscription amount of ₹ 50,00,000 required to be received on application of shares and share application money shall be payable at ₹ 5 per share. The prospectus further reveals that Amrit Praksh Ltd. has applied for listing of shares in recognized stock exchanges of which application has been rejected.

The issue was fully subscribed and Amrit Praksh Ltd. received an amount of ₹ 50,00,000 on share application. Amrit Praksh Ltd., then proceeded for allotment of shares.

Examine the disclosures in the above case study which are the deciding factors in an allotment of shares and the consequences for violation, if any under the provisions of the Companies Act, 2013.

(b) PRT Ltd. is an eligible public company. The following details are available from its audited balance sheet as on 31st March 2024 :

- Paid-up Share Capital : ₹ 20 crore
- Free Reserves : ₹ 8 crore
- Securities Premium Account : ₹ 2 crore
- Existing deposits from members : ₹ 2 crore
- Existing deposits from public (excluding members) : ₹ 5 crore

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The company now proposes to accept further deposits during the year 2024-25 :

- (1) ₹ 3 crore from its members; and
- (2) ₹ 2 crore from persons other than members (general public).

You are required to examine, with reference to the relevant provisions of the Companies Act, 2013, whether the above proposal is valid. If not, calculate the maximum permissible deposits in each category.

(c) ABC Ltd. is in the business of manufacturing life-saving drugs. The company has its plant in Kerala. The turnover for the last financial year crossed ₹ 52 crore. During the first quarter of the current financial year (2024-2025), the company's turnover has already reached ₹ 50 crore. ABC Ltd. is expecting its turnover to reach ₹ 200 crore for the financial year 2024-25. TELEGRAPH CANTEEN

The company held its Board meeting on August 1, 2024, and decided to appoint a cost auditor for the financial year 2024-25.

- (1) According to the General Clauses Act, 1897, by what date must ABC Ltd. file the cost auditor appointment, and how is this timeline calculated ?
- (2) ABC Limited's failure to appoint a cost auditor, where it is statutorily required, constitutes an offence under Section 148 of the Companies Act, 2013. What is meant by "offence" under the General Clauses Act, 1897 ?

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3. (a) A group of five professionals decided to start a private limited company ¹⁺² in the anti-drone solutions sector under the name Ddrone Pvt. Ltd. in ⁺²⁼⁵ April 2025. The company wants to have its registered office in Mumbai. On April 2, 2025, it applied for name reservation through RUN (Reserve Unique Name) and received approval on April 6, 2025. On May 15, 2025, due to a delay in documentation, the SPICe+ (Simplified Proforma for Incorporating Company Electronically) Plus (INC-32) form for incorporation was filed after 39 days from the date of name reservation.

The company proposed two directors, one Indian resident, one foreign national residing in the U.S. The foreign director did not have a DIN, and his passport was notarized but not apostiled. The company's registered office address was not finalized at the time of filing INC-32. Memorandum of Association and Articles of Association (MoA and AoA) were signed electronically, but one subscriber used a digital signature of a third party (his consultant), with verbal consent.

Based on the above facts and applicable provisions of the Companies Act, 2013, answer the following questions :

- (i) Was the name Ddrone Pvt. Ltd. still valid when INC-32 was filed on May 15, 2025 ?
- (ii) Is it mandatory to provide the company's registered office address at the time of incorporation ? What is the time limit to furnish it otherwise ?
- (iii) What are the consequences if the company fails to file the declaration for commencement of business within the prescribed time, and fails to carry on any business or operations ?

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(b) LMN Ltd. created a charge on one of its plant and machinery in favour of a financial institution. The company secretary was on leave when the charge was created. To avoid delay, an accounts officer of the company entered the particulars of the charge in the Register of Charges without any authorisation of the Board. 5

Later, a dispute arose between two creditors regarding priority of charges. One creditor challenged the validity of the Register entries, claiming that the entries were unauthorised and not duly authenticated as per law.

Based on the Companies (Registration of Charges) Rules, 2014, examine whether the entry made in the Register of Charges, by the accounts officer is legally valid and what consequences may follow in case of non-authentication ?

(c) Write any four differences between The Rule of Beneficial Construction and Rule of Exceptional Construction. 4

4. (a) The Board of Directors of XYZ Petrochemicals Limited consists of Mr. R (Managing Director), Mr. N (Director), Mr. P (Director), Mr. A (Chairperson), Mr. D (Chief Financial Officer, not a director) and Mr. C (Company Secretary). The Board as a policy does not authorize the chairperson of the company to sign the financial statements. The Profit and Loss Account and Balance Sheet of the company were signed by Mr. N, Mr. P and Mr. A. Examine whether the authentication of financial statements of the company was in accordance with the provisions of the Companies Act, 2013. 5

What would be your answer in case the company is a One Person Company (OPC) and has only one Director, who has authenticated the Balance Sheet and Statement of Profit & Loss and the Board's Report ?

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(b) ABC LLP is engaged in the business of providing software consulting services. Due to an economic slowdown, the LLP is unable to meet its obligations towards some creditors. The management of ABC LLP proposes a compromise arrangement with its creditors to restructure its outstanding debts by extending repayment periods and waiving a portion of interest. 5

The LLP files an application before the National Company Law Tribunal (NCLT), seeking directions to convene a meeting of its creditors.

At the meeting, creditors representing 80% of the total value of debts agree to the proposed arrangement. The Tribunal, after ensuring that all material facts including the LLP's latest financial statements and the disclosure of pending tax investigations have been presented, sanctions the compromise.

However, ABC LLP fails to file the Tribunal's order with the Registrar within the prescribed period. Examine the validity of compromise or arrangement approved by the creditors and sanctioned by the Tribunal with reference to the Limited Liability Partnership Act, 2008. Also explain the effect of failure by ABC LLP to file the Tribunal's order to the Registrar.

(c) Statutory interpretation becomes essential when the language of a statute is unclear or leads to ambiguity. Discuss the circumstances under which the interpretation of statutes is applied. 4

(10)

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5. (a) Zen Tech Ltd., a company incorporated in Singapore, has a branch office in Bengaluru, India. The financial year of the company ends on 31st March 2025. As per the provisions of the Companies Act, 2013, Zen Tech Ltd. is required to file certain documents with the Registrar of Companies (ROC) every year. However, due to internal audit delays in its Singapore headquarters, the company could not finalize its financial statements by the end of September 2025. 5

The management seeks clarification on the following points :

- (1) What documents need to be filed by Zen Tech Ltd. along with its financial statements, with the Registrar ?
- (2) By what time should these documents normally be filed ?

Examine it as per the provisions of the Companies (Registration of Foreign Companies) Rules, 2014.

(b) Amit and Priya are partners in XYZ LLP, a consulting firm. Recently, Priya moved to a new address but forgot to notify the LLP within the required period. A month later, Amit's cousin, Ramesh, expressed interest in joining XYZ LLP as a partner, and after a few discussions, he was accepted as a new partner. However, XYZ LLP did not immediately update the Registrar of Companies (ROC) regarding Priya's address change or Ramesh's admission as a partner. After 45 days of joining Mr. Ramesh, the LLP filed a notice with the ROC about these changes. Advise the LLP about the default on part of LLP about the non-compliance in respect to not informing the ROC about :

- (i) Whether Ms. Priya contravene any provision regarding address change ?
- (ii) Default on non-compliance in Mr. Ramesh's admission as a partner.

DEN2

(11)

DEN2

(c) Under an enactment, an excise duty of ₹ 10 is levied on every 100 litres of a certain chemical produced in a factory. During inspection, it was found that Factory A had produced 350 litres of that chemical but had paid duty only for 300 litres, arguing that the Act only specifies duty per 100 litres and does not mention fractional quantities. 4

With reference to the General Clauses Act, 1897, determine whether the factory is liable to pay excise duty on the remaining 50 litres. Support your answer with reasoning.

6. (a) (i) Monika Solutions Pvt. Ltd. is registered as a One Person Company (OPC) under the Companies Act, 2013. Mr. Gautam Kumar is the sole member and director of the company. With the financial year ending on 31st March 2025, the company is preparing to comply with its annual filing and disclosure requirements. 3

Mr. Gautam Kumar is uncertain, whether his company is required to hold an Annual General Meeting (AGM) or there are any other alternative procedures that his company can follow. As a financial advisor, please advise Mr. Gautam Kumar on this matter.

(ii) What is the difference between a motion and a resolution ? 2

OR

6. (a) (i) Saras Ventures Ltd., a public limited company incorporated under the Companies Act, 2013, has a Board comprising seven directors. A group of shareholders holding 1.2% of the total voting power has expressed dissatisfaction with one of the directors, Mr. Ankur Chabra, and has proposed his removal under Section 169 of the Companies Act, 2013. 3

(12)

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The company's Annual General Meeting (AGM) is scheduled for 25th August, 2025. On 1st August 2025, the company received a special notice under Section 115, proposing an ordinary resolution for the removal of Mr. Ankur Chabra at the upcoming AGM. However, the company subsequently failed to notify its members of the special notice.

With reference to the applicable provisions of the Companies Act, 2013, examine the validity of the special notice.

(ii) What are the consequences of failure to notify the members about the special notice ? 2

(b) RMP Private Limited is an unlisted company having : 5

- Paid-up share capital of ₹ 6 crore, and
- Annual turnover of ₹ 90 crore.

The company is not required to prepare its financial statements as per the Companies (Indian Accounting Standards) Rules, 2015.

The company filed its financial statements for the financial year 2024-25 in Form AOC-4 (normal form) instead of Form AOC-4 XBRL.

State the classes of companies required to file financial statements and documents in XBRL format under Section 137 of the Companies Act, 2013 and examine whether RMP Private Limited has complied with the applicable legal provisions.

(c) Examine the given situations in the light of the FEMA, 1999 : 2+2
=4

- (1) Bhargav Ltd. had total foreign exchange earnings of USD 12,000,000 in the last three financial years. What is the maximum amount the company can donate without RBI approval ?
- (2) Preeto Ltd. wants to make remittances 6% of investment brought into India. Does it need RBI approval ?

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