

**Mock Test Paper - Series II: December, 2025**

**Date of Paper: 8<sup>th</sup> December, 2025**

**Time of Paper: 10 A.M. to 1 P.M.**

**INTERMEDIATE COURSE: GROUP – I**

**PAPER – 2: CORPORATE AND OTHER LAWS**

<b>Time Allowed – 3 Hours</b>	<b>Maximum Marks – 100</b>
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1. *The question paper comprises two parts, Part I and Part II.*
2. *Part I comprises Case Scenario based Multiple Choice Questions (MCQs)*
3. *Part II comprises questions which require descriptive type answers.*

**PART I – Case Scenario based MCQs (30 Marks)**

**Part I is compulsory.**

**Case Scenario 1**

Green Wave Beverages Private Limited, incorporated by two close friends, Arjun (MBA-Finance) and Kabir (MBA-Marketing) with Authorised Capital of ` 30 crore consisting of 3,00,00,000 equity shares of ` 10 each, had its Registered office at Indore, Madhya Pradesh. The company, having paid-up share capital of `20,00,00,000, subscribed by 102 shareholders, has been making its niche in the beverage industry for the last six years.

With quality and taste as its pillars, Green Wave made its presence felt not only in the city of Indore but also in Gwalior (Uttar Pradesh) and neighbouring areas through its variety of products which included fruit juices of various kinds, jeera drinks and lemonade. In the current financial year, the liability on account of a term loan, which was availed from Unity Bank Limited and whose repayment, both principal and interest till date, is quite regular, stood at `10 crore.

Anticipating robust future trends, Arjun and Kabir, holding the office of Managing Director and Whole-time Director respectively, and two other directors, named Nisha (wife of Arjun) and Rhea (wife of Kabir), were thinking of launching a new line of health-oriented drink after receiving positive market feedback. The same was discussed with the product development team as well as the marketing team of the company. It is heartening to note that the product development team was successful in creating a new line of health drink including formulation and taste testing. Use of taste testing methods ensured that the new health drink met the highest standards of quality and taste. The marketing team was also hopeful and confident enough to capture the substantial market throughout the country so far as the new line of health drink was concerned.

As the company needed a fresh dose of additional capital for production and marketing of the newly developed health drinks, the directors decided to offer 50,00,000 equity shares of ` 10 each through private placement to a selected group of identified persons. The equity shares were duly allotted to these shareholders after following the requisite provisions.

With the infusion of further capital, production of health drinks came swiftly into action. As expected, the marketing team developed and executed a successful campaign that significantly boosted the product's market presence and turnover rose much beyond expectations and so did the goodwill of the company.

The directors of Green Wave Beverages Private Limited decided to reward and motivate the top ten employees of the product development team and marketing team, who contributed significantly to the success of the company and made available rights in the nature of Intellectual Property Rights (IPR). Consequently, the company issued 5,00,000 Sweat Equity Shares of face value `10 each to them, each getting 50,000 shares for consideration other than cash, after passing the specified resolution. This issue recognised the hard work and achievements of the employees beyond their regular salaries and bonuses. Through this goodwill gesture, the employees developed a sense of ownership in the company. There were great chances that by issuing Sweat Equity Shares, the company would be able to reduce the likelihood of employees leaving for other gainful opportunities in times to come. This way, the company not only enhanced employee satisfaction but also strengthened its overall organisational performance.

The graph of success went on rising day by day. With soaring demand, the company established five branch offices in Hyderabad, Jaipur, Lucknow, Nagpur and Kochi. The branch managers of these branches were ably handling almost all the areas of north, south and west of India. The company received a welcoming response from all corners and had a pan-India image. Motivated by this, the company crossed the boundaries of the country and began exporting to European countries as well. To handle and coordinate the business in a smooth manner, the company established its maiden overseas branch office in Lisbon, Portugal, which was the sixth one in the row after opening five Indian branches.

It is worth mentioning that Green Wave maintains its books of account and other books and papers in electronic mode. Accordingly, the backup of these books of account and other books and papers is duly kept on a server physically located in India.

The auditors, R. K. Deshpande & Associates, duly prepared the audit report stating the authenticity of the accounts, compliance of financial statements with the accounting standards, provision of adequate internal financial control with reference to the financial statements and the operating effectiveness of such controls. The company duly prepared its Annual Return and filed the same with the jurisdictional Registrar of Companies in addition to filing other financial statements.

On the basis of above facts and by applying applicable provisions of the Companies Act, 2013 and the applicable Rules therein, choose the correct answer (one out of four) of the following Multiple Choice Questions (of 2 marks each) given herein under:

1. The Case Scenario states that the directors of Green Wave Beverages Private Limited decided to reward and motivate the top ten employees of the product development team and marketing team, who contributed significantly to the success of the company and made available rights in the nature of IPR, by issuing 5,00,000 equity shares for consideration other than cash. You are required to choose the correct option from those stated below as to whether the said Sweat Equity shares shall be subject to lock-in/non-transferable for any specified period or not:
  - (a) The 5,00,000 Sweat Equity shares, when allotted to the top employees of the product development team and marketing team of Green Wave Beverages Private Limited, shall not be subject to lock-in/non-transferable for any period, whatsoever.
  - (b) The 5,00,000 Sweat Equity shares, when allotted to the top employees of the product development team and marketing team of Green Wave Beverages Private Limited, shall be subject to lock-in/non-transferable for a period of three years from the date of allotment.
  - (c) The 5,00,000 Sweat Equity shares, when allotted to the top employees of the product development team and marketing team of Green Wave Beverages Private Limited, shall be subject to lock-in/non-transferable for a period of four years from the date of allotment.
  - (d) The 5,00,000 Sweat Equity shares, when allotted to the top employees of the product development team and marketing team of Green Wave Beverages Private Limited, shall be subject to lock-in/non-transferable for a period of five years from the date of allotment.
2. The above Case Scenario states that Green Wave Beverages Private Limited needed a fresh dose of additional capital for production and marketing of newly developed health drinks and for that purpose it issued 50,00,000 equity shares of ` 10 each through private placement to the existing shareholders which were duly allotted. Select the appropriate option from those given below as to what is the maximum permissible time period within which the equity shares must have been allotted to the existing shareholders after receipt of application money for such securities from them:
  - (a) The maximum permissible time period is sixty days, within which the equity shares must have been allotted to the existing shareholders after receipt of application money for such securities from them.

- (b) The maximum permissible time period is fifteen days, within which the equity shares must have been allotted to the existing shareholders after receipt of application money for such securities from them.
- (c) The maximum permissible time period is ninety days, within which the equity shares must have been allotted to the existing shareholders after receipt of application money for such securities from them.
- (d) The maximum permissible time period is thirty days, within which the equity shares must have been allotted to the existing shareholders after receipt of application money for such securities from them.

3. According to the Case Scenario, Green Wave Beverages Private Limited issued 5,00,000 Sweat Equity shares to the top ten employees of the product development team and marketing team, for consideration other than cash, after passing the specified resolution. You are required to choose the correct option from those mentioned below as to within a period of how many months, the allotment of Sweat Equity shares must be made from the date of passing of the specified resolution which authorised the said issue, if the allotment is not made immediately after its passing:

- (a) Within a period of not more than three months, the allotment of Sweat Equity shares must be made from the date of passing of the specified resolution which authorised the said issue, if the allotment is not made immediately after its passing.
- (b) Within a period of not more than twelve months, the allotment of Sweat Equity shares must be made from the date of passing of the specified resolution which authorised the said issue, if the allotment is not made immediately after its passing.
- (c) Within a period of not more than six months, the allotment of Sweat Equity shares must be made from the date of passing of the specified resolution which authorised the said issue, if the allotment is not made immediately after its passing.
- (d) Within a period of not more than nine months, the allotment of Sweat Equity shares must be made from the date of passing of the specified resolution which authorised the said issue, if the allotment is not made immediately after its passing.

4. According to the Case Scenario, Green Wave Beverages Private Limited established its sixth branch in Lisbon, Portugal, after establishing first five Indian branches in a row. As regards auditing the accounts of the present overseas branch, who according to you is

authorised to audit the accounts of this foreign branch as per the applicable provisions? Choose the correct option from those stated below:

- (a) As regards auditing of sixth branch established in Lisbon, by Green Wave Beverages Private Limited, only the company's auditor R. K. Deshpande & Associates is authorised to audit its accounts.
- (b) As regards auditing of sixth branch established in Lisbon, by Green Wave Beverages Private Limited, the company's auditor R. K. Deshpande & Associates or an accountant or any other person duly qualified to act as an auditor of the accounts of the branch office in accordance with the laws of Portugal is authorised to audit its accounts.
- (c) As regards auditing of sixth branch established in Lisbon, by Green Wave Beverages Private Limited, the company's auditor R. K. Deshpande & Associates or any other person duly qualified to act as an auditor of the accounts of the branch office in accordance with the laws of Portugal, is authorised to audit its accounts.
- (d) As regards auditing of sixth branch established in Lisbon, by Green Wave Beverages Private Limited, an accountant or any other person duly qualified to act as an auditor of the accounts of the branch office in accordance with the laws of Portugal is authorised to audit its accounts.

5. It is evident that Green Wave Beverages Private Limited issued 5,00,000 Sweat Equity shares for consideration other than cash to the top employees of the product development team and marketing team. Keeping in view the applicable provisions, you are required to select the apt answer from the options given below as to when the holders of these sweat equity shares shall rank *pari passu* with other equity shareholders of the company:

- (a) The top ten employees of the product development team and marketing team, being the holders of 5,00,000 sweat equity shares, shall rank *pari passu* with other equity shareholders of the company only after the expiry of three years from the date of allotment.
- (b) The top ten employees of the product development team and marketing team, being the holders of 5,00,000 sweat equity shares, shall rank *pari passu* with other equity shareholders of the company only after the expiry of four years from the date of allotment.
- (c) The top ten employees of the product development team and marketing team, being the holders of 5,00,000 sweat equity shares, shall rank *pari passu* with other equity shareholders of the company immediately from the date of allotment.

(d) The top ten employees of the product development team and marketing team, being the holders of 5,00,000 sweat equity shares, shall rank *pari passu* with other equity shareholders of the company only after the expiry of five years from the date of allotment.

### **Case Scenario 2**

Ramneek and Madhu, two young entrepreneurs, founded "New Education Innovators LLP" under the Limited Liability Partnership Act, 2008, with a focus on providing digital education solutions. Ramneek brought technical expertise, while Madhu managed the business operations. According to the LLP Agreement, both contributed equally and shared profits equally. After two years of growth, they decided to admit Amit, an industry expert, as a partner to expand their reach. Amit agreed to contribute additional capital and bring industry contacts. However, shortly after joining, Amit discovered that certain key compliance filings, including Form 11 (Annual Return) and Form 8 (Statement of Accounts and Solvency), were pending. Concerned, Amit wanted to understand his liability and insisted that the LLP immediately address the compliance issues. Meanwhile, Ramneek proposed to amend the LLP Agreement to reflect Amit's new profit-sharing ratio and allocate specific decision-making powers to him. As they worked through these matters, they consulted a legal advisor to understand how the Limited Liability Partnership Act, 2008, impacted their responsibilities, liabilities, and compliance obligations.

On the basis of above facts and by applying applicable provisions of the Limited Liability Partnership Act, 2008 and the applicable Rules therein, choose the correct answer (one out of four) of the following Multiple Choice Questions given herein under:

6. When Amit joined New Education Innovators LLP, he discovered that key compliance filings, including the Annual Return and Statement of Accounts and Solvency, were pending. What is Amit's liability as a newly admitted partner concerning these past compliance lapses?

- (a) Amit has no liability for past compliance lapses since he was not a partner when they occurred.
- (b) Amit shares equal liability for past compliance lapses because he is now a partner in the LLP.
- (c) Amit is only liable if the LLP Agreement specifically assigns responsibility to him for compliance.
- (d) Amit's liability for past compliance is limited to his capital contribution in the LLP.

7. In light of Amit's concern about the pending compliance filings, which of the following best describes the responsibilities of the partners in New Education Innovators LLP regarding compliance with the LLP Act, 2008?
  - (a) Only the designated partners are responsible for ensuring compliance with filing obligations under the LLP Act.
  - (b) All partners, including new partners like Amit, are equally responsible for compliance, regardless of the LLP Agreement.
  - (c) Compliance responsibilities can only be assigned to one partner, who will bear full accountability.
  - (d) The legal advisor is responsible for handling compliance, and the partners have no liability once they hire legal counsel.
8. Suppose in the given scenario, New Education Innovators LLP fails to file the Statement of Account and Solvency or Annual Return for any five consecutive financial years, which of the following could occur?
  - (a) New Education Innovators LLP may be wound up the Tribunal
  - (b) Takeover of New Education Innovators LLP by the persons appointed by the Registrar of Companies
  - (c) Revocation of all partner rights until filings are complete
  - (d) The losses for these 5 consecutive years shall be shared equally by all the partners irrespective of the profit sharing ratio as decided in the LLP agreement.

### **Case Scenario 3**

Arnav Mehta is a very bright student. He is a resident of Ahmedabad and lived in India throughout the Financial Year 2024–25. On 12 July 2025, he left India to pursue a two-year Master's program in Biotechnology at a reputed university in Geneva, Switzerland.

To meet the cost of his education, Arnav required USD 25,000 per year towards tuition fees and USD 30,000 annually for his living and incidental expenses. He approached his authorised dealer bank to obtain foreign exchange for these requirements under applicable the Foreign Exchange Management Act (FEMA), 1999 and Current Account Transaction Rules.

During this period, Arnav's father, Mr. Rajesh Mehta, who continued to reside in Ahmedabad, won a significant prize in a local lottery. Wishing to support Arnav financially while he studied abroad, Mr. Mehta approached his authorised dealer bank to remit a portion of the lottery winnings to Arnav's account in Switzerland. He submitted the required documents and sought guidance from the bank regarding the permissibility of such a remittance under FEMA.

Around the same time, a close family friend of the Mehtas, Mr. Raghav Shah, was advised by his doctors in India to undergo an advanced kidney transplant procedure at a specialised medical centre in New York, USA. Raghav contacted his authorised dealer bank to understand the procedure and limits for obtaining foreign exchange for medical treatment abroad. He also obtained the required medical estimates in support of his proposed treatment.

On the basis of above facts and by applying applicable provisions of the Foreign Exchange Management Act, 1999 and the applicable Rules therein, choose the correct answer (one out of four) of the following Multiple Choice Questions given herein under:

9. Arnav requires USD 55,000 per year (tuition + living expenses). Can he obtain this foreign exchange?
  - (a) Yes, up to USD 55,000 per academic year without RBI approval.
  - (b) Yes, but only up to USD 25,000 without approval.
  - (c) No, he must obtain RBI approval for the entire amount.
  - (d) Yes, but only for tuition fees; living expenses require separate RBI approval.
10. Mr. Rajesh Mehta won a local lottery and wants to remit a part of the winnings to Arnav in Switzerland. The authorised dealer must evaluate whether the transaction is permissible.

Which of the following statement is correct in respect of the authorised dealer (AD)?

  - (a) AD will allow the remittance freely for an amount upto USD 5,000
  - (b) AD will allow the remittance freely since it is below USD 2,50,000
  - (c) AD will allow the remittance as long as it is for supporting education
  - (d) AD will reject the request because lottery winnings cannot be remitted under any circumstances as it falls under prohibited current account transactions
11. If Raghav submits a medical estimate from the US hospital showing expenses of USD 4,00,000, what can the authorised dealer do?
  - (a) Release only USD 2,50,000; the balance is prohibited
  - (b) Release any amount without limit because it is a medical emergency
  - (c) Authorised dealers shall release USD 2,50,000 without approval and release additional amounts if supported by medical estimate from the doctor/hospital without referring to RBI
  - (d) Decline the request until Raghav becomes a non-resident

### **Independent MCQs**

12. A Ltd. is incorporated on 3rd January, 2023. As per the Companies Act, 2013, what will be the financial year for the company:

- (a) 31<sup>st</sup> March, 2023
- (b) 31<sup>st</sup> December, 2023
- (c) 31<sup>st</sup> March, 2024
- (d) 30<sup>th</sup> September, 2024

**(2 Marks)**

13. A charge was created by Black Limited on its office premises to secure a term loan of ₹ 1 crore availed from Amro Bank Limited through an instrument of charge executed by both the parties on 16th February, 2025. Inadvertently, the company could not get the charge registered with the concerned Registrar of Companies (ROC) within the first statutory period permitted by law and the default was made known to it by the lending banker with a stern warning to take immediate steps for rectification. The latest date within which the company must register the charge with the ROC so as to avoid paying ad valorem fees for registration of the charge is:

- (a) 27<sup>th</sup> April, 2025
- (b) 17<sup>th</sup> April, 2025
- (c) 2<sup>nd</sup> May, 2025
- (d) 16<sup>th</sup> June 2025

**(2 Marks)**

14. ABC Real Estate Ltd., a prominent real estate company, has recently acquired a piece of land in a suburban area. The land has a small lake that is expected to generate significant tourism revenue in the future. Additionally, the land has several old structures that are permanently fastened to the earth, such as a stone pavilion and a historical monument. ABC Real Estate Ltd. plans to develop the area by refurbishing the existing structures and enhancing the natural surroundings to attract tourists.

Considering the above scenario, identify which of the following components are classified as "Immovable Property" under the General Clauses Act, 1897:

- (a) Only the land and the stone pavilion.
- (b) Only the land and the benefits arising from the lake.
- (c) The land, benefits arising from the lake, and the stone pavilion.
- (d) The land, the benefits arising from the lake, the stone pavilion and the historical monument.

**(2 Marks)**

15. The Ministry of Transport is planning to construct a new highway that will connect City A and City B. According to the initial plan, the highway is expected to cover a distance of 180 kilometers. During the survey, the engineers measure the distance between the two cities as the crow flies, without considering the natural terrain and existing road curves. This method is in line with the provisions of the General Clauses Act, 1897 regarding the measurement of distance for the purposes of any Central Act or Regulation.

Considering the above scenario, which statement is correct about the measurement of distance as per the General Clauses Act, 1897?

- (a) The distance should be measured along the existing roadways and curves.
- (b) The distance should be measured considering the natural terrain and obstacles.
- (c) The distance should be measured in a straight line on a horizontal plane unless otherwise specified.
- (d) The distance should be measured as a combination of straight lines and natural curves.

**(2 Marks)**

#### **PART – II Descriptive Questions (70 Marks)**

*Question No. 1 is compulsory.*

*Attempt any **Four** questions out of the remaining **Five** questions.*

1. (a) A Limited is planning to make a private placement of securities. The Managing Director arranged to obtain a brief note from some source explaining the salient features of the issue of private placement that the Board of Directors shall keep in mind while approving the proposal on this subject. The brief note includes, *inter alia*, the information on the following points:

- (i) A private placement shall be made only to a select group of identified persons not exceeding 200 in a financial year.

The aforesaid ceiling of identified persons shall not apply to the offer made to the qualified institutional buyers but is applicable to the employees of the company who will be covered under the Company's Employees Stock Option Scheme.

- (ii) The offer on private placement basis shall be made only once in a financial year for any number of identified persons not exceeding 200.

The company solicits your remarks on the points referred above as to whether they are valid or not? Reasoned remarks should be given in accordance with the provisions of the Companies Act, 2013.

**(5 Marks)**

(b) (i) Three Chartered Accountants, Mr. Arjun, Mr. Siddharth and Mrs. Kavita formed a Limited Liability Partnership under the Limited Liability Partnership Act, 2008 in the name of ASK & Associates LLP, practicing chartered accountants. Zenith Resources Ltd. (ZR Ltd.) intends to appoint ASK & Associates LLP as the auditors of the company.

Examine the validity of the proposal of ZR Ltd. to appoint ASK & Associates LLP, a body corporate, as an auditor of the company as per the provisions of the Companies Act, 2013.

(ii) The Board of Directors of Nova Communications Ltd. consists of Mr. Mehra and Ms. Singh (Directors) and Mr. Verma (Managing Director). The company has also appointed a full-time Company Secretary. The Profit and Loss Account and the Balance Sheet of the company have been signed by Mr. Mehra and Ms. Singh.

Examine whether the authentication of the financial statements of the company is in accordance with the provisions of the Companies Act, 2013.

**(5 Marks)**

(c) Pujari Sharma, a person resident outside India, has invested in four residential immovable properties under construction in Kolkata. Each property is negotiated at ` 2 crore, with the companies owned by builders. This amount is to be paid in two instalments as 60% on immediate basis on booking and the balance on possession of the properties.

The above transaction is done by the companies owned by builders through two brokers from USA on commission basis. Pujari Sharma as per the terms and conditions remitted 60% of the amount of all four immovable properties directly to the company.

Answer the following explaining the provisions of the Foreign Exchange Management Act (FEMA), 1999:

- (i) Whether investment by Pujari Sharma and payment of commission on this transaction is permissible?
- (ii) How much maximum amount of commission can be paid to each broker without Reserve bank of India (RBI) approval?

(Ignore the USD - Rupee Exchange Rate)

**(4 Marks)**

2. (a) Sun Light Limited was incorporated on 22nd January 2024 with the objects of providing software services. The company adopted its first financial year as from 22nd January 2024 to 31st March 2025. The financial statement for the said period, after providing for depreciation in accordance with Schedule II of the Companies Act, 2013 revealed net profit. The Board of Directors declared 20% interim dividend at their meeting held on 7th July 2025, before holding its first Annual General Meeting. In the light of the provisions of the Companies Act, 2013 and Rules made thereunder:

(i) Whether the company has complied due diligence in declaring interim dividend?

(ii) Whether the company can declare dividend in case it was registered under Section 8 of the Companies Act, 2013? **(5 Marks)**

(b) Shree Private Limited was formed on 25<sup>th</sup> April, 2022. At the time of formation, it had provided in its articles that the company shall not be permitted to accept or keep advance subscription or call money in advance.

However, in the August 2025, the need was felt to amend the articles with respect to retention of calls-in-advance.

Decide whether the provision inserted in the articles at the time of formation of the company, can be considered as void? **(5 Marks)**

(c) Prem and Vicky had a long dispute regarding the ownership of a land for which a legal suit was pending in the court. The court fixed the date of hearing on 27<sup>th</sup> October 2025, which was announced to be a holiday subsequently by the Government. What will be the computation of time of the hearing in this case under the General Clauses Act, 1897? **(4 Marks)**

3. (a) Bright Industries Limited, is planning to expand its manufacturing operations. To raise funds, the Board is considering accepting deposits from the public. The company has a net worth of ` 150 crore and a turnover of ` 620 crore as per its latest audited financial statements. The directors want to ensure compliance with the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 before proceeding.

(i) Explain the meaning of an "eligible company".

(ii) State the maximum amount of deposits it can accept from persons other than members. **(5 Marks)**

(b) Mr. Ram is the auditor of XYZ Limited, which is a Government company. He has resigned on 31<sup>st</sup> December, 2025 while the financial year of the company ends on 31<sup>st</sup> March, 2026. Explain the provisions regarding filling or such vacancy. Would your answer differ if it is other than a Government company? **(5 Marks)**

(c) Define the following terms with reference to the General Clauses Act, 1897:

(i) Affidavit

(ii) Good Faith **(4 Marks)**

4. (a) Wave Power Limited plans to raise funds through multiple tranches of securities using a shelf prospectus. After completing its first offer, the company is preparing for the second offer under the same shelf prospectus.

Before proceeding, Wave Power Limited needs to know what information must be filed with the Registrar along with the information memorandum. You as Chartered Accountant, are required to list the details that company is required to include in this information memorandum. **(5 Marks)**

(b) ABC Pvt. Ltd. (OPC) is incorporated in 2024. The company has not appointed a company secretary due to its small scale of operations. At the end of the financial year 2024-25, the company needs to file its annual return. The director in state of dilemma, consulted the company law expert whether they need to submit a full-fledged annual return or an abridged version and who should sign the document.

Based on the provisions of the Companies Act, 2013, advise on the following:

(i) What form should ABC Pvt. Ltd.(OPC) use to file its annual return?

(ii) Who is authorized to sign the annual return? **(5 Marks)**

(c) “Associate words to be understood in common sense manner.” Explain this statement with reference to rules of interpretation of statutes. **(4 Marks)**

5. (a) In a general meeting of a company, the shareholders passed a special resolution regarding some special matters. There were 30 members present in the meeting. Out of which 15 voted in favour of the resolution, 6 voted against it and 5 votes were found invalid. The remaining 4 members abstained from voting. The chairman of the meeting declared the resolution as passed. With reference to provisions of the Companies Act, 2013 examine the validity of chairman's declaration. **(5 Marks)**

(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. Two months after Ramesh joined, 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) Priya's address change
- (ii) Ramesh's admission as a partner. **(5 Marks)**
- (c) What is External Aid to interpretation? Explain how the Dictionary definitions are the External Aids to Interpretations? **(4 Marks)**

6. (a) (i) Lotus Global Corporation is a company incorporated in Singapore. Its wholly owned Indian subsidiary, Meadow Limited, intends to adopt a financial year different from the one prescribed in India, in order to align with the consolidated accounts of its parent company prepared overseas. Explain the procedure that Meadow Limited must follow to implement such a change.

(ii) Sunrise Enterprises Limited is planning to maintain its books of account using the Single Entry System. Is such a method of accounting permissible under the Companies Act, 2013? **(5 Marks)**

(b) Arbrush Limited, a foreign company without establishing a place of business in India, proposes to issue prospectus for subscription of securities in India. Being a consultant of the company, advise on the procedure of such an issue of prospectus by Abroad Ltd. **(5 Marks)**

(c) Under a certain Act, an offence is stated to be "punishable with imprisonment." Explain what the term imprisonment means as per the General Clauses Act, 1897, and state the types of imprisonment that a Court may award under the Indian Penal Code. **(4 Marks)**