

GENERAL INSTRUCTIONS TO CANDIDATES



- 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.
- Answers to Questions of Part I (i.e., MCQs) are to be marked on the OMR answer sheet as given on the cover page of descriptive answer book only. Answers to questions in Part II (i.e. descriptive questions) 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 book 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.

PART - I

- Answer all MCQs, on the OMR Answer Sheet as given on the cover page of descriptive answer book.
- 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) (C) (D) 12 (A) (B) (C) (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 : 24

Maximum Marks : 100

Roll No.

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Question Paper
Booklet Code

Z	C	W
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Name of the Candidate

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Signature of the Candidate



PART – I
(MCQ Portion)

30 Marks

- *Answers to MCQs are to be marked on the OMR answer sheet as given on the cover page of the descriptive answer book only. Answer to MCQs, if written inside the descriptive answer book shall not be evaluated.*
- *Please 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.*

Case Scenario – I :

Aarohan Industries Ltd. is a public limited company manufacturing electrical equipment, with over fifteen years of continuous operations and steady growth driven by strong market presence and efficient management.

During the financial year 2024-25, the company recorded a turnover of ₹ 1,150 crore, reflecting its robust operational performance. The company is mandatorily required to appoint independent directors as per Rule 4 Companies (Appointment of Directors) Rules, read with Section 149 of the Companies Act, 2013. The net profit of the company, as computed in accordance with the provisions of Section 198 of the Companies Act, 2013, amounted to ₹ 12 crore. Further, the company's net worth as at the end of the financial year stood at ₹ 620 crore.

The net profits of the company for the immediately preceding three financial years were; for 2021-22 – ₹ 8 crore, for 2022-23 – ₹ 10 crore and for 2023-24 – ₹ 12 crore. In view of the above financial parameters, Aarohan Industries Ltd. satisfied the criteria prescribed under Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR). Accordingly, the company constituted a Corporate Social Responsibility Committee consisting of three directors, including one independent director. Consequently, the company was under an obligation to spend the prescribed percentage of net profits towards CSR activities during the financial year 2024-25.

Based on the recommendations of the CSR Committee, the Board of Directors approved a CSR budget of ₹ 20 lakh for the financial year 2024-25. However, due to delay in the implementation of the identified projects, the company could spend



only ₹ 14 lakh on CSR activities during the year. The remaining unspent amount did not relate to any ongoing project. The company duly disclosed the reasons for not spending the entire prescribed CSR amount in the Board's Report. One of the director was of the view that the unspent funds are needed to be transferred to a special bank account maintained with a schedule bank. However, no separate bank account was opened for the unspent CSR amount.

Based on the above case scenario, answer the following Multiple Choice Questions :
(Question No. 1 to 3)

1. CSR provisions were made applicable to Aarohan Industries Ltd. for the financial year 2024-25 mainly because : 2

- (A) Its turnover and net worth exceeded the prescribed limits during 2024-25.
- (B) Its average net profits for the preceding three years exceeded ₹ 10 crore and earned net profit of ₹ 12 crore during the current financial year.
- (C) It satisfied at least one prescribed financial criterion in the immediately preceding financial year.
- (D) Its turnover, net worth and net profits of the current financial year have exceeded the prescribed limits.

2. If in case Aarohan Industries Ltd. was a company covered under Section 135(1) but is not required to appoint an independent director under Section 149(4). In such a case, which of the following statement is correct regarding the composition of its CSR Committee ? 2

- (A) The company must mandatorily appoint one independent director in the CSR Committee as there is one such director in the company.
- (B) The CSR Committee can be constituted by two or more directors, without an independent director.
- (C) At least two persons out of which one person is an Independent Director.
- (D) Any three or more directors out of which at least one shall be an independent director can perform the functions of the CSR committee.

3. As Aarohan Industries Ltd. could not spend the entire prescribed CSR amount during the financial year 2024-25, considering the 4 options given below, choose the correct option applicable to the company regarding the unspent CSR funds :

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- (A) Specify the reasons for not spending the amount in Board Report and the company must immediately open a special bank account and transfer the unspent funds within a period of thirty days from the end of the financial year.
- (B) Disclosure in the Board's Report specifying the reasons for not spending the amount is sufficient if the unspent amount does not relate to an ongoing project.
- (C) The company must, in addition to disclosure specifying the reasons for not spending the amount in the Board's Report, transfer the unspent amount to a fund specified in Schedule VII within six months of the expiry of the financial year.
- (D) The company should transfer the unspent amount to Unspent Corporate Social Responsibility Account by the company within a period of 30 days from the end of the financial year.

Case Scenario – II :

Zed Technologies Limited is a public company having an authorised share capital of ₹ 10 crore and a paid-up share capital of ₹ 5 crore, divided into 50 lakh equity shares of ₹ 10 each. The company has 2,300 equity shareholders, each holding equal voting rights.

At a meeting of the Board of Directors held on 1st June, 2024, the Board resolved to convene the Annual General Meeting (AGM) of the company on 25th June, 2024 at 11:00 a.m. at the registered office of the company.

Pursuant to the Board resolution, the company sent the notice of AGM on 3rd June, 2024 to all members, directors and auditors through electronic mode. The notice stated the day, date, time and place of the meeting and the business to be transacted. The subject line of the e-mail mentioned the name of the company, type of meeting, place and date of the meeting. The notice was also placed on the website of the company.



The agenda of the AGM consisted of ordinary business and a special business relating to approval of a related party transaction with Alpha Systems Private Limited. One of the directors of Zed Technologies Limited held 1,50,000 equity shares of ₹ 10 each in Alpha Systems Private Limited, whose paid-up share capital was ₹ 5 crore (50,00,000) equity shares of ₹ 10 each.

On 25th June, 2024, the AGM was called to order at 11:00 a.m. By 11:30 a.m., 16 members were personally present. The notice of AGM contained a statement informing members of their right to appoint a proxy.

- 42 members, holding in aggregate 3,80,000 equity shares, appointed the same person as proxy.
- One shareholder holding 6,00,000 equity shares appointed a single person as his proxy, who did not act as proxy for any other member.
- The proxy forms were submitted in Form MGT-11 and deposited at the registered office at 10:30 a.m. on 23rd June 2024.

Based on the above case scenario answer the following Multiple Choice Questions :
(Question No. 4 and 5)

4. The AGM included a special business approving a related party transaction with Alpha Systems Pvt. Ltd., in which one director of Zed Technologies Limited held equity shares. Which statement is correct as to the transaction of the special business in the meeting ?
- (A) The company was not required to provide a separate explanatory statement since the issue will anyhow be discussed in the Annual General Meeting.
- (B) No disclosure by way of a statement under Section 102(2) is required as the director's shareholding is less than the specified percentage of shares needed for such disclosure.
- (C) Disclosure by way of an explanatory statement under Section 102(2) is mandatory as the director holds more than the specified percentage of shares needed for such disclosure.
- (D) Disclosure is necessary only if the interested director voted at the AGM on the specified business.

5. Determine the validity of the quorum at 11.30 am on the date of the AGM as 16 members out of 2300 members were personally present in the meeting along with the proxies of other members.

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- (A) Quorum is satisfied since at least 15 members personally present constitute valid quorum.
- (B) Quorum is not satisfied since minimum 30 members personally present were required.
- (C) Quorum is satisfied because proxies present are also counted as members present.
- (D) The meeting should be adjourned for want of quorum.

Case Scenario – III :

Shradhha Metals Ltd. an eligible company had accepted deposits from the members and public and outstanding amount of secured deposits for the year ended on 31st March, 2025 was ₹ 50 crore. Out of this, ₹ 20 crore of deposits was due for its repayment during the financial year 2025-26. As per provisions of Chapter V of the Companies Act, 2013, the Company was required to place a certain percentage of deposits maturing during the following financial year in a scheduled bank in a separate bank account to be called as 'Deposit Repayment Reserve Account'. However, the Company deliberately avoided the compliance of the relevant provision.

For the year ended on 31st March, 2025 the company had earned a net profit of the 35 crores (after providing depreciation in accordance with Schedule II). Apart from the current year's profit the company have free reserves amounting to ₹ 85 crore. The Board of Directors of the company recommended for payment of dividend at the rate of 15% per share on 14th July, 2025.

Ritika, who had placed deposit of ₹ 5 lakh with the company that was maturing on 25th April, 2025. Ritika sent the original deposit receipt, duly discharged on its back, to company along with the details of her bank, to enable the company to credit the maturity proceeds directly in her bank account. However, the company did not pay the amount on its due date. When Ritika served a legal notice on the company through her Advocate, the company paid her the maturity proceeds on 13th July, 2025. There is one more depositor Rajesh who had not claimed his matured deposit on that date, but the company is not at default.



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

6. The penal rate of interest payable on the deposit of Rajesh until it is claimed by him is : 2
- (A) Rate of interest in accordance with the agreement between the company and depositors.
- (B) 15% per annum
- (C) 16% per annum
- (D) 18% per annum
7. How much amount is the company required to deposit in a scheduled bank in a separate bank account to be called as 'Deposit Repayment Reserve Account' ? 2
- (A) ₹ 5 crore
- (B) ₹ 10 crore
- (C) ₹ 2 crore
- (D) ₹ 4 crore
8. Decide the most appropriate answer as to whether the company can declare dividend to the shareholders on 14th July, 2025 : 2
- (A) Yes, it can declare dividends, since the company have current year's net profits of ₹ 35 crores and free reserves of ₹ 85 crore.
- (B) Yes, as there is sufficient profits and the company has made good the deposit default.
- (C) No, the company cannot declare dividend till the unclaimed deposit is paid.
- (D) No, the company cannot declare dividend since it had defaulted to comply with the provisions of maintaining the required percentage of deposit in Deposit Repayment Reserve Account and to be kept in a separate schedule bank account.

Case Scenario – IV :

ABC Infrastructure & Broadcasting Limited (AIBL), a Government of India public sector undertaking engaged in infrastructure and satellite television operations, proposed to undertake certain foreign exchange transactions during FY 2025-26.

The company needed to make a remittance of USD 18,000 for an advertisement in a foreign print magazine, being for brand building and not for tourism promotion, foreign investment promotion, or international bidding.

The company also needed to pay a consultancy fee of USD 11.5 million to a foreign firm for a highway project in India. It obtained the in principal approval of the Information & Broadcasting Ministry (Parent Ministry) to make the advertisement and also to pay the consultancy fees.

Mr. Rohan Mehta, a director in AIBL and a resident in India, proposes during FY 2025-26 to remit USD 2,10,000 for his daughter's higher education abroad and USD 70,000 as a gift to his sister residing in Australia. The university where his daughter studies requires a tuition fee payment of USD 1,50,000, the balance being for associated education purposes (not required by the institute). He has not made any other remittances during the financial year. Mr. Rohan Mehta inherited a property situated outside India from his resident father, who in turn inherited from his father. The grandfather of Mr. Rohan Mehta had purchased the foreign property when he was working outside India. Mr. Rohan Mehta seeks your advice as to whether the proposed remittances can be made and his inheritance complies with the FEMA regulations.

Based on the above case scenario, answer the following Multiple Choice Questions :
(Question No. 9 to 11)

9. If AIBL needs to remit USD 18,000 for the corporate advertisement in a foreign print magazine purely for brand building, not related to tourism promotion, foreign investment promotion, or international bidding, choose the correct option available to it under the applicable FEMA and the Current Account Transaction Rules :

(A) The remittance is freely permissible as it is a current account transaction for business purposes.

(9)

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- (B) Prior approval of the Ministry of Finance, Department of Economic affairs is required as it exceeds the USD 10,000 limit for such advertisements.
 - (C) Prior approval of the Reserve Bank of India is required since it exceeds USD 10,000.
 - (D) The remittance is permissible as it had obtained the consent of the Information & Broadcasting Ministry.
10. In light of the Liberalised Remittance Scheme (LRS) of FEMA Act, 1999, which of the following is correct for the proposed remittance of Mr. Rohan Mehta ? 2
- (A) The entire USD 2,80,000 can be remitted without approval because education and gifts are both permissible current/capital account transactions.
 - (B) Only USD 2,50,000 can be remitted under LRS without approval; prior RBI approval is required for the excess USD 30,000.
 - (C) Education and associated remittance of USD 2,10,000, if it so required by the individual can be remitted freely under LRS, therefore, only the USD 70,000 gift is counted toward the USD 2,50,000 ceiling.
 - (D) Tuition fee remittance of USD 1,50,000 is permitted freely as it is so required by the university and not counted for LRS limits; therefore, only the USD 70,000 gift and balance of USD 60,000 for other education purposes are counted towards the USD 2,50,000 ceiling.
11. Choose the correct option from the following pertaining to the legality of the inheritance of foreign immovable property by Mr. Rohan Mehta : 2
- (A) The inheritance is not valid as it was not directly inherited by him.
 - (B) The inheritance is valid as he has inherited from a person who has validly inherited from a person who was resident outside India.
 - (C) The inheritance is valid only if Mr. Rohan Mehta gets the approval from Reserve Bank of India.
 - (D) The inheritance is valid only if both Mr. Rohan Mehta and his father get prior approval from the Reserve Bank of India.

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Case Scenario -V :

Anvika & Associates LLP is a Limited Liability Partnership firm engaged in the architectural profession. It has two partners namely Anvika and Ela and both are the designated partners. Anvika and Ela went to UK on 1st July, 2025 for taking advanced training in Architectural Science. The total training course was for 6 months only, but after the completion of training, they holidayed in Europe for some time and finally returned to India on 1st March, 2026.

Before going to advanced training course, Anvika and Ela hired Falak, as an employee to look after the business of the LLP during their absence. Anvika and Ela kept interacting with Falak on the business-related issues, over phone and e-mail. Soon Falak won the confidence of the Anvika and Ela, and they both decided to induct Falak as partner in the LLP. They informed of their intention to admit Falak as a partner on 10th January, 2026. Falak accepted the offer of being a partner on 13th January in the LLP but with effect from 15th January, 2026. However, the LLP could not inform to the Registrar about the admission of new partner in the LLP Firm.

Based on the facts given in above case scenario and by applying the relevant provisions of the Limited Liability Partnership Act, 2008 choose the correct answer to the Questions : (Question No. 12 and 13)

12. As per the provisions of the LLP Act, 2008 every LLP shall have at least two designated partners who are individuals and at least one of them shall be a resident in India. In the given case, both the designated partners remained out of India for some time. Whether the requirement of "Resident in India" of the designated partners has been fulfilled by them :

- (A) No, as both the partners went abroad at the same time, the firm has violated the conditions of one partner of the firm being 'physically resident in India'.
- (B) Yes, Anvika and Ela stayed for not less than 90 days in India, hence fulfilled the criteria of "Resident in India".
- (C) Yes, Anvika and Ela stayed for not less than 120 days in India, hence fulfilled the criteria of "Resident in India".
- (D) No, Anvika and Ela did not stay for a total period of 182 days in India, hence not fulfilled the criteria of being "Resident in India".



13. In Anvika & Associates LLP, Falak, who was an employee in the firm accepted to join the firm as a Partner on 15th January, 2026. However, the LLP forgot to inform Registrar about this new admission of partner. According to the LLP Act, 2008 what is the time limit within which the LLP is required to file a notice with the Registrar :

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- (A) Within 15 days from 10th January, 2026
- (B) Within 30 days from 10th January, 2026
- (C) Within 30 days from 13th January, 2026
- (D) Within 30 days from 15th January, 2026

Case Scenario – VI :

Mr. A is the owner of a residential house and Mr. B is his tenant. Due to continuous default in payment of rent, Mr. A decides to terminate the tenancy. Mr. A sends a notice of termination to Mr. B by registered post at Mr. B's correct residential address. The postal article is returned to Mr. A with the endorsement "Refused by addressee".

Mr. B later challenges the eviction proceedings on the ground that he never received nor read the contents of the notice and therefore the termination of tenancy is invalid.

The Central Regulation made in 2018 prohibits the establishment of any chemical factory within 500 metres of a protected wildlife sanctuary. Mr. A applies for permission to set up a chemical factory near the sanctuary. The distance between the factory site and the sanctuary boundary is 520 metres if measured along the road.

The authority rejects Mr. A's application, stating that the factory is within the prohibited distance. Mr. A challenges the decision.

Based on the above facts answer the following (Question No. 14 and 15) :

14. As Mr. B has challenged the validity of the notice, in the light of the above facts, which of the following is the most appropriate legal position pertaining to the validity of the notice ? 2

- (A) The notice is invalid since actual physical delivery to the tenant did not take place.
- (B) The notice is valid, as refusal to accept a registered notice amounts to deemed service.
- (C) The notice is invalid unless the landlord sends a second notice through ordinary post.
- (D) The notice is invalid unless the landlord proves that the tenant actually read the notice under the principles of natural justice.

15. With regard to the measurement of distances for the purposes of any Central Act or Regulation made after the commencement of the General Clauses Act, 1897, the correct approach to measure the distance from the wildlife sanctuary to the proposed factory is : 2

- (A) The distance must be measured along the motorable road, as it reflects actual accessibility.
- (B) The distance must be measured by the shortest pedestrian route.
- (C) The distance must be measured in a straight line on a horizontal plane, unless the Regulation provides otherwise.
- (D) The shortest route suggested by a standard GPS navigation system for a four wheeler vehicle.

PART – II**70 Marks****(Descriptive Portion)**

(Candidates are required to give descriptive answers for this part inside the answer book)

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.*
4. *Candidates are required to write the question number legibly.*

1. (a) Dhruvika a social worker, to promote tribal art and culture in Southern Rajasthan planned to incorporate a company, the purpose of which was not only promote the tribal art but also to generate income for the tribal people. The people residing in the area are well versed in making the bamboo items, terracotta, leather goods, handmade jewellery, and textiles (hand-printed, tie and dye) but due to poor marketing, their products could not reach the buyers. The tribal products are in great demand among the people. Dhruvika thought of providing the marketing platform to such local producers (artisans) by selling the products through the e-commerce platforms. She discussed her plan with some of the prominent artisans of the tribal area and invited them to be the members of the proposed company and she had planned to distribute the net profits equally among the members as a goodwill gesture.

- (i) Referring to the provisions of the Companies Act, 2013 discuss whether Dhruvika can be granted a licence to incorporate a company under Section 8 of the Companies Act, 2013. 3
- (ii) In case the artisans are unwilling to be members, can Dhruvika incorporate an One Person Company (OPC) under Section 8 of the Companies Act, 2013 ? 2

- (b) Tarun Synthetics Ltd. in its financial statement for the year ended on 31st March, 2024 failed to disclose a contingent liability pertaining to a suit filed against the company amounting to ₹ 2.50 crore for the breach of a contract. In April 2025, the competent Court decided the matter against the company, as a result the company was required to pay the said amount to the decree-holder. The company decided to prefer an appeal against such order. The company felt that non-disclosure of the contingent liability affected the true and fair view of its state of affairs. So the company voluntarily decided to revise the financial statement and the Board report for the year ended on 31st March, 2024 and held a Board Meeting on 15th May, 2025 to this effect.

In light of the above facts answer the following referring to the provisions of the Companies Act, 2013 :

- (i) Whether the company can voluntarily revise the financial statements and the Board report ?
 - (ii) State the particulars/ details to be stated in the application for making such voluntary revision of financial statements under Rule 77 of the National Law Tribunal Rules, 2016. 5
- (c) XYZ Ltd. is a reputed Indian construction company, which has its operations in multiple countries. The company has earned foreign exchange of USD 200 million, USD 300 million and USD 400 million during the previous three financial years respectively. 4
- In the current year, the company intended to remit the following at the same time :
- (i) USD 4 million as a contribution to a technical institution in USA conducting engineering studies in the construction field.
 - (ii) USD 3 million donation to creation of a chair in the memory of the company's founder in a reputed university in UK.

The directors are of the opinion that since not one of the above foreign remittance individually exceeded the limits specified by the Reserve Bank of India, no prior approval is necessary to make the above remittance. With reference to the provisions of the Foreign Exchange Management Act, 1999, determine whether XYZ Ltd. can make the above remittances without prior approval of the Reserve Bank of India.



2. (a) ABC Tech Solutions Ltd., a non-startup company, has a paid-up equity share capital of ₹ 20 crore. The company proposes to issue sweat equity shares worth ₹ 4 crore to its Chief Technology Officer (CTO) for providing expert and specialized technical know-how and developing proprietary software that is expected to generate significant future economic benefits for the company. It is also mentioned by the company that the consideration value of sweat equity shares is not included in the normal employment contract entered in the case of CTO and this is the only issue of sweat equity shares. 5

The Company passed a special resolution for the issue of sweat equity shares on 1st January 2025. The company has complied with the other conditions necessary for the issue of sweat equity shares. The shares are proposed to be issued at a fair price determined by a registered valuer. The allotment is planned to be made on 15th February 2026. With reference to the provisions of the Companies Act, 2013, answer the following :

- (i) Whether the proposed issue of sweat equity shares is valid with respect to the maximum limit and the purpose for which such shares can be issued ?
- (ii) Whether the special resolution made in January 2025 remains valid for the proposed allotment in 15th February 2026 ?

OR

- (a) Saira Projects Limited (SPL) is a listed public company engaged exclusively in setting up, execution and financing of long-gestation infrastructure projects such as highways, ports, and metro corridors. Its equity shares are listed on recognized stock exchanges in India. As per the latest audited financial statements, SPL has a net worth of ₹ 1,020 crore. 5

During FY 2025-26, SPL issued 7,20,000 instruments of ₹ 1,000 each, described in the offer document as, "Secured Redeemable Convertible Debentures with Deferred Optional Equity Conversion Feature".

The issue was made by way of private placement to four Category II Alternative Investment Funds, all of which qualify as Qualified Institutional Buyers (QIBs).

The principal terms were as follows :

- Tenure : 16 years
- Coupon rate : 8.75% per annum, payable annually

Conversion feature – At the end of the 13th year, the debenture holder may, at its discretion, convert up to 30% of the outstanding principal into equity shares of SPL. Security is exclusive first charge on immovable property of the company situated outside India, with a second charge on movable fixed assets of it located in India.

A debenture trustee was appointed, but SPL did not create any Debenture Redemption Reserve (DRR), relying on the following grounds recorded in the Board note :

- (A) Listed company status
- (B) Private placement restricted to QIBs
- (C) Infrastructure company classification

With reference to the above case, critically examine and answer the followings :

- (i) Whether the 16-year tenure is permissible ?
- (ii) Whether creation of security on assets situated outside India affect the validity of the debenture issue ?
- (iii) Whether SPL is legally justified in not creating a Debenture Redemption Reserve (DRR) ?



- (b) Nandan Dairy Products Ltd. was engaged in the business of producing and selling of the milk products. It had more than 500 cows at its farm. The company had raised loans from a bank by hypothecating the cows and the charge to this effect was also registered with the Registrar. The company later changed its business model from a producer of milk to marketing of milk and other consumer products and altered its object clause of the Memorandum and filed it with the Registrar. The company in light of the changed objects, sold out all its livestock to the villagers and Milk Co-operative Societies. However, the satisfaction of the charge was not filed within the 30 days of loan repayment.

The Registrar, somehow came to know that the company has fully liquidated the loan against the livestock raised by it and have also disposed of such livestock. Based on the facts of the case, answer the following :

- | | | |
|------|--|---|
| (i) | Who is responsible for filing of the satisfaction of charge with the Registrar and what is the punishment for such contravention ? | 3 |
| (ii) | Whether Registrar can make entries of satisfaction and release in absence of intimation from Company ? | 2 |
| (c) | The Central Government, under the powers conferred by a Central Act, issued a notification on 1 st April 2025 granting tax exemption to a specified class of manufacturers for a period of three years. Subsequently, due to misuse of the exemption, the Government issued another notification on 1 st December 2025, withdrawing the exemption with immediate effect. | 4 |

A manufacturer, who had already made substantial investments relying on the exemption, challenged the validity of the withdrawal on the ground that the original notification could not be rescinded before the expiry of three years.

Examine the validity of the Government's action withdrawing the exemption with reference to the provisions of the General Clauses Act, 1897.

3. (a) Certain members of Shakun Fabrics Ltd. intend to offer a part of their shareholding in the company to the public, in accordance with the provision of law. Discuss the provisions for the offer of sale by such members under Section 28 of the Companies Act, 2013 and procedural aspects under Rule 8 of the Companies (Prospectus and Allotment of Securities) Rules, 2014. 5

- (b) There are 7000 members of Six Sigma Power Zone Ltd. The company's Annual General Meeting (AGM) was held on 20th August, 2025. In this AGM only 70 members were present. When a particular business agenda was being discussed, which was required to be passed as a special resolution, 10 members walked out of the meeting room. Out of the remaining members present, 15 members voted against the proposal and the rest voted for the resolution. The Chairman of the meeting declared that the resolution has been passed as a special resolution.

In light of the above facts answer the following referring to the provisions of the Companies Act, 2013 :

- (i) Whether the quorum of the AGM was proper? 2
- (ii) What is the voting requirement of passing of a resolution as a special resolution? 1
- (iii) Whether the declaration of the Chairman of passing of the resolution as special resolution is valid? 2
- (c) Discuss the rule of Harmonious Construction and how it is applied in the Interpretation of Statutes. 4

4. (a) Kanchan Finance Ltd. is a listed company. Since the term of the present statutory auditor is to hold office up to the conclusion of the upcoming Annual General Meeting to be held on 25th August, 2026, the name of new statutory auditor, CA Trilok was placed before the Audit Committee. The audit committee recommended the name of CA Trilok

for the consideration of the Board of Directors (BOD). However, the BOD was not convinced with the recommendations of the audit committee and it referred back the proposal to the audit committee for reconsideration. However, the members of the audit committee were not convinced with the reasons cited by the BOD and resent the proposal of CA Trilok to BOD again. The BOD was in disagreement with the opinion of the audit committee.

In light of the above facts, answer the following referring to the relevant provisions of the Companies Act, 2013 :

- (i) Who are the competent authorities that shall recommend the name for appointment as the auditor and briefly discuss the points the competent authority shall take into consideration before appointing a Chartered Accountant as auditor ? 2
- (ii) How will the auditor be appointed in the present situation where the BOD disagrees with recommendations of the audit committee ? 3
- (b) V, S and N incorporated VSN Consulting LLP on 1st April, 2025. The LLP agreement was executed but never filed with the Registrar. The agreement contained the following clauses : 5
 - Profit sharing : V – 40%, S – 35%, N – 25%
 - Only V and S were authorized to enter into contracts on behalf of the LLP.
 - Any act beyond consultancy services required unanimous consent of partners.

The following events took place subsequently :

- (1) N, without informing V and S, entered into a loan agreement with Quick Bank in the name of the LLP for expansion into real estate advisory, which was not part of the LLP's usual business. Quick Bank was unaware of the internal restrictions.

(2) S retired from the LLP on 30th September, 2025. On 5th of October 2025, as usual T Ltd, entered into a consultancy contract with the LLP believing S to be still a partner, as the company had no notice of his cessation.

(3) Due to continuous losses, the LLP was unable to pay its creditors and Quick Bank initiated proceedings against all partners.

With reference to the provisions of the Limited Liability Partnership Act, 2008, answer the following :

(i) Whether VSN Consulting LLP is bound by the loan agreement entered by N with Quick Bank ?

(ii) Whether S can be held liable for obligations arising from the contract with T Ltd. after his retirement ?

(c) With reference to the Interpretation of Statutes what do you mean by the term 'ejusdem generis' and state the exceptions to the Rule of Ejusdem Generis. 4

5. (a) Apex Infra Limited is a listed public company. The company had declared a final dividend @ 12% on its equity shares of face value ₹ 10 each at its Annual General Meeting held on 30th September, 2017. The company announced record date as 5th October. The dividend warrant was posted to shareholders on 25th October 2017. Mr. Arjun, a shareholder of the company, did not encash his dividend warrant. Consequently, the dividend amount remained unpaid. The company transferred the unpaid dividend amount relating to Mr. Arjun to the unpaid dividend bank account on 10th November, 2017. 5

No claim was made by Mr. Arjun in respect of the unpaid dividend for several years. Further, dividends declared by the company in the subsequent years from 2018-19 to 2023-24 also remained unclaimed by him. Consequently, the company transferred the unpaid dividend amounts and the corresponding shares to the Investor Education and

Protection Fund (IEPF). Mr. Arjun was of the opinion that the company cannot transfer the shares held by him to IEPF.

Explain with reference to the provisions of the Companies Act, 2013, the validity of action taken by the company and the remedy if any, available to Mr. Arjun for reclaiming unpaid dividend and shares.

- (b) ABC Aeromatics Ltd. is an unlisted public company incorporated under the Companies Act, 2013. It operates in the compliance-tech space, providing regulatory software solutions. The company has a paid-up capital of ₹ 60 lakhs, a turnover of ₹ 1.35 crore, 185 shareholders, and 5 directors. It has raised secured debt of ₹ 20 lakhs from two banks.

To simplify its governance structure and reduce compliance burdens, the Board has proposed the conversion of the company into a Limited Liability Partnership (LLP) under the name ABC Aeromatics LLP. All existing shareholders of the company will become partners in the LLP. The company expects that the business operations, client contracts, and employee structure will continue seamlessly after conversion.

However, one issue has emerged during the legal review process:

The company is facing a regulatory action, a show cause notice under the Companies Act, 2013, for alleged failure to comply with applicable accounting standards in FY 2020-21 has been issued. This proceeding is yet to be concluded.

In this context, management seeks legal advice on the following :

- (i) Can ABC Aeromatics Ltd. legally proceed with its conversion into a Limited Liability Partnership under the LLP Act, 2008, considering the pending regulatory proceeding? 2
- (ii) Also discuss the effect of registration under Section 58 of the Limited Liability Partnership Act, 2008. 3

- (c) (i) Who shall be included in the definition of "Person" under the General Clauses Act, 1897? 2
- (ii) State the provision of Section 3(22) "Good Faith" under the General Clauses Act, 1897 and briefly discuss when an act is presumed to have been done in good faith. 2
6. (a) ABC Ltd. is an eligible company to accept deposits. It had accepted a fixed deposit of ₹ 5,00,000 from Mr. R on 1st April, 2022 for a period of 36 months at an interest rate of 9% per annum. On 30th November, 2024, after the expiry of six months from the date of deposit but before the date of maturity, Mr. R requested premature repayment of the deposit. 5
- ABC Ltd. agreed to repay the deposit on the same date. The deposit rate of interest offered by the company for 12 months is 7%, for 24 months 8% and 36 months is 9% respectively.
- Referring to the applicable provisions of the Companies Act and Companies (Acceptance of Deposits) Rules, 2014 regarding premature payment of deposits, you are required to answer the following :
- (i) Calculate the period of deposit and the rate of interest payable to Mr. R.
- (ii) State the situations where the reduction of rate of interest is not applicable even if the deposit is prematurely repaid.

- (b) Global Trade LLC is a company incorporated in the UK having a branch office in India. The company prepares its global financial statements as per UK law and follows a financial year ending on 31st December. 5

For the financial year 2024-25, Global Trade LLC prepared financial statements relating to its Indian business operations and got the same audited by a practicing Chartered Accountant in India. However, the company filed such financial statements with the Registrar of Companies after 10 months from the close of the financial year and failed to attach the other documents of the statements usually attached, under the pretext that there were no transactions of that nature. The company further claims that such delay and non-attachment of the documents shall not affect the validity of contracts entered into by it.

Examine, with reference to the provisions of the Companies Act, 2013 :

- (i) Whether the claim of Global Trade LLC on non-attachment of documents is valid under the provisions of Section 381; and
 - (ii) Whether the claim of the company is correct that it shall not be affected in any way, nor it shall affect the contracts entered by it ?
- (c) Answer the following referring to the provision of the Foreign Exchange Management Act, 1999.
- (i) Discuss the provision pertaining to holding of foreign exchange by resident in India. 2
 - (ii) State the general rule to be understood with respect to a Current Account Transaction and Capital Account Transaction. 2

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