

Test 2 – CIOI & LLP – Marks: 28 | Time: 55 Minutes

**Q1.** XYZ Corporation, a multinational conglomerate headquartered outside India, establishes a subsidiary in India called ABC Pvt. Ltd. Under Indian law, ABC Pvt. Ltd. is registered as a private company under the Companies Act, 2013. Despite being a registered Indian company, ABC Pvt. Ltd. presents itself in business dealings and communications as a foreign entity. Is this permissible under Indian law? What actions can be taken against ABC Pvt. Ltd. [4 Marks]

**Q2.** Evaluate whether the following entities can be classified as a Foreign Company under the provisions of the Companies Act, 2013:

(i) A tech startup incorporated outside India and registered in Silicon Valley, USA, provides Software as a Service (SaaS) solutions to clients in India through its website hosted on servers located in the USA.

(ii) A multinational conglomerate headquartered in Singapore employs marketing agents in India to promote its products but does not have a physical office or conduct any business transactions within India.

(iii) A pharmaceutical company incorporated in Switzerland appoints a distributor in India to sell its medicines and represent its interests in the Indian market.

(iv) A real estate development company registered in Dubai operates primarily in India, with its management decisions made at board meetings held in India. [4 Marks]

**Q3.** ABC Ltd., a company incorporated in the United States, conducts business activities in Mumbai, India, without obtaining registration or making arrangements to file returns. The Sales Tax Officer in Mumbai, having jurisdiction over the area where ABC Ltd. operates, intends to issue a show cause notice to the foreign company. As the legal advisor to the Sales Tax Officer, provide guidance on the valid service of the notice. [4 Marks]

**Q4.** XYZ Ltd., a foreign company operating in India, fails to comply with the provisions of Chapter XXII of the Companies Act, which pertains to the registration and regulation of foreign companies. Despite this failure, XYZ Ltd. enters into multiple contracts with Indian entities for the supply of goods and services. Analyze the legal implications of XYZ Ltd.'s non-compliance with the Act on the validity of these contracts and its ability to take legal actions related to them. [4 Marks]

**Q5.** ABC LLP, a Limited Liability Partnership, has recently started its operations and is seeking clarity on whether it qualifies as a Small Limited Liability Partnership under the Limited Liability Partnership (Amendment) Act, 2021. The LLP has contributed capital of ₹20 lakh and its turnover for the preceding financial year amounted to ₹35 lakh. Can ABC LLP be considered a Small LLP according to the provisions outlined in the Amendment Act? What are the implications of being classified as a Small LLP? [4 Marks]

**Q6.** ABC LLP, a limited liability partnership registered in India, comprises four partners - three of whom are corporate bodies, and one is an individual. None of the partners are residents of India. As the legal advisor to ABC LLP, advise them on the compliance requirements regarding designated partners under Section 7 of the Limited Liability Partnership Act, 2008. [4 Marks]

**Q7.** XYZ LLP, a newly registered limited liability partnership, discovers that its registered name is identical to that of an existing company operating in the same industry. Concerned

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about potential confusion among customers and legal implications, XYZ LLP seeks advice on changing its name. Explain the process and implications of changing the LLP's name under the Limited Liability Partnership Act, 2008. **[4 Marks]**