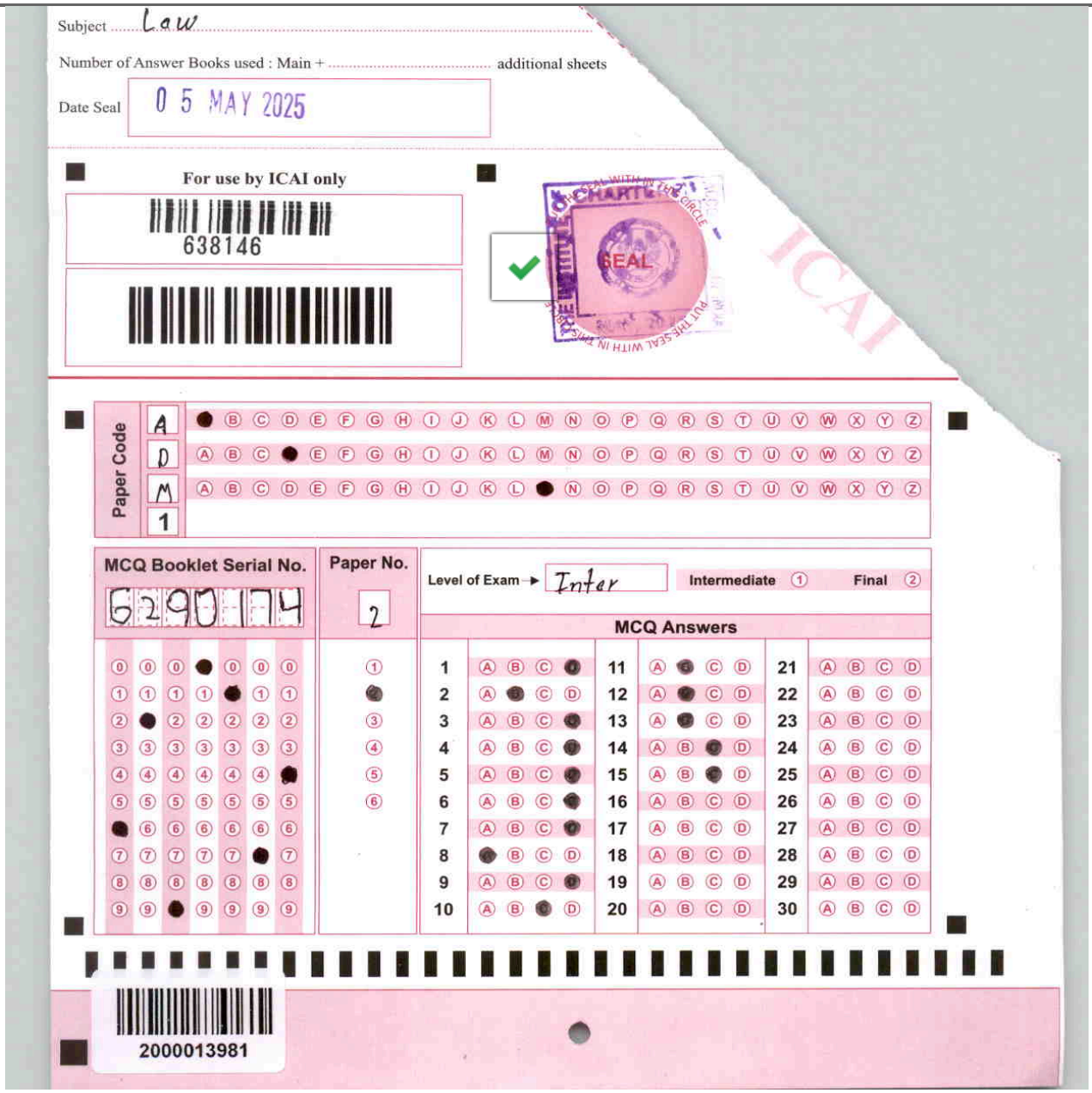
The Institute of Chartered Accountants of India

Code:	**IN2CL638146**	**Total Marks:**	**70**
Subject :	**02 Corporate and Other Laws**	**Marks Obtained :**	20.5



The Institute of Chartered Accountants of India

Code:	**IN2CL638146**	**Total Marks:**	**70**
Subject :	**02 Corporate and Other Laws**	**Marks Obtained :**	20.5

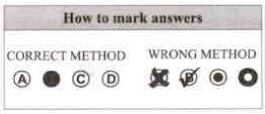
page and question number prominently written at the
should be distinctly written in the margin.
fully completed in one page or in a consecutive set of pages,

the space provided for the purpose or writing distinguishing mark,
6", etc., will tantamount to adoption of "unfair means"
ok to the invigilator take care to score out (X) blank pages, if any, that you

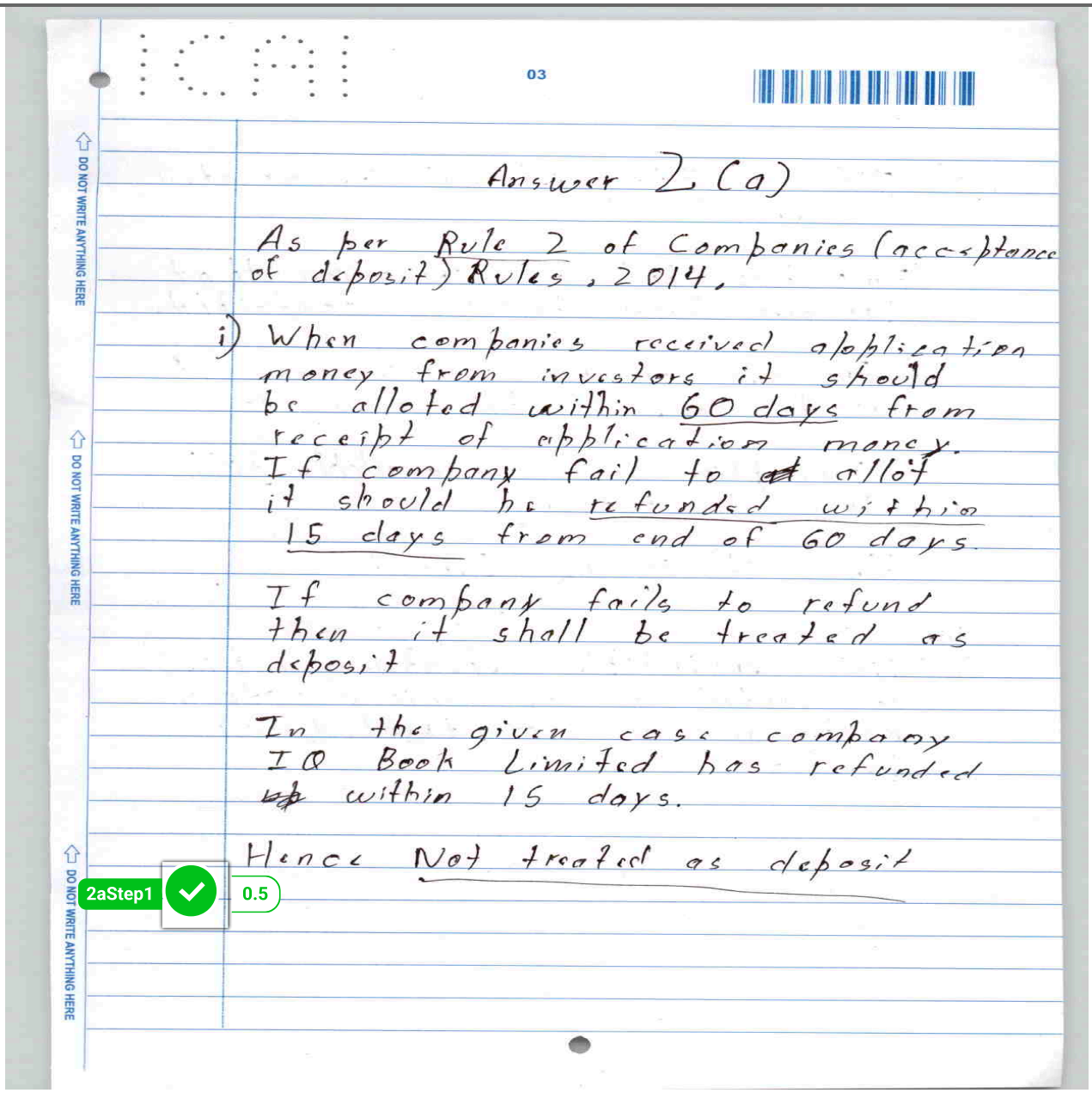
IONS TO THE CANDIDATE FOR FILLING THE MCQ ANSWER FIELDS

ncil to Darken the appropriate Circle.

ken the correct MCQ Booklet Serial No. as printed on your question booklet which will be taken as final for evaluation.
candidate fills in this information wrongly, Institute will not take any responsibility for rectifying the mistake.
darken the complete circle.
ou want to change your Answer, erase the all darkened circle completely and make a fresh mark.
Please do NOT make any stray marks on the OMR cover page.
6. Rough work must NOT be done on the OMR cover page.
7. Mark your answer only in the appropriate space against the number corresponding to the question.



Q. No.	To be ticked ✓ by the candidate against the Questions answered (Descriptive Type)		
1	☐	8	☐
2	☐	9	☐
3	☐	10	☐
4	☐	11	☐
5	☐	12	☐
6	☐	13	☐
7	☐	14	☐
Total		Total	



03

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Answer 2. (a)

As per Rule 2 of Companies (acceptance of deposit) Rules, 2014,

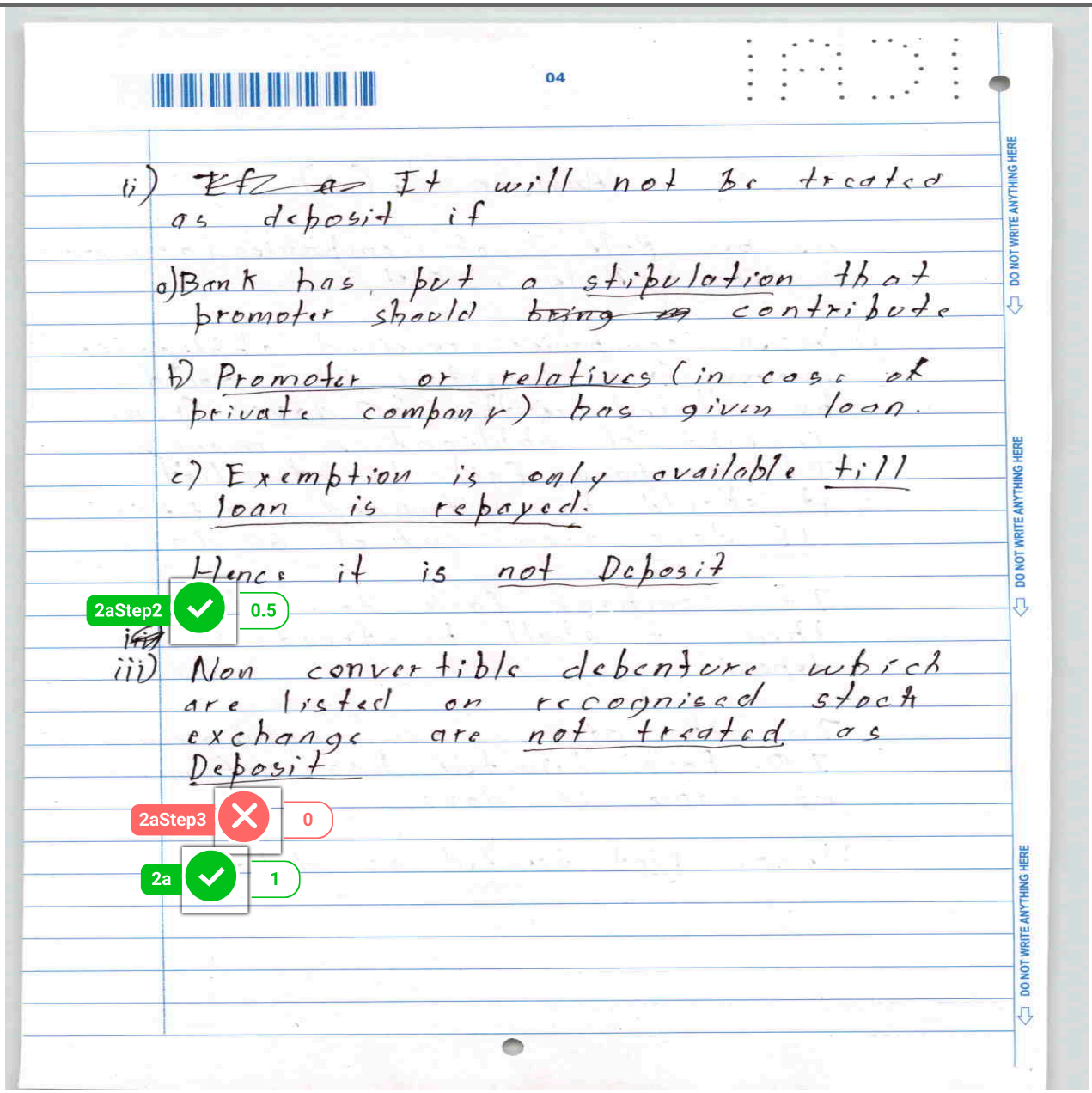
i) When companies received application money from investors it should be alloted within 60 days from receipt of application money. If company fail to ~~at~~ allot it should be refunded within 15 days from end of 60 days.

If company fails to refund then it shall be treated as deposit

In the given case company IQ Book Limited has refunded ~~wh~~ within 15 days.

Hence Not treated as deposit

2aStep1 0.5



04

ii) ~~If~~ It will not be treated as deposit if

a) Bank has put a stipulation that promoter should ~~bring~~ contribute

b) Promoter or relatives (in case of private company) has given loan.

c) Exemption is only available till loan is repayed.

Hence it is not Deposit

2aStep2 0.5

iii) Non convertible debenture which are listed on recognised stock exchange are not treated as Deposit

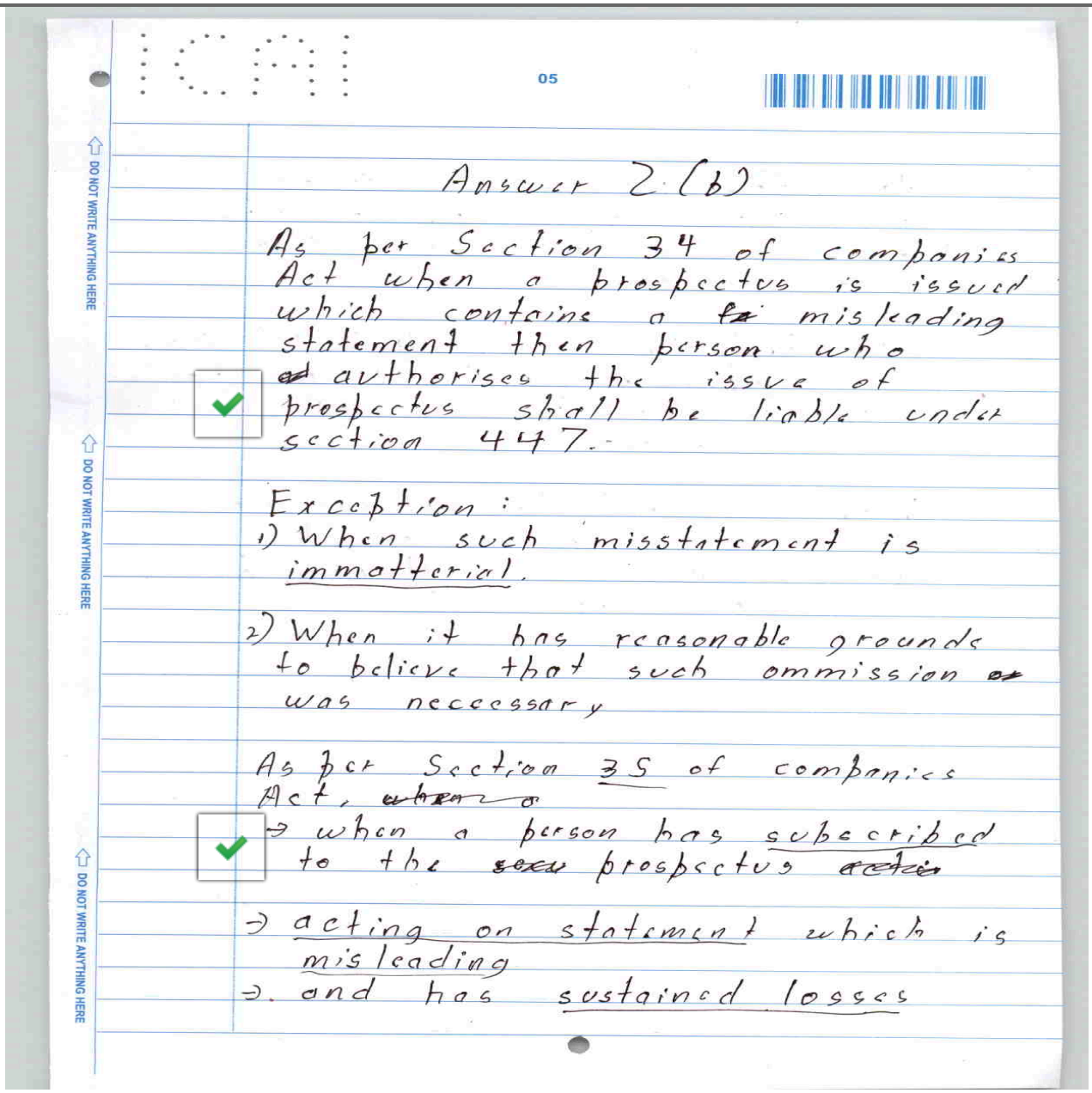
2aStep3 0

2a 1

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05

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Answer 2 (b)

As per Section 34 of companies Act when a prospectus is issued which contains a ~~fa~~ misleading statement then person who ~~ad~~ authorises the issue of prospectus shall be liable under section 447.

Exception :

1) When such misstatement is immatterial.

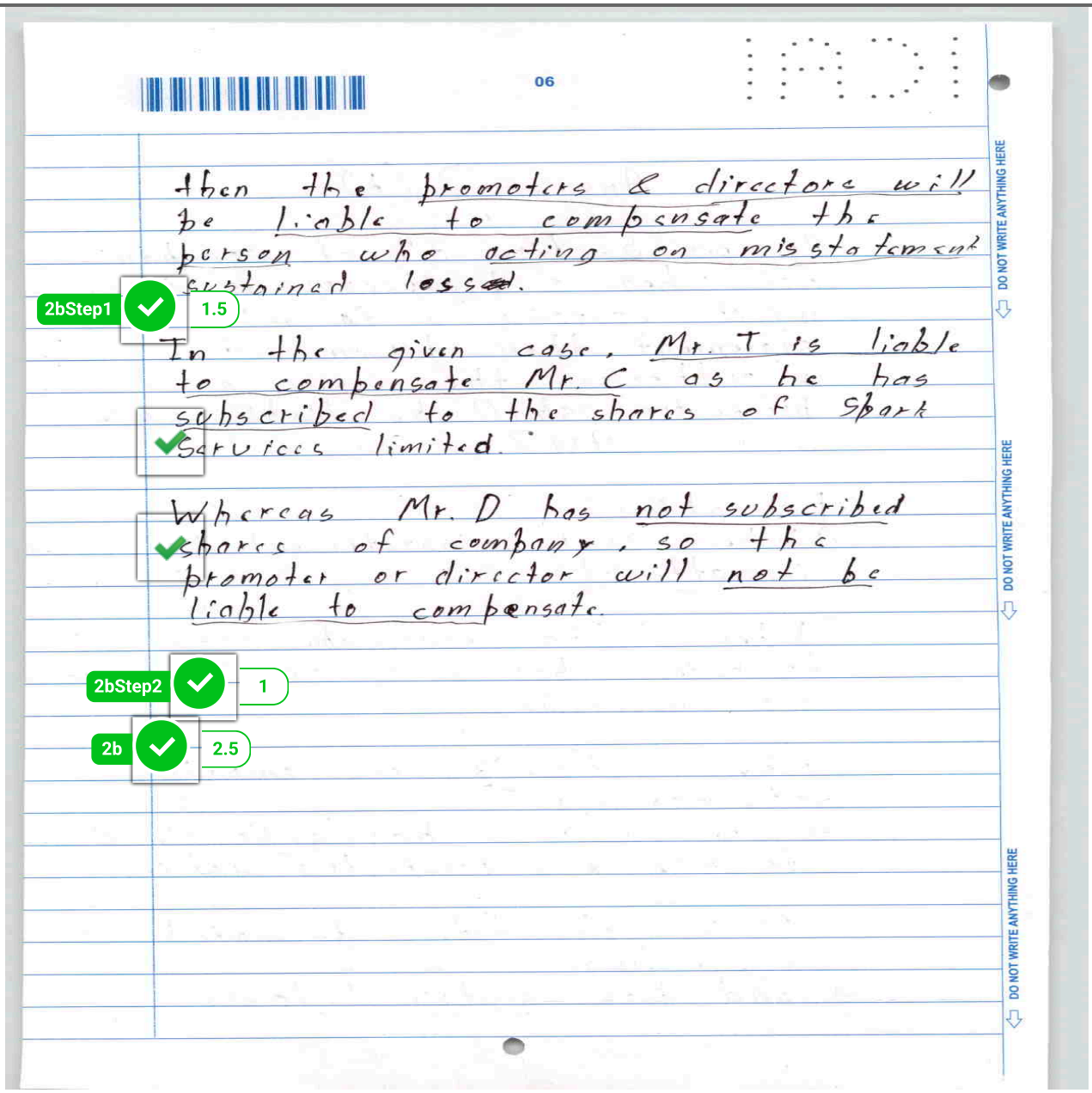
2) When it has reasonable grounds to believe that such ommission ~~of~~ was neceessary

As per Section 35 of companies Act, ~~when a~~

→ when a person has subscribed to the ~~sece~~ prospectus ~~acts~~

→ acting on statement which is misleading

→ and has sustained losses



06

then the promoters & directors will be liable to compensate the person who acting on misstatement sustained loss.

2bStep1 1.5

In the given case, Mr. T is liable to compensate Mr. C as he has subscribed to the shares of Spark Services limited.

Whereas Mr. D has not subscribed shares of company, so the promoter or director will not be liable to compensate.

2bStep2 1

2b 2.5

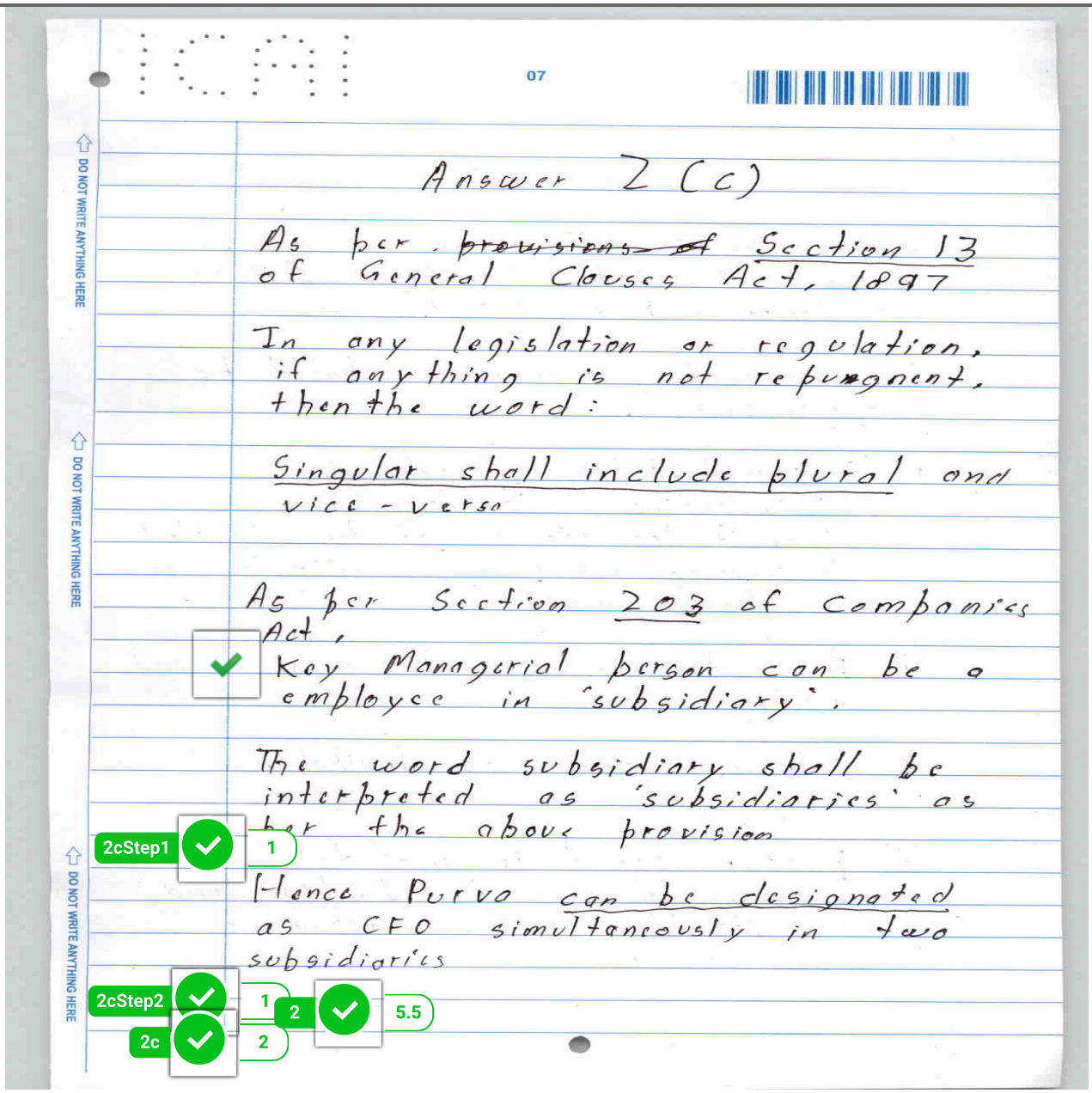
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Code:	**IN2CL638146**	**Total Marks:**	**70**
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07

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Answer 2 (c)

As per ~~provisions of~~ Section 13 of General Clauses Act, 1897

In any legislation or regulation, if anything is not repugnent, then the word:

Singular shall include plural and vice-versa

As per Section 203 of Companies Act,

Key Managerial person can be a employee in 'subsidiary'.

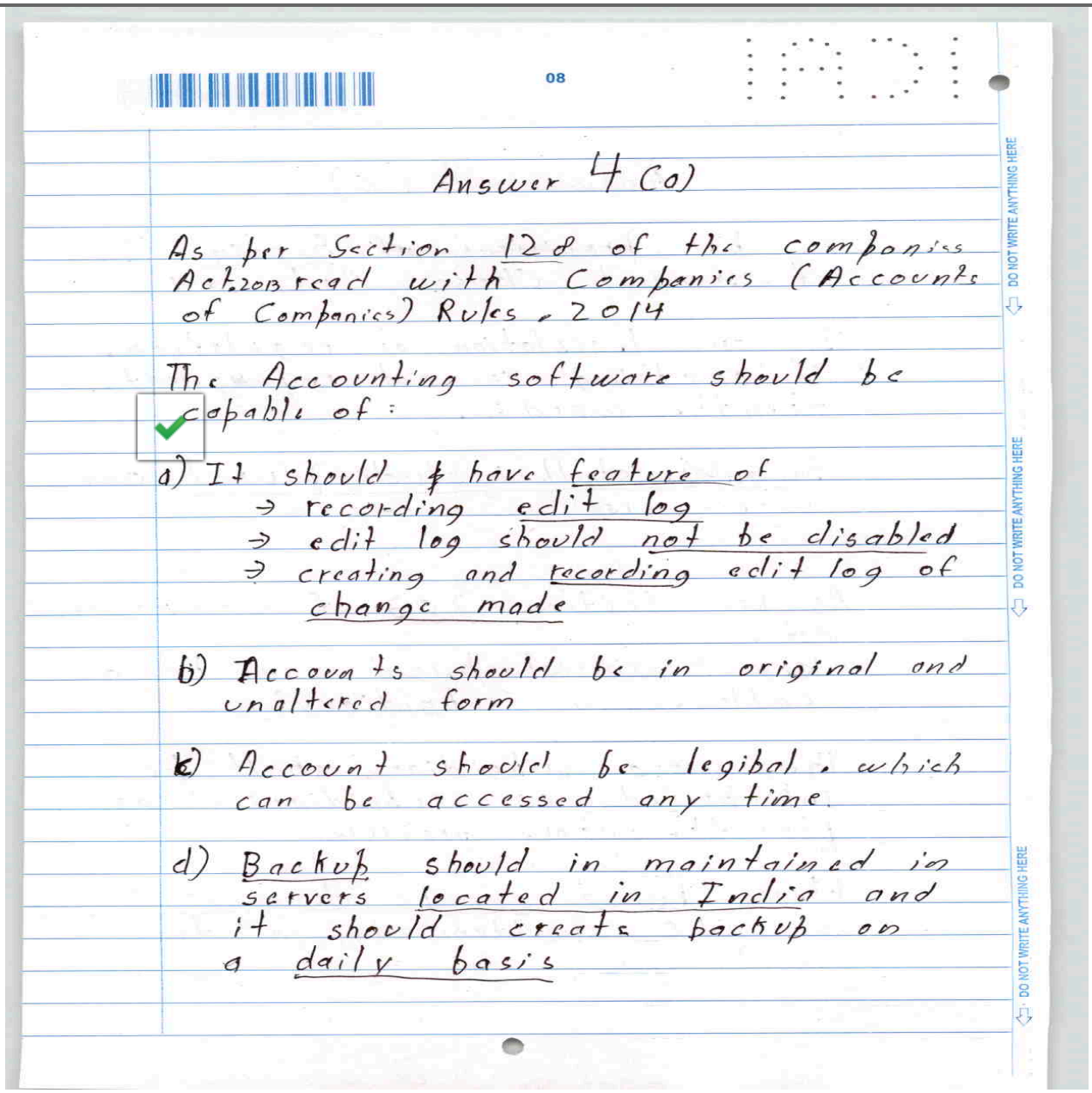
The word subsidiary shall be interpreted as 'subsidiaries' as per the above provision

Hence Purva can be designated as CFO simultaneously in two subsidiaries

2cStep1 1

2cStep2 1 2 5.5

2c 2



08

Answer 4 (a)

As per Section 128 of the companies Act, 2013 read with Companies (Accounts of Companies) Rules, 2014

The Accounting software should be capable of:

a) It should have feature of
   → recording edit log
   → edit log should not be disabled
   → creating and recording edit log of change made

b) Accounts should be in original and unaltered form

c) Account should be legibal, which can be accessed any time.

d) Backup should in maintained in servers located in India and it should create backup on a daily basis

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09

In the given case

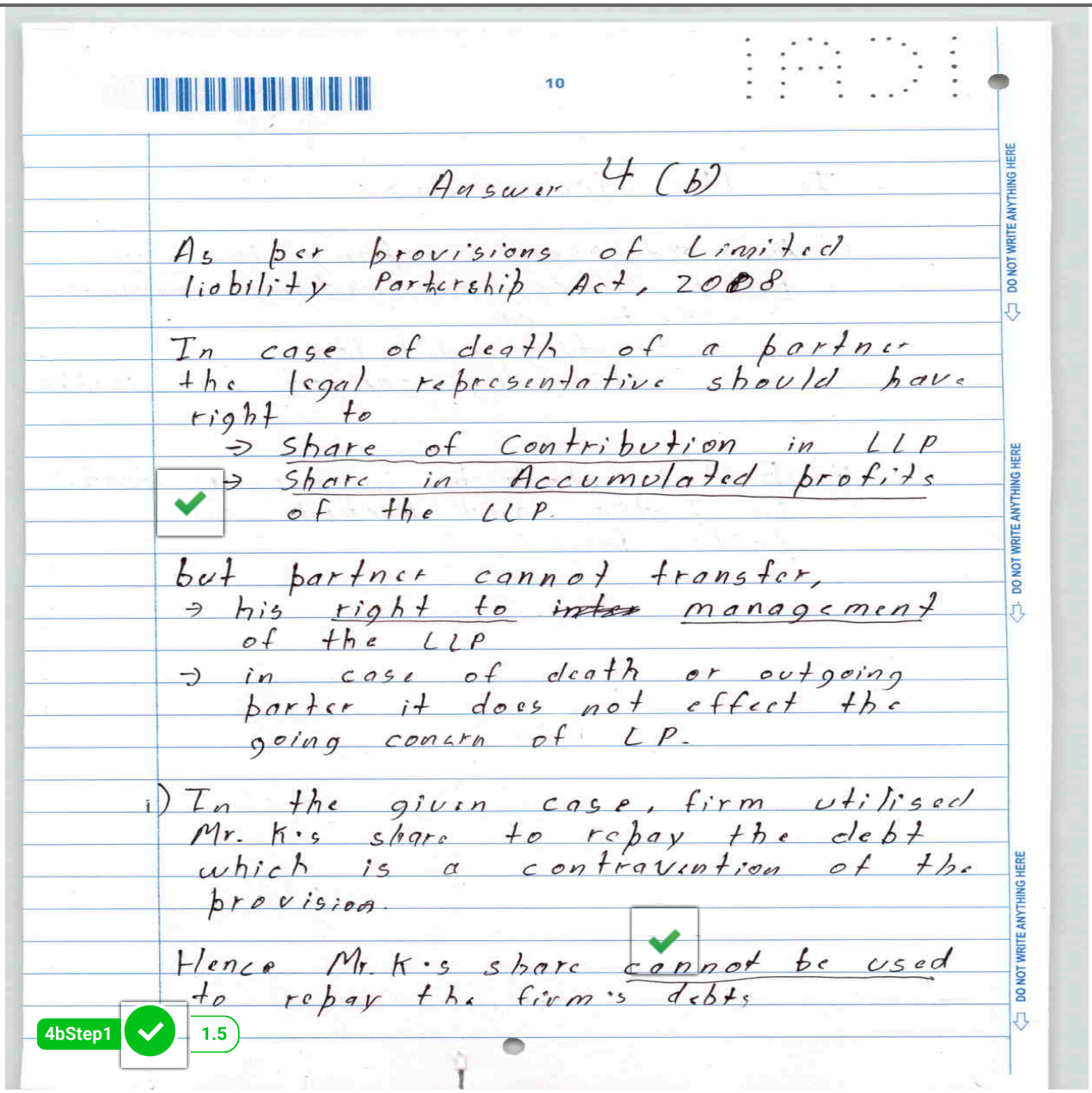
i) Accounts of company is not proper since accounting software should be ~~et~~
⇒ creating edit log
⇒ audit log cannot be disabled

4aStep1 1

ii) Backup should be in servers located in India and backup on daily basis

4aStep2 0.5

4a 1.5



10

Answer 4 (b)

As per provisions of Limited liability Partnership Act, 2008

In case of death of a partner the legal representative should have right to

→ Share of Contribution in LLP

→ Share in Accumulated profits of the LLP.

but partner cannot transfer,

→ his right to ~~inter~~ management of the LLP

→ in case of death or outgoing partner it does not effect the going concern of LP.

i) In the given case, firm utilised Mr. K's share to repay the debt which is a contravention of the provision.

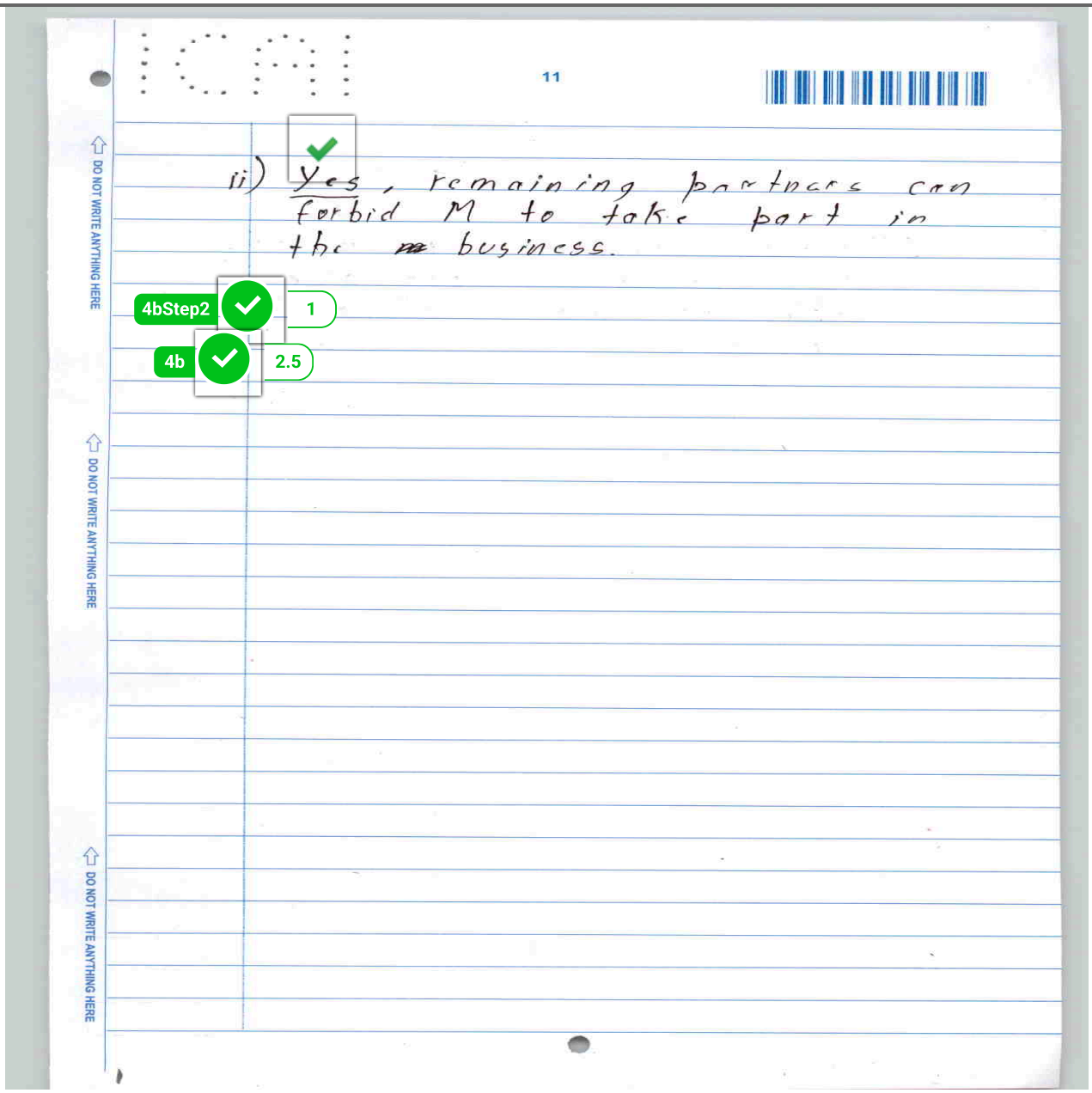
Hence Mr. K's share cannot be used to repay the firm's debts

4bStep1 1.5

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11

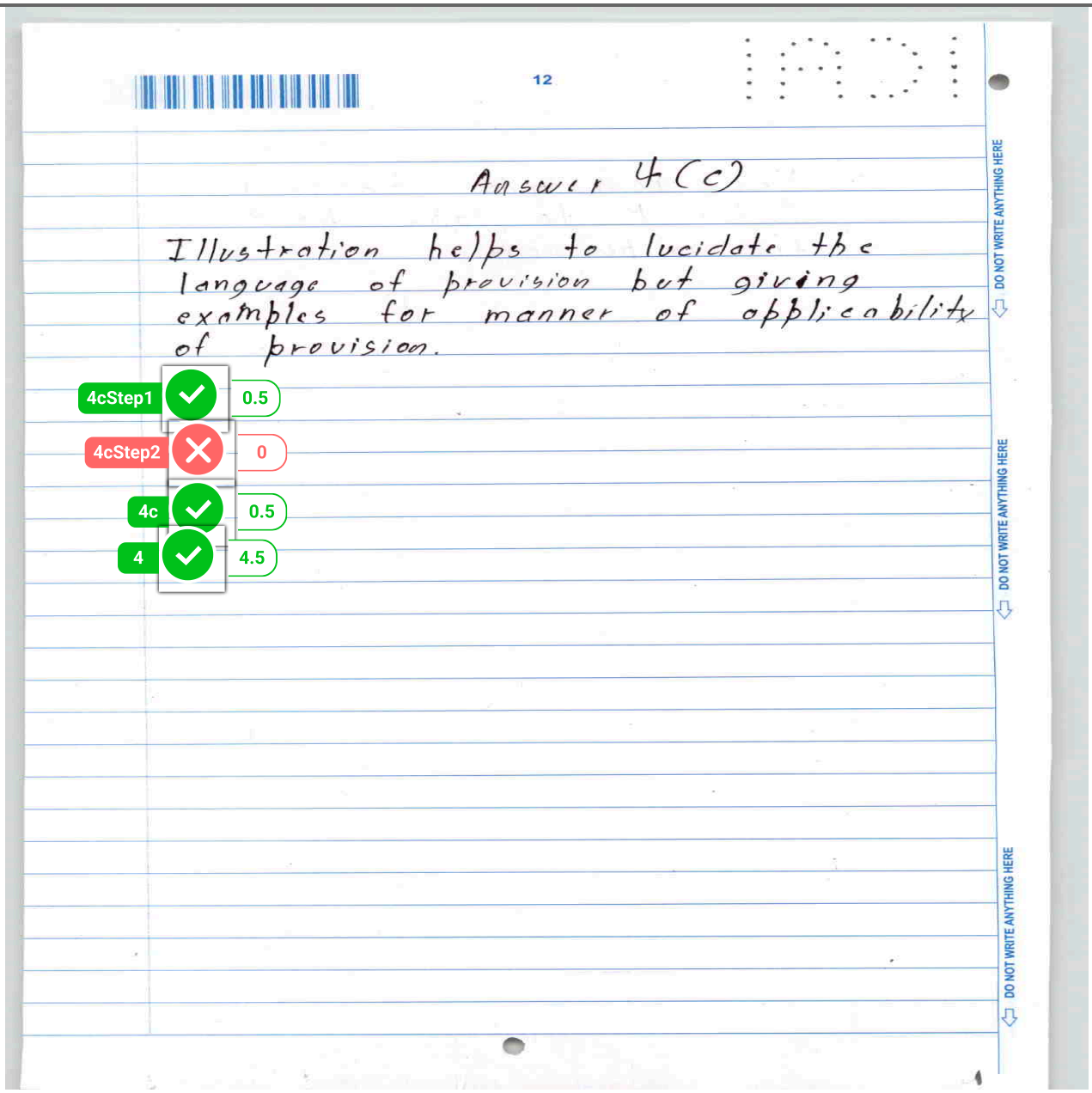
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ii) Yes, remaining partners can forbid M to take part in the business.

4bStep2 1

4b 2.5

Code:	**IN2CL638146**	**Total Marks:**	**70**
Subject :	**02 Corporate and Other Laws**	**Marks Obtained :**	20.5



12

Answer 4(c)

Illustration helps to lucidate the language of provision but giving examples for manner of applicability of provision.

4cStep1 ✓ 0.5

4cStep2 ✗ 0

4c ✓ 0.5

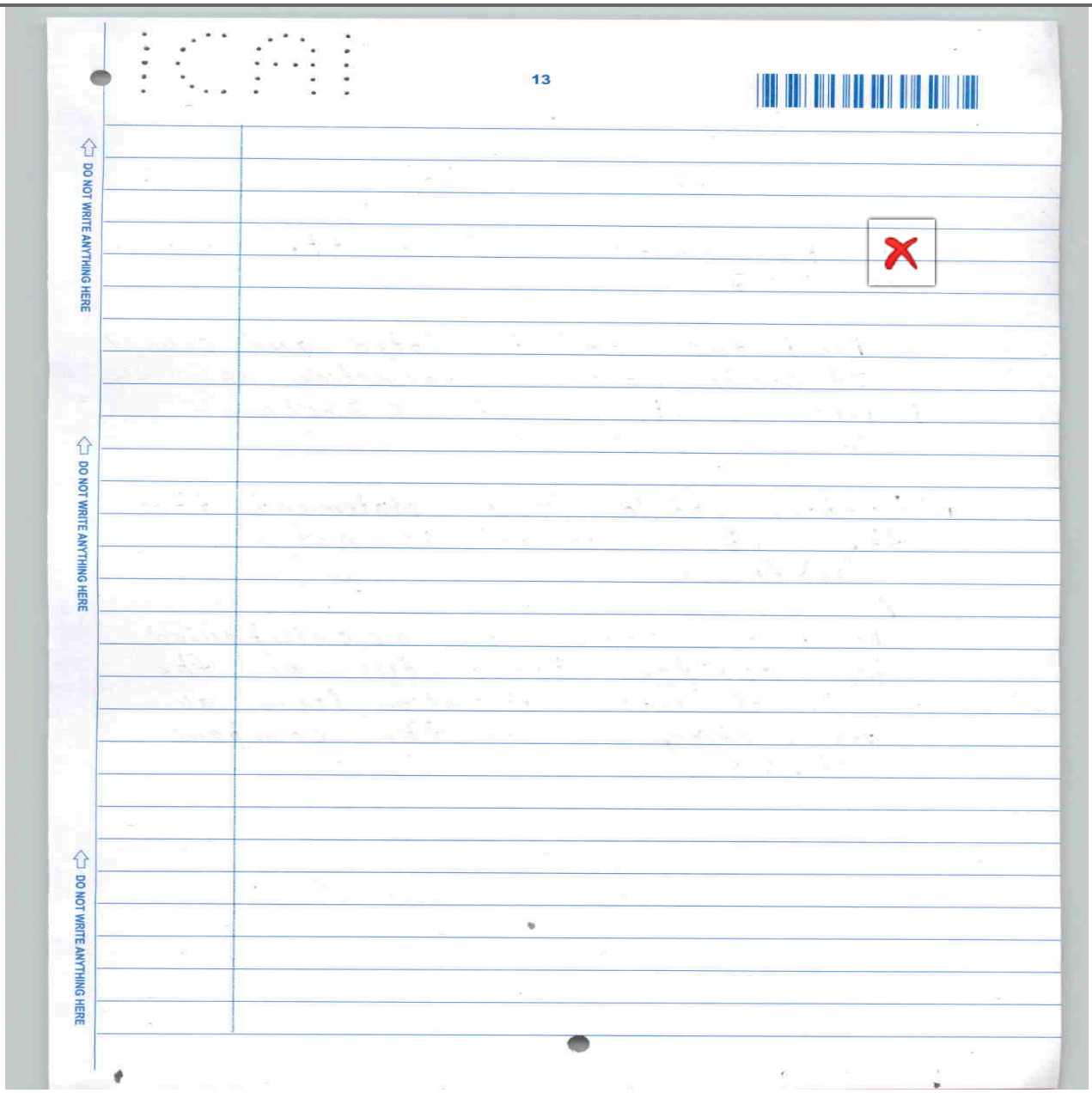
4 ✓ 4.5

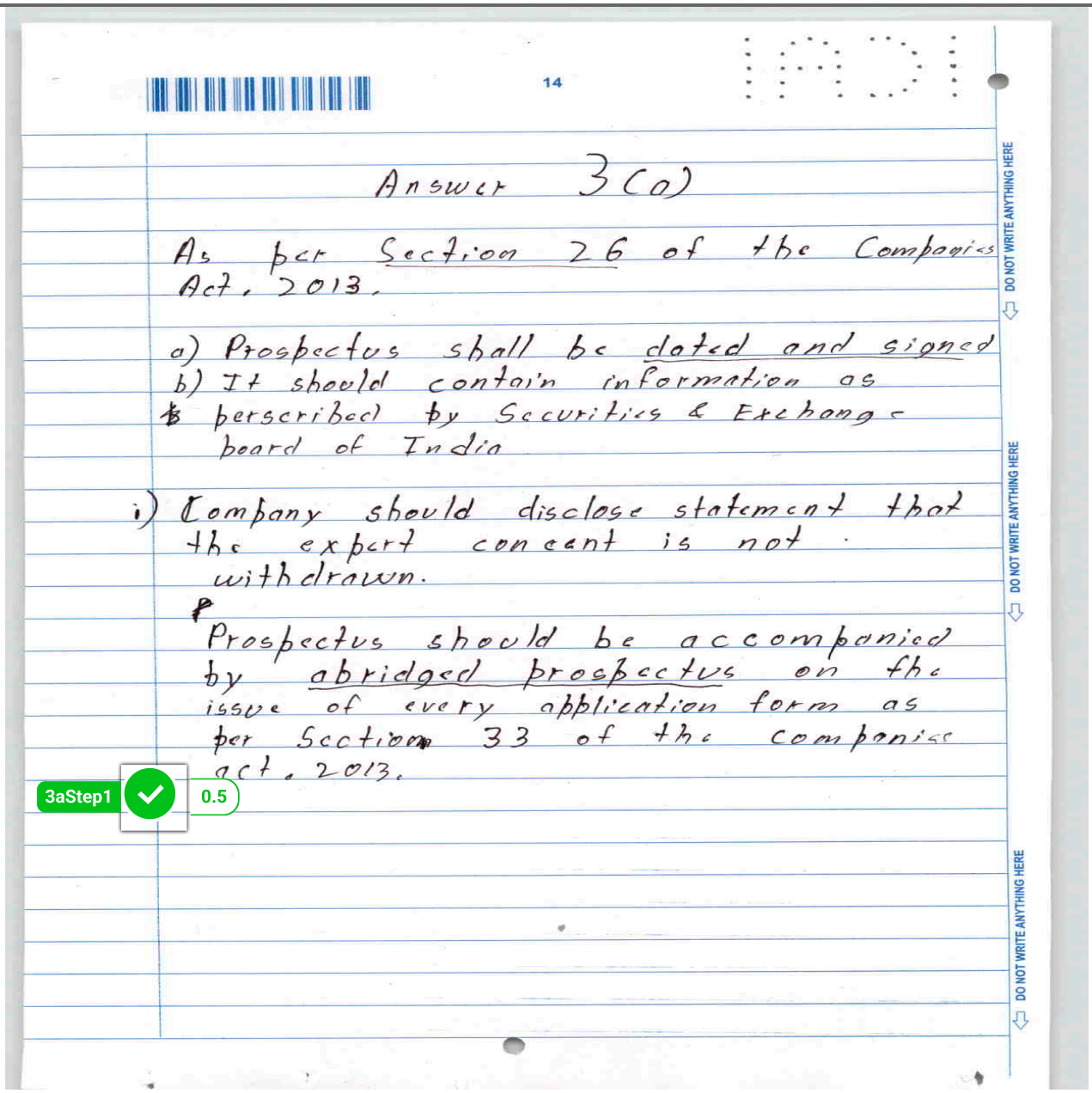
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Code:	**IN2CL638146**	**Total Marks:**	**70**
Subject :	**02 Corporate and Other Laws**	**Marks Obtained :**	20.5





14

Answer 3(a)

As per Section 26 of the Companies Act, 2013.

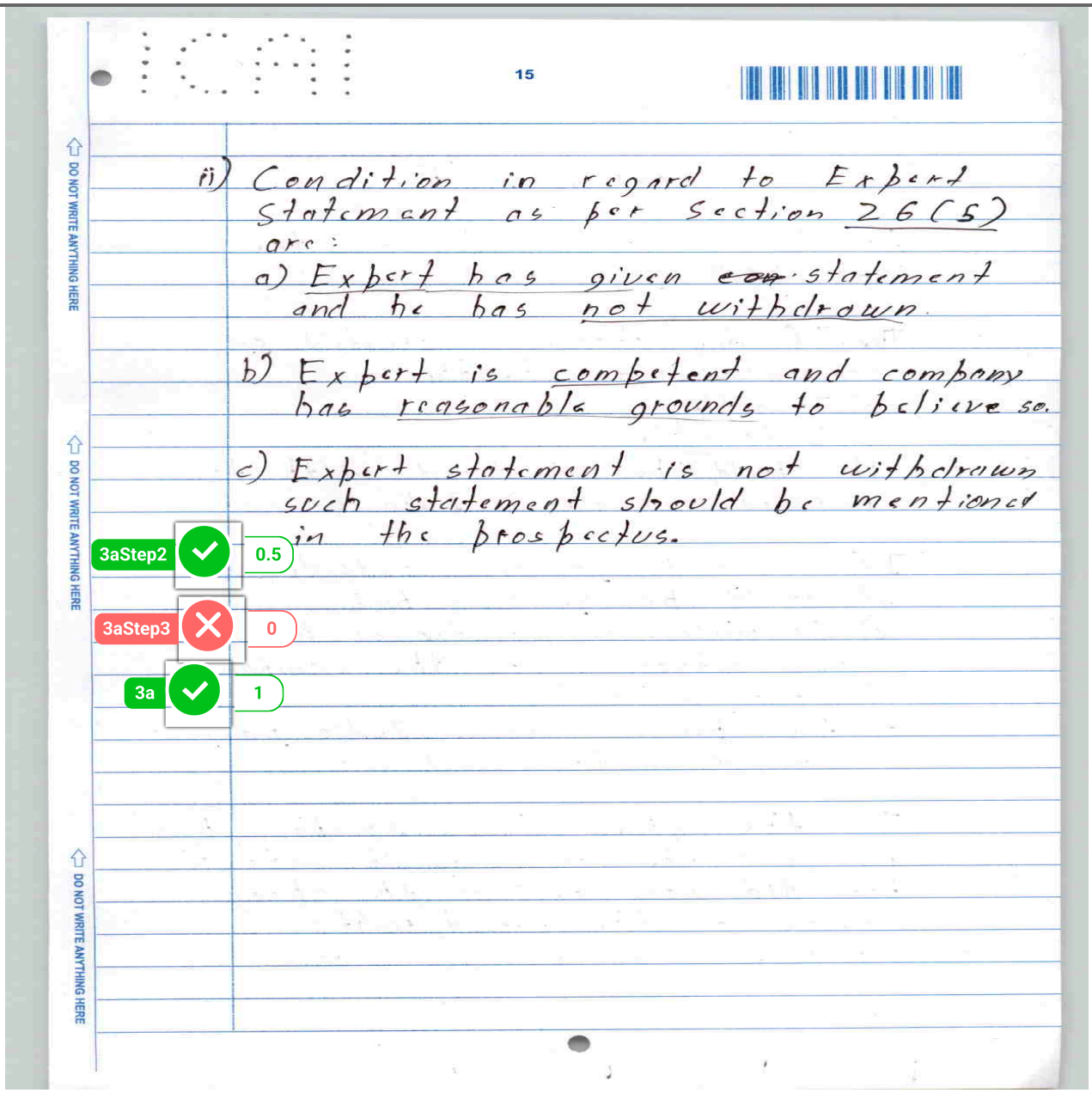
a) Prospectus shall be dated and signed
b) It should contain information as perscribed by Securities & Exchange board of India

i) Company should disclose statement that the expert concent is not withdrawn.

Prospectus should be accompanied by abridged prospectus on the issue of every application form as per Section 33 of the companies act, 2013.

3aStep1 0.5

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15

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ii) Condition in regard to Expert statement as per Section 26(5) are:

a) Expert has given ~~con~~ statement and he has not withdrawn.

b) Expert is competent and company has reasonable grounds to believe so.

c) Expert statement is not withdrawn such statement should be mentioned in the prospectus.

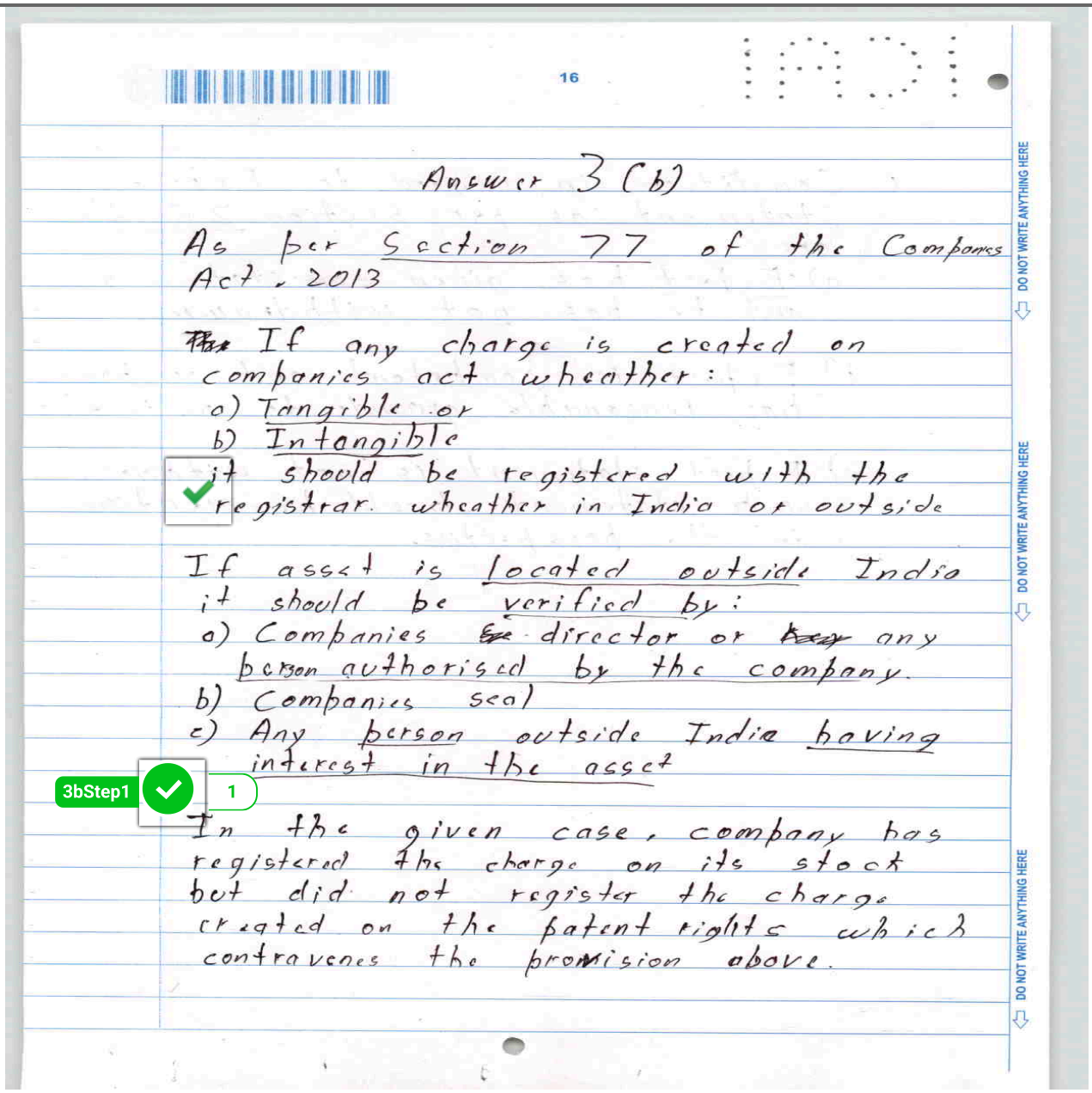
3aStep2 0.5

3aStep3 0

3a 1

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16

Answer 3 (b)

As per Section 77 of the Companies Act, 2013

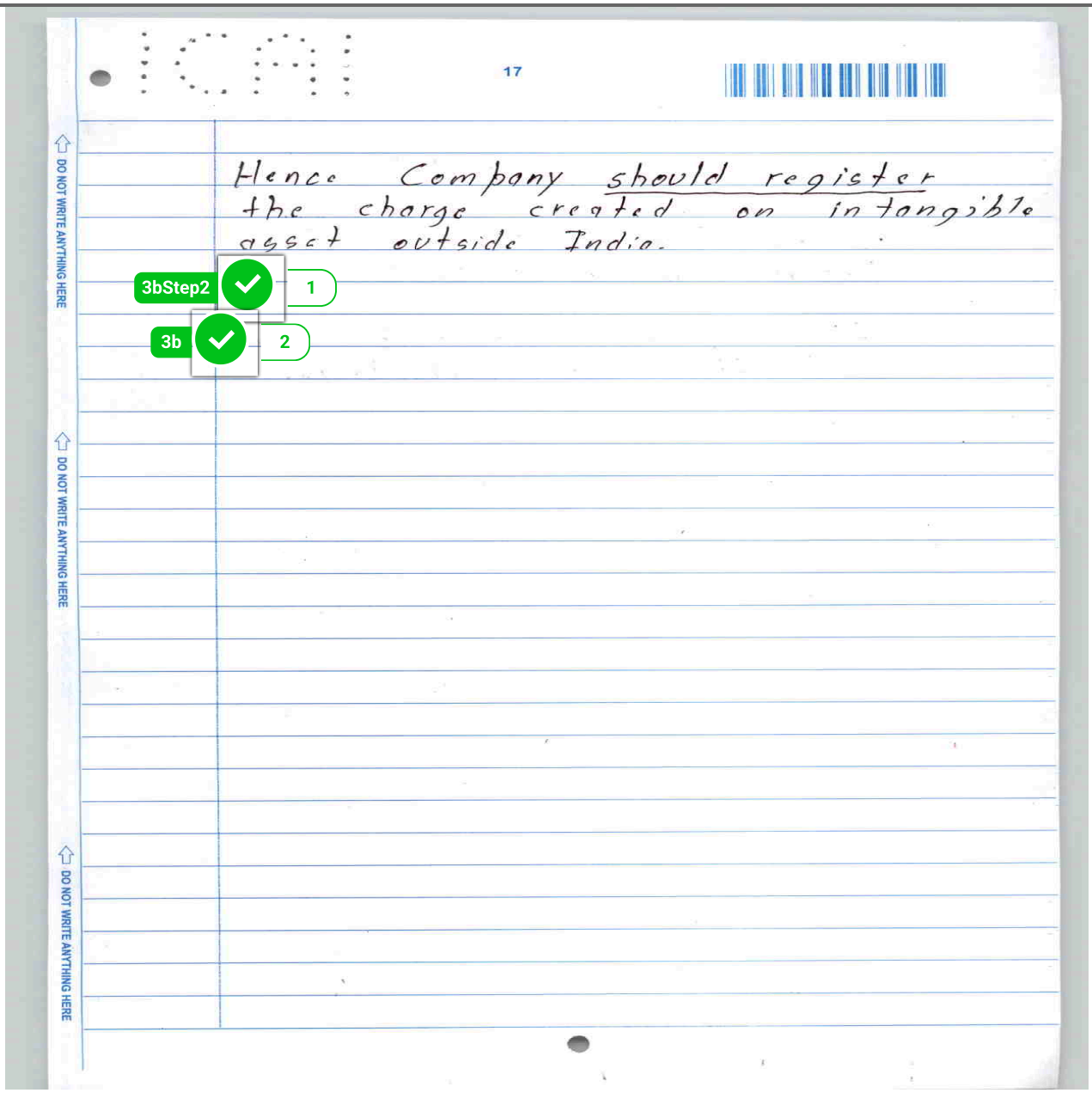
If any charge is created on companies act wheather:
a) Tangible or
b) Intangible
it should be registered with the registrar wheather in India or outside

If asset is located outside India it should be verified by:
a) Companies director or any person authorised by the company.
b) Companies seal
c) Any person outside India having interest in the asset

3bStep1 1

In the given case, company has registered the charge on its stock but did not register the charge created on the patent rights which contravenes the promision above.

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17

Hence Company should register the charge created on intangible asset outside India.

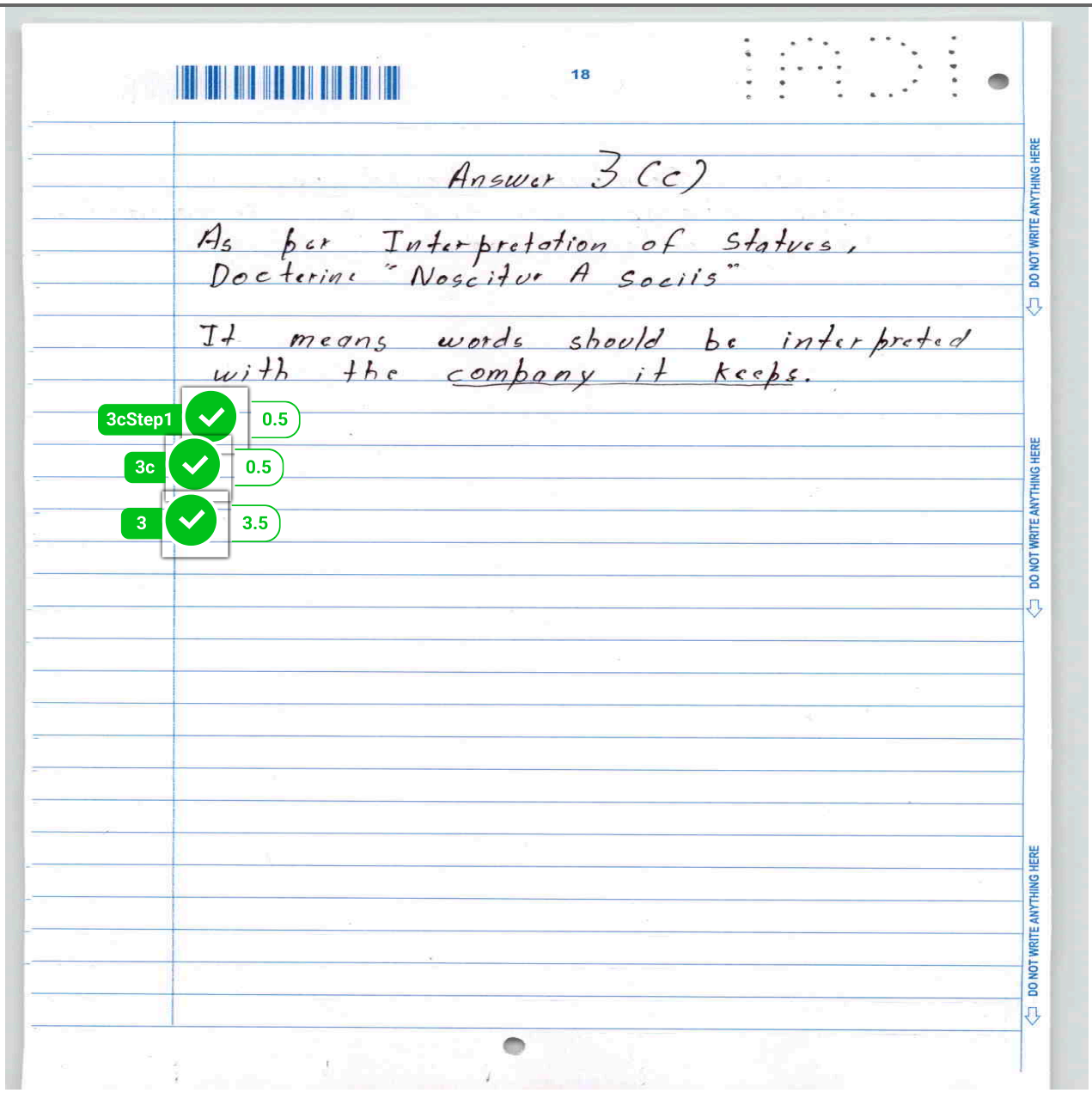
3bStep2 1

3b 2

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18

Answer 3 (c)

As per Interpretation of Statues, Doctrine "Noscitur A Sociis"

It means words should be interpreted with the company it keeps.

3cStep1 0.5

3c 0.5

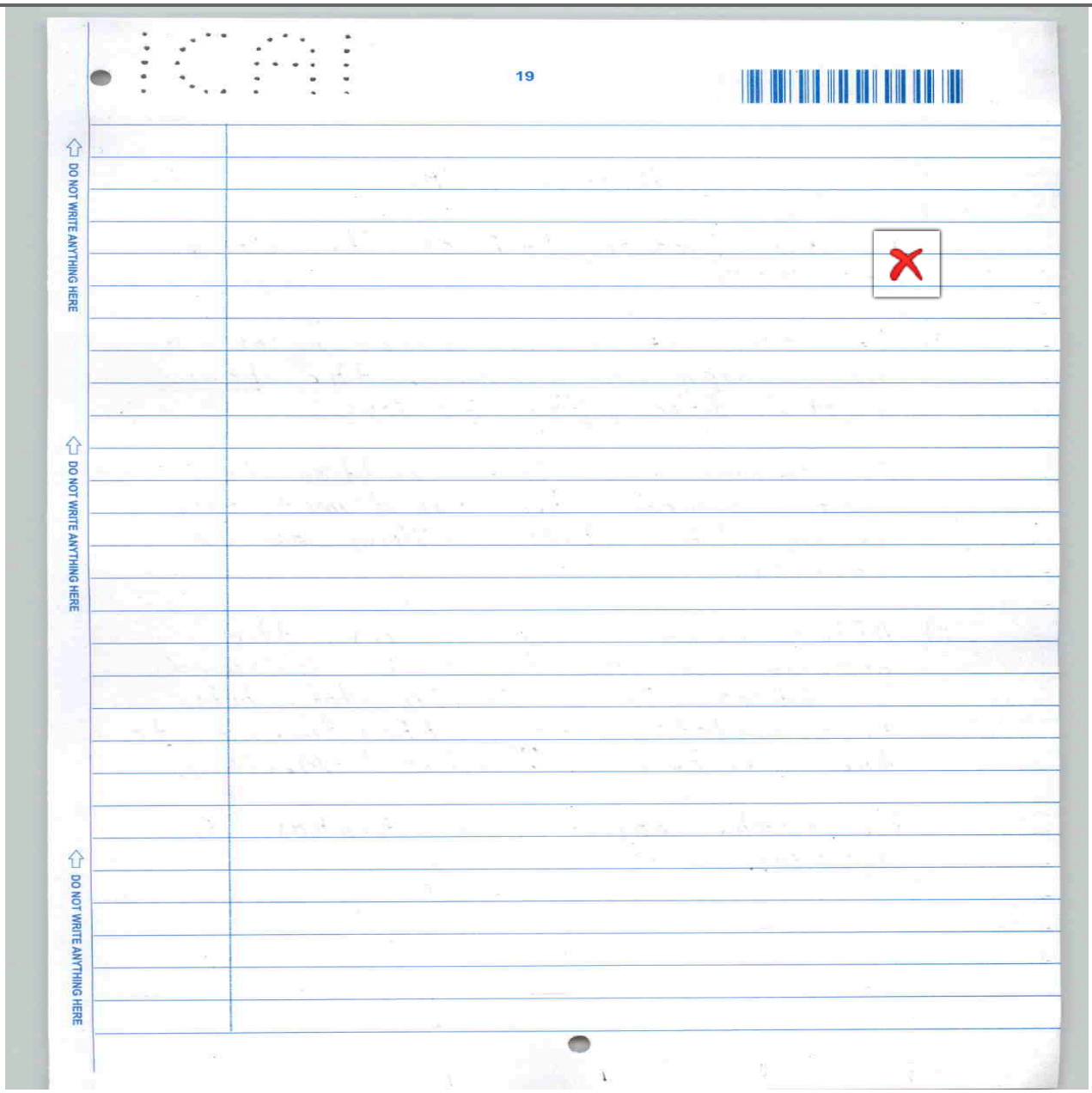
3 3.5

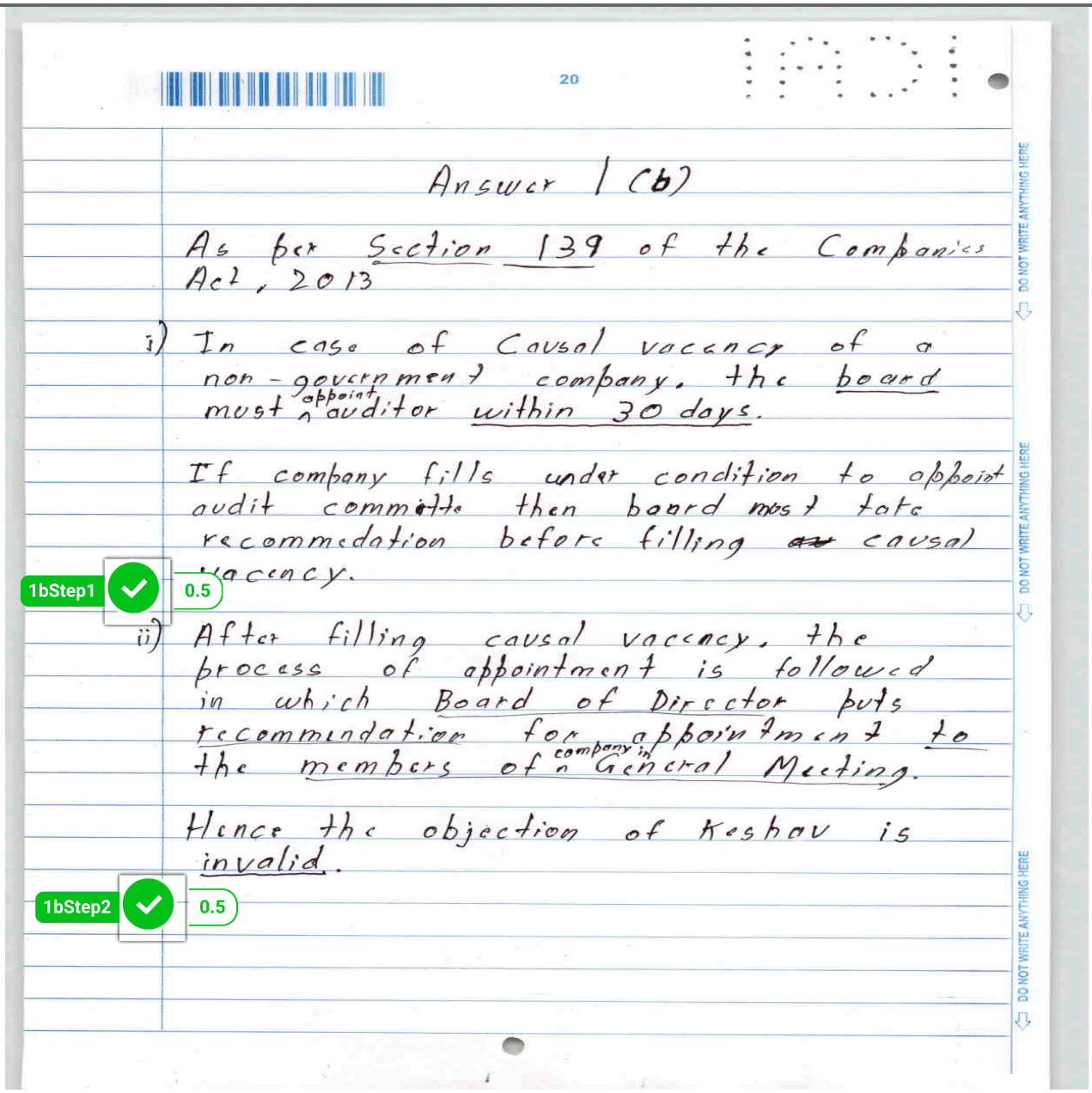
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Code:	**IN2CL638146**	**Total Marks:**	**70**
Subject :	**02 Corporate and Other Laws**	**Marks Obtained :**	20.5





20

Answer 1 (b)

As per Section 139 of the Companies Act, 2013

i) In case of Causal vacancy of a non-government company, the board must appoint auditor within 30 days.

If company fills under condition to appoint audit committe then board must take recommedation before filling ~~as~~ causal vacancy.

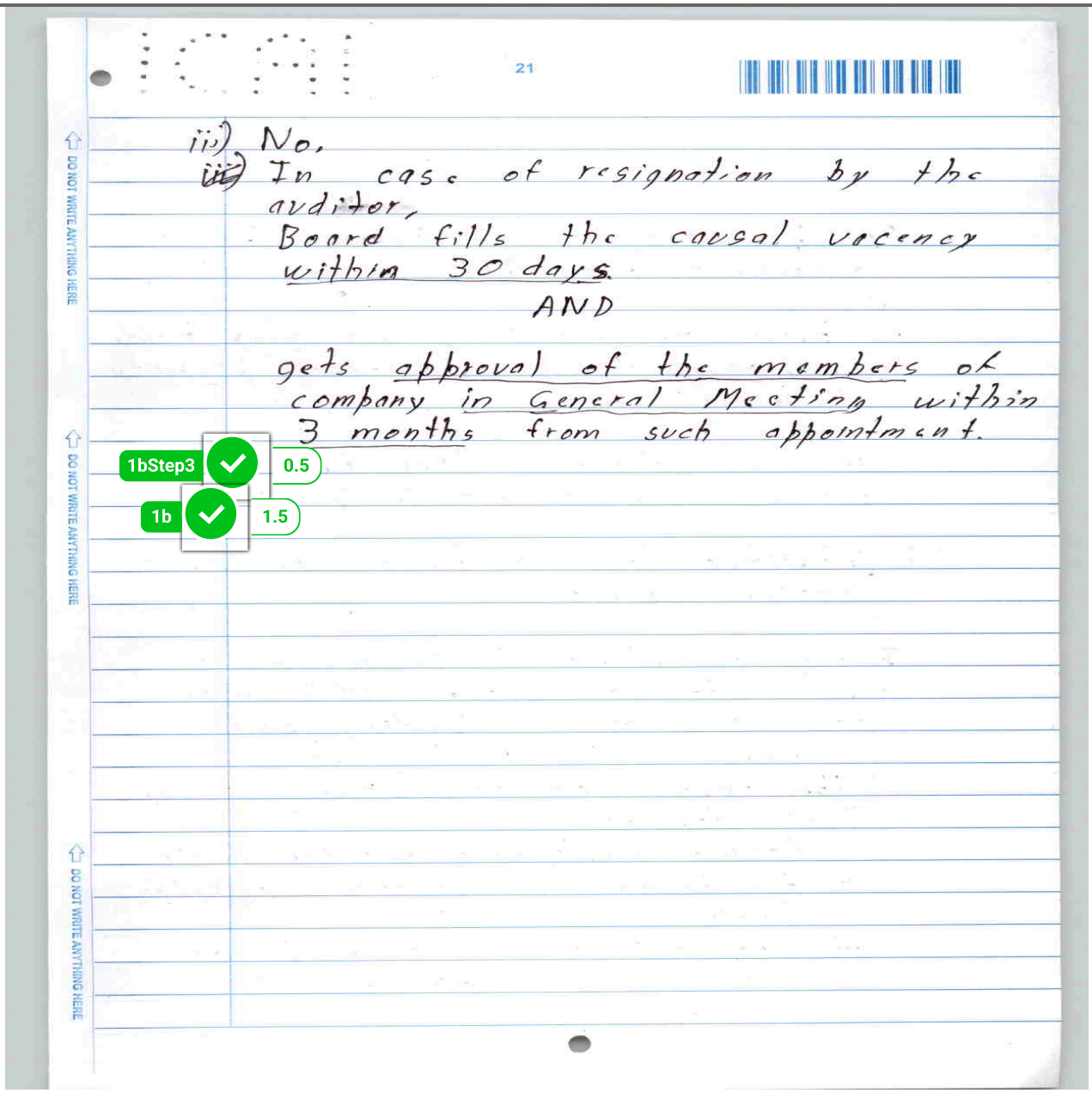
1bStep1 0.5

ii) After filling causal vaccancy, the process of appointment is followed in which Board of Director puts recommendation for appointment to the members of company in General Meeting.

Hence the objection of Keshav is invalid.

1bStep2 0.5

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21

ii) No,

iii) In case of resignation by the auditor, Board fills the causal vacency within 30 days.

AND

gets approval of the members of company in General Meeting within 3 months from such appointment.

1bStep3 0.5

1b 1.5

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22

Answer (c)

As per Provisions of Foreign Exchange Management Act, 1999

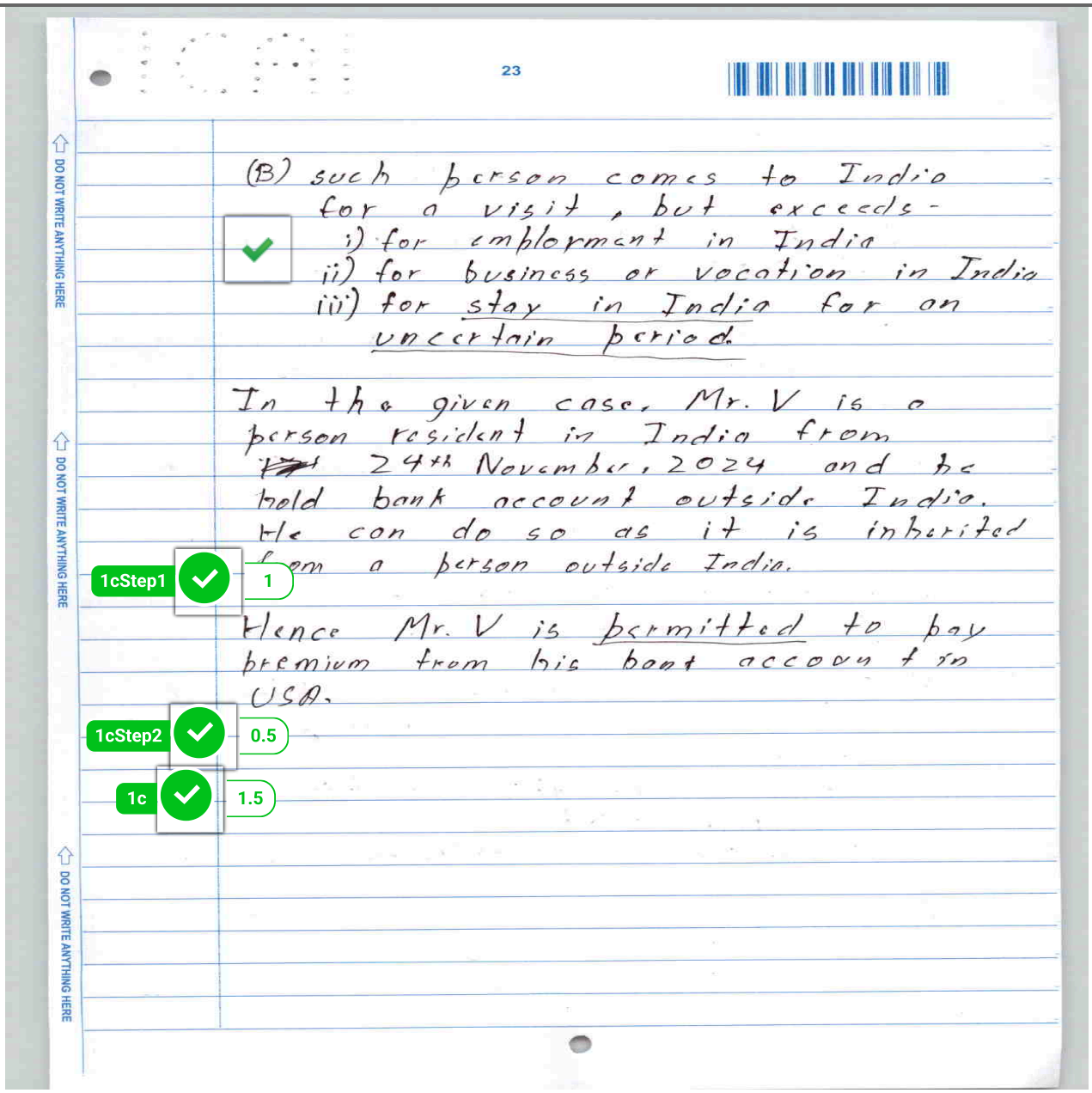
A person resident in India may hold, own, ~~possess~~ transfer, dispose property outside if:

a) it was acquired when he was a person resident outside India or

b) inherited from a person resident outside India

Person resident in India means a person who has stayed ~~for~~ more than 182 days in India, but excludes:

(A) ~~The~~ such person who has gone outside India due to:
i) taking employment outside India
ii) for business or vocation outside India
iii) who has gone outside India for an uncertain period.



23

(B) such person comes to India for a visit, but exceeds -
i) for employment in India
ii) for business or vocation in India
iii) for stay in India for an uncertain period.

In the given case, Mr. V is a person resident in India from ~~1~~ 24th November, 2024 and he hold bank account outside India. He can do so as it is inherited from a person outside India.

1cStep1 1

Hence Mr. V is permitted to pay premium from his bank account in USA.

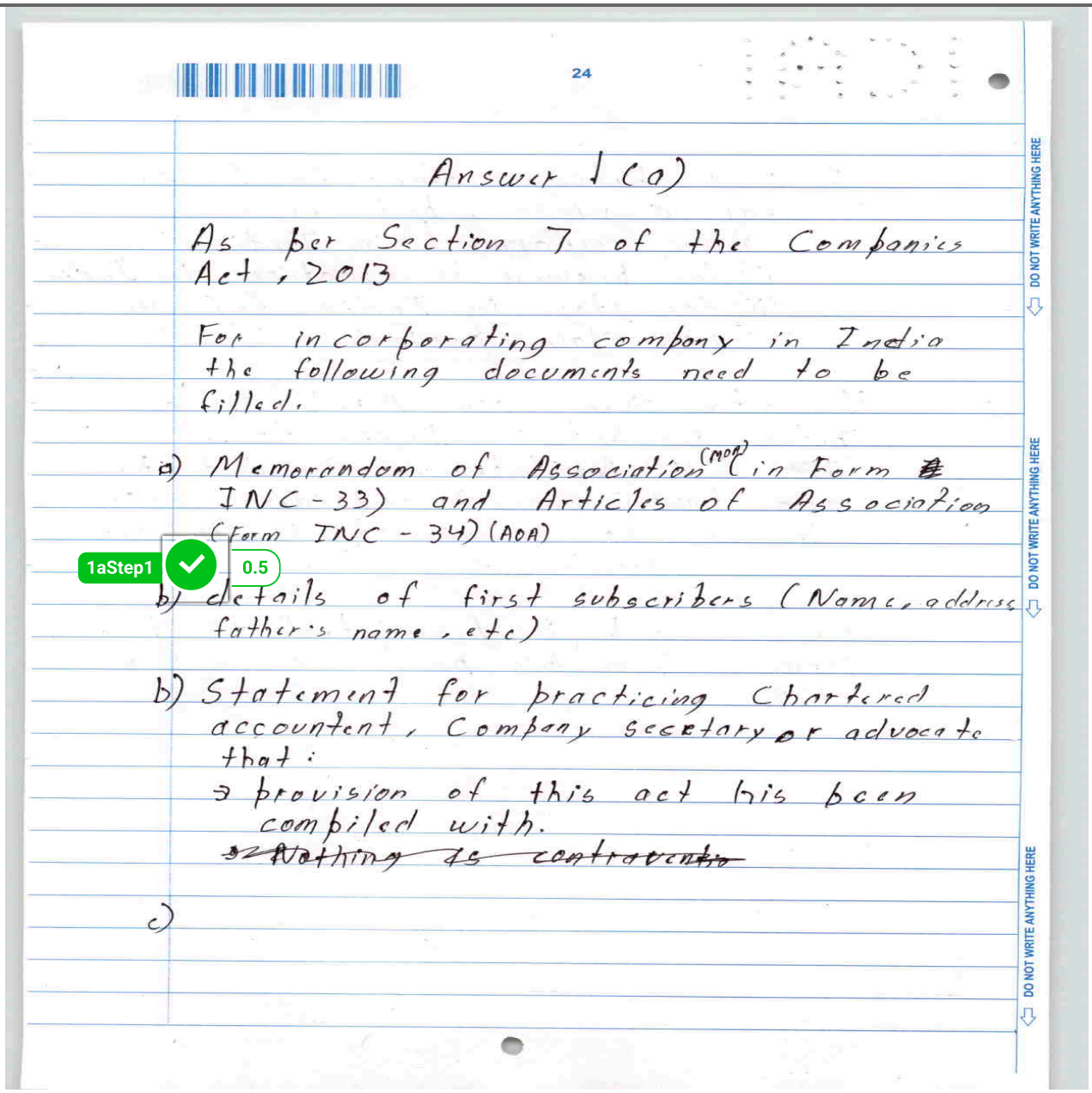
1cStep2 0.5

1c 1.5

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24

Answer 1 (a)

As per Section 7 of the Companies Act, 2013

For incorporating company in India the following documents need to be filled.

a) Memorandum of Association (MOA) (in Form INC-33) and Articles of Association (Form INC-34) (AOA)

1aStep1 0.5

b) details of first subscribers (Name, address, father's name, etc)

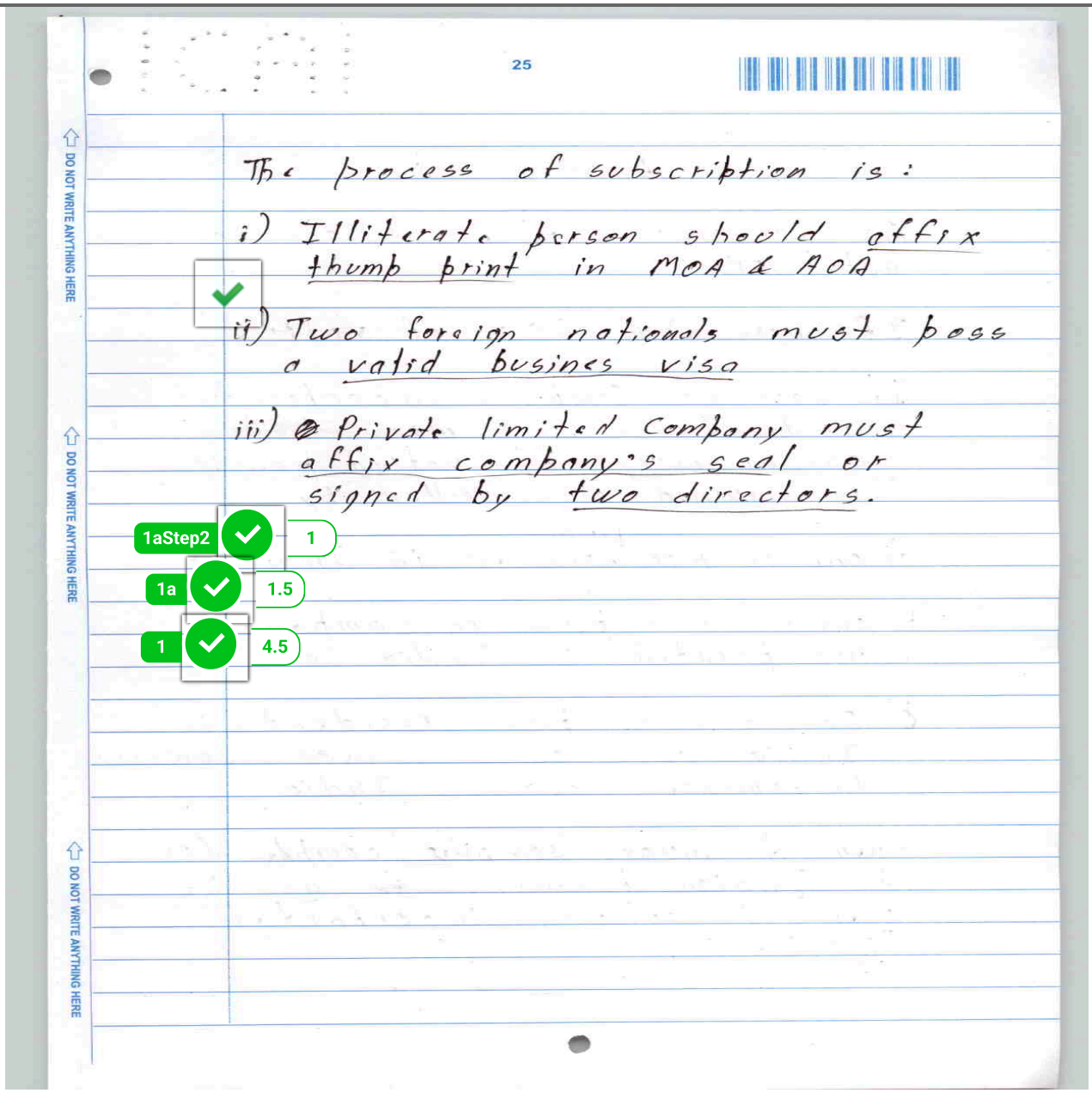
b) Statement for practicing Chartered accountant, Company secretary or advocate that:
⇒ provision of this act has been complied with.
~~⇒ Nothing is contravened~~

c)

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DO NOT WRITE ANYTHING HERE

DO NOT WRITE ANYTHING HERE



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The process of subscription is :

i) Illiterate person should affix thumb print in MOA & AOA

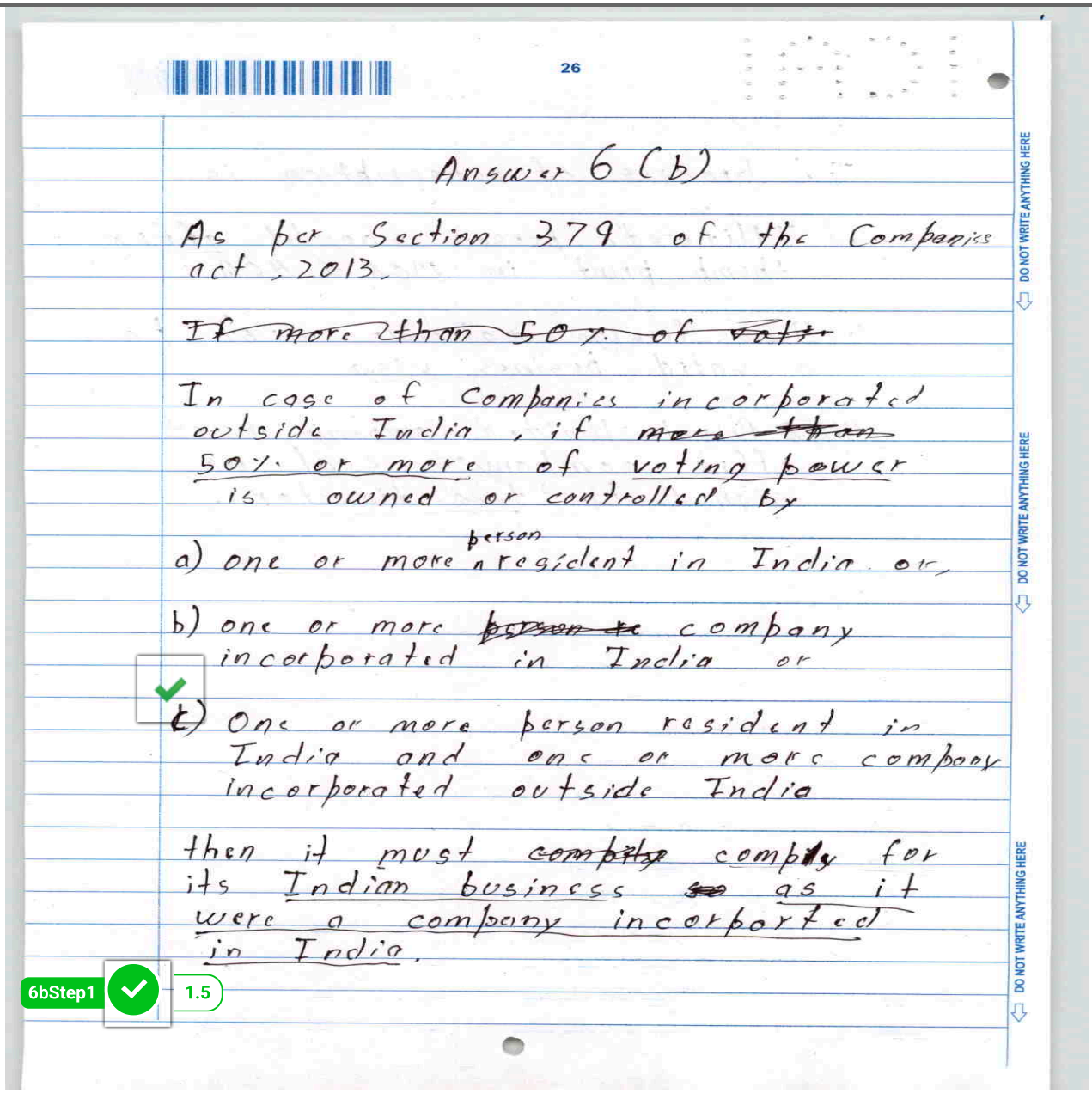
ii) Two foreign nationals must poss a valid busines visa

iii) Private limited Company must affix company's seal or signed by two directors.

1aStep2 1

1a 1.5

1 4.5



26

Answer 6 (b)

As per Section 379 of the Companies act, 2013.

~~If more than 50% of voti~~

In case of Companies incorporated outside India, if ~~more than~~ 50% or more of voting power is owned or controlled by

a) one or more person resident in India or,

b) one or more ~~person~~ company incorporated in India or

c) One or more person resident in India and one or more company incorporated outside India

then it must ~~comply~~ comply for its Indian business ~~as~~ as it were a company incorporated in India.

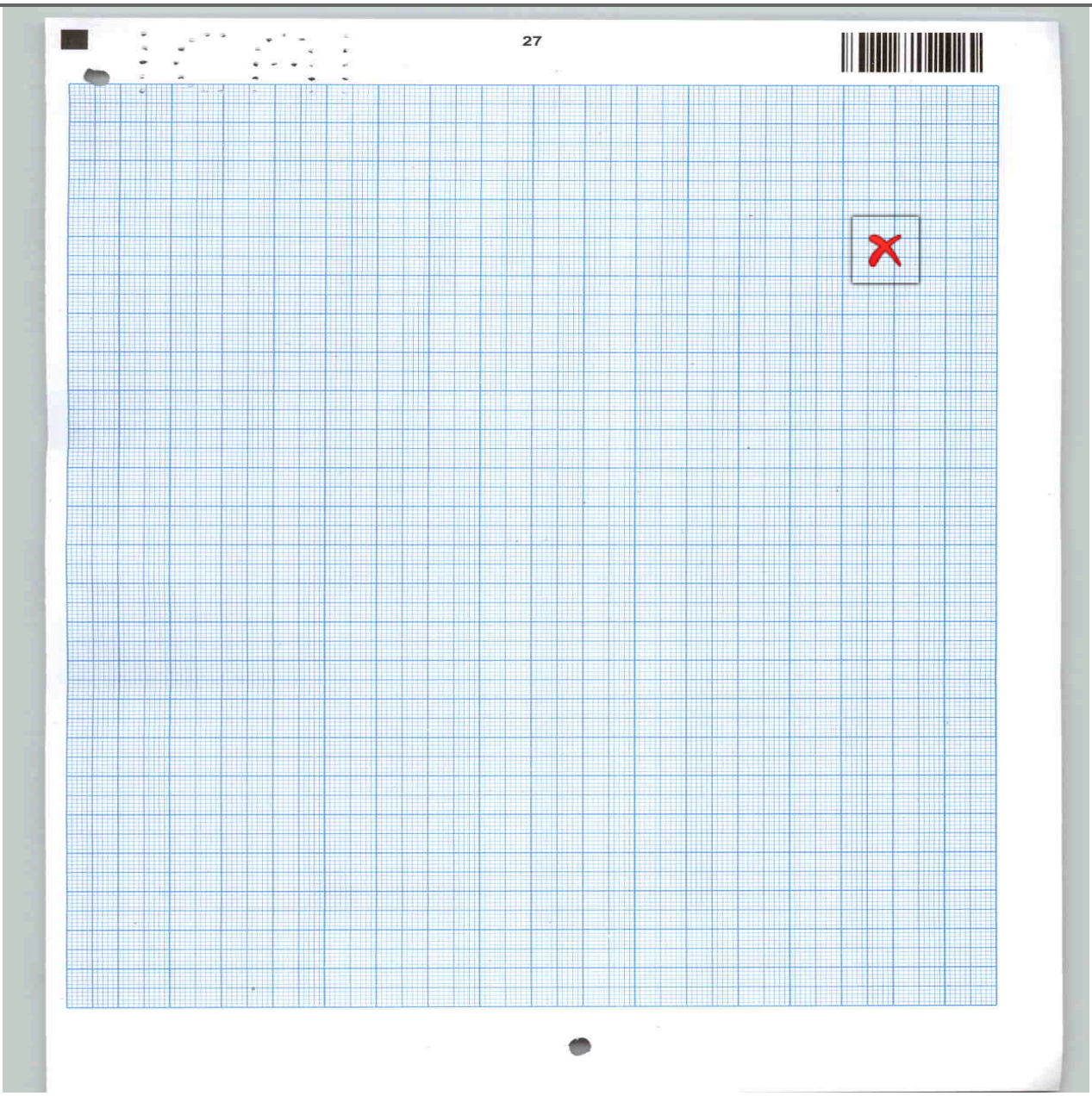
6bStep1 1.5

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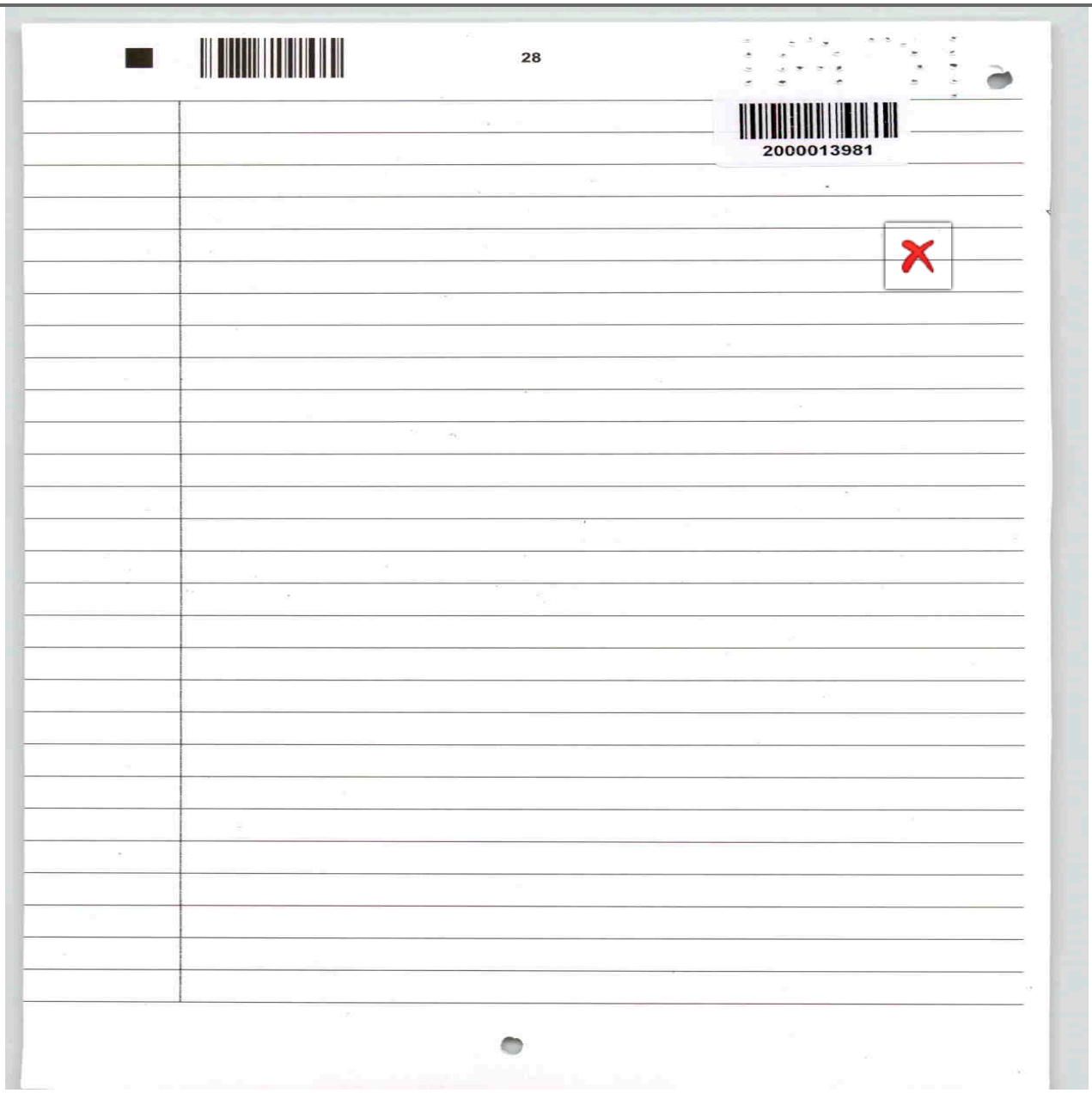
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Code:	**IN2CL638146**	**Total Marks:**	**70**
Subject :	**02 Corporate and Other Laws**	**Marks Obtained :**	20.5

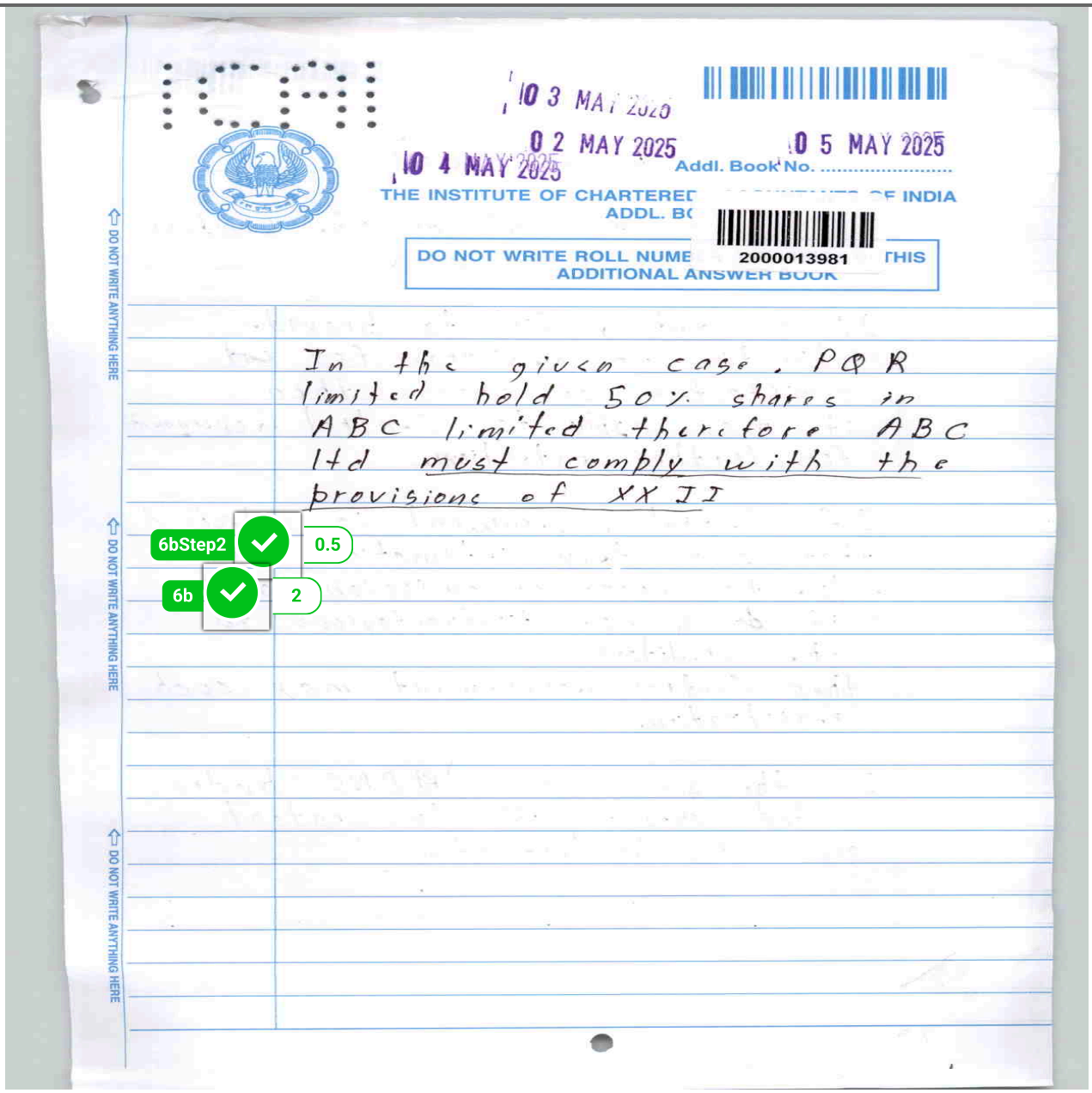


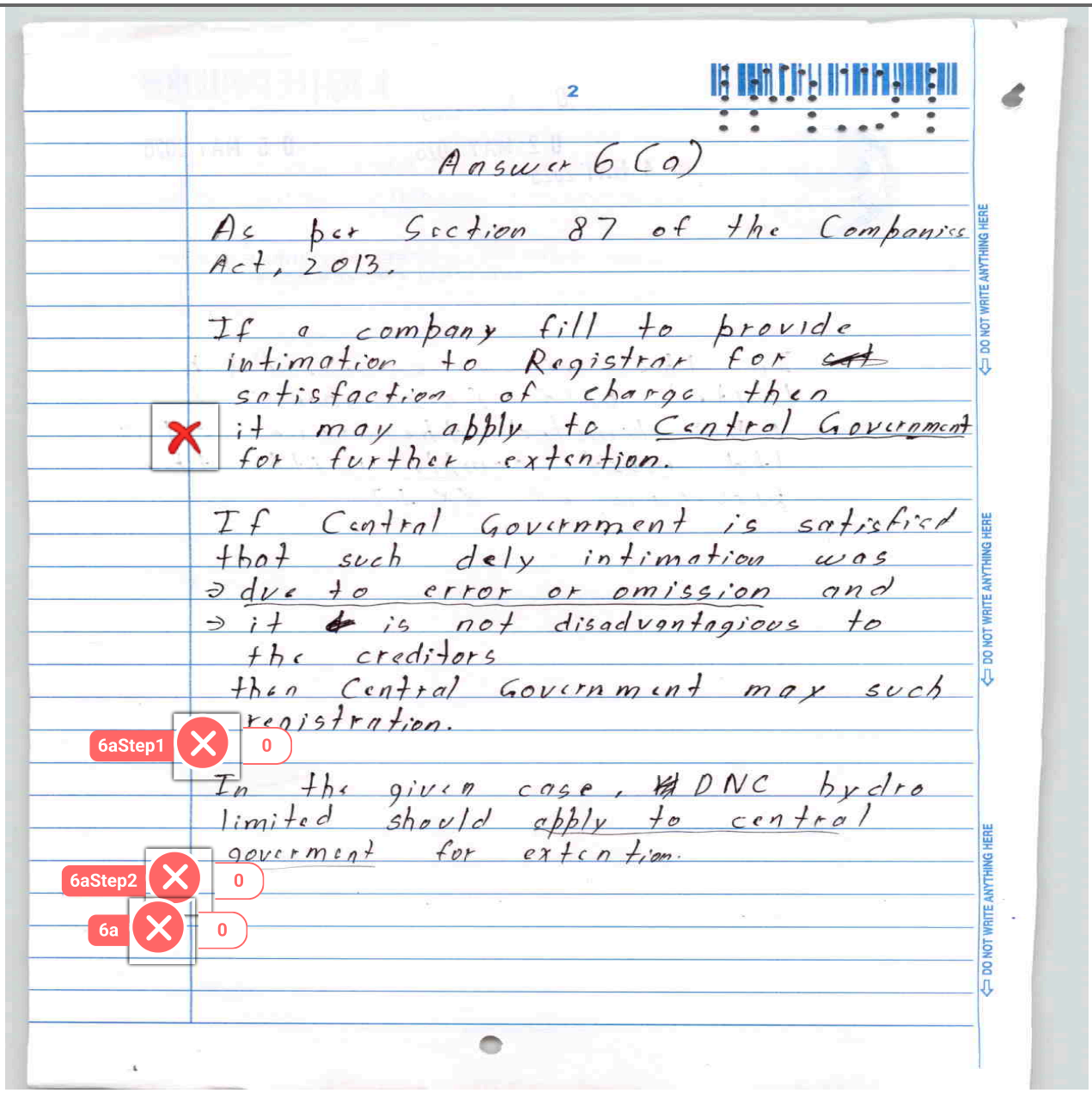
Code:	**IN2CL638146**	**Total Marks:**	**70**
Subject :	**02 Corporate and Other Laws**	**Marks Obtained :**	20.5



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Code:	**IN2CL638146**	**Total Marks:**	**70**
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2

Answer 6 (a)

As per Section 87 of the Companies Act, 2013.

If a company fill to provide intimation to Registrar for ~~sat~~ satisfaction of charge then it may apply to Central Government for further extention.

If Central Government is satisfied that such dely intimation was
⇒ dve to error or omission and
⇒ it ~~is~~ is not disadvantagious to the creditors
then Central Government may such registration.

6aStep1 0

In the given case, M/s DNC hydro limited should apply to central goverment for extention.

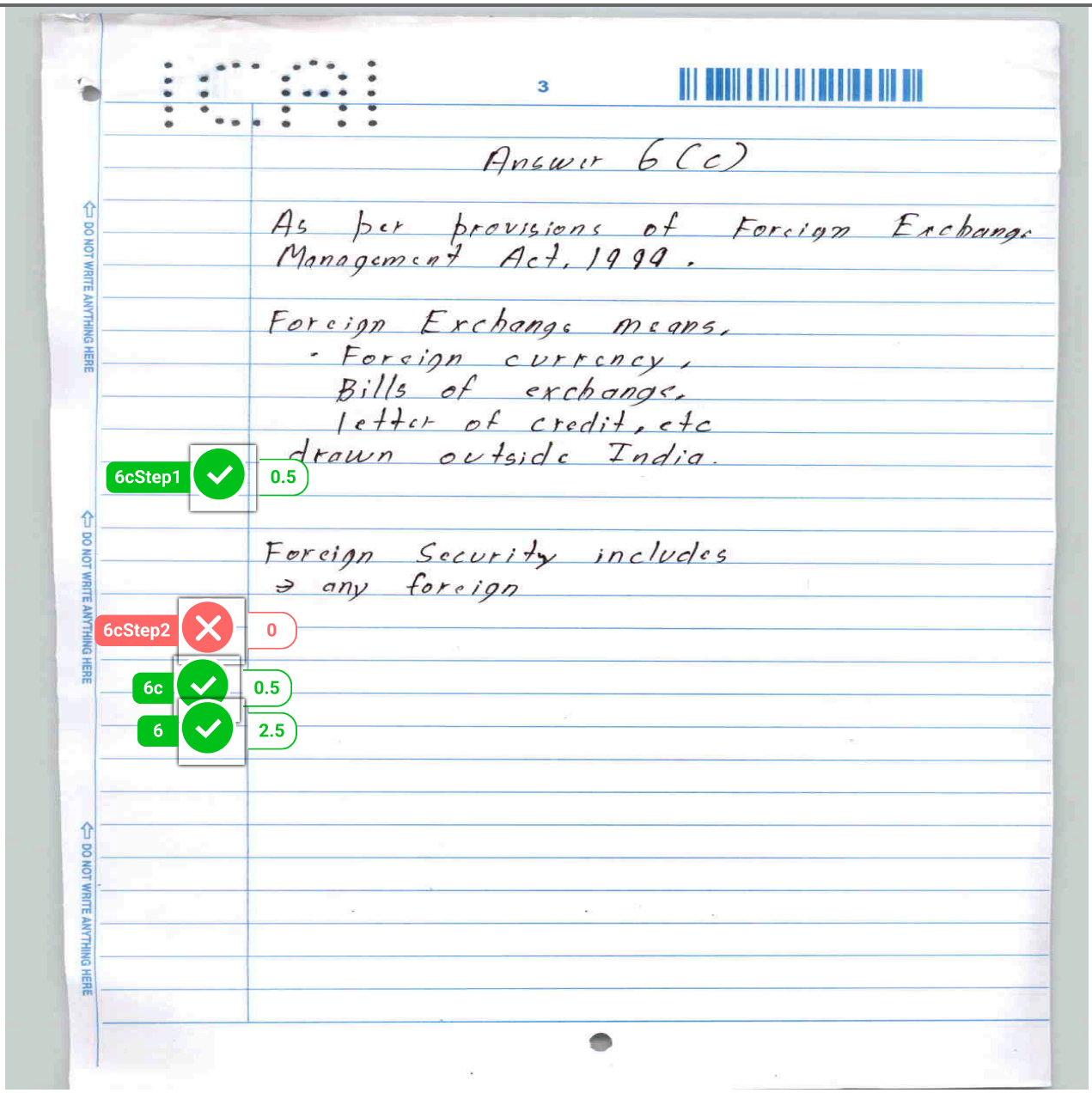
6aStep2 0

6a 0

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3

Answer 6(c)

As per provisions of Foreign Exchange Management Act, 1999.

Foreign Exchange means,
- Foreign currency,
Bills of exchange,
letter of credit, etc
drawn outside India.

6cStep1 0.5

Foreign Security includes
⇒ any foreign

6cStep2 0

6c 0.5

6 2.5

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Code:	**IN2CL638146**	**Total Marks:**	**70**
Subject :	**02 Corporate and Other Laws**	**Marks Obtained :**	20.5

