

TOPIC: Companies Act 2013

Time allowed – 1.5 hours

QUESTION : 1

Can a non-profit organization be registered as a company under the Companies Act, 2013? If so, what procedure does it have to adopt?

(6 MARKS)

QUESTION : 2

Fortune Traders Ltd. was registered as a Public Company. There are 264 members in the Company as stated below:

- (i) Directors and their relatives 134
- (ii) Employees 100
- (iii) Ex-employees (shares were allotted when they were employees) 15
- (iv) 5 couples holding shares jointly in the names of husband and wife (5X2) 10
- (v) Others 5

Total number of members = 264

The Board of Directors of the company proposes to convert it into a Public company. Only because of the fact that its member has exceeds minimum prescribed criteria. Advise the Board of directors?

(6 MARKS)

QUESTION : 3

Mr. X had purchased some goods from M/s ABC Limited on credit. A credit period of one month was allowed to Mr. X. Before the due date Mr. X went to the company and wanted to repay the amount due from him. He found only Mr. Z there, who was the factory supervisor of the company. Mr. Z told Mr. X that the accountant and the cashier were on leave, he is in-charge of receiving money and he may pay the amount to him. Mr. Z issued a money receipt under his signature. After two months M/s ABC Limited issued a notice to Mr. X for non-payment of the dues within the stipulated period. Mr. X informed the company that he had already cleared the dues and he is no more responsible for the same. He also contended that Mr. Z is an employee of the company whom he had made the payment and being an outsider, he trusted the words of Mr. Z as duty distribution is a job of the internal management of the company. Analyze the situation and decide whether Mr. X is free from his liability.

(6 MARKS)

QUESTION : 4

F, an assessee, was a wealthy man earning huge income by way of dividend and interest. He formed three Private Companies and agreed with each to hold a block of investment as an agent for them. The dividend and interest income received by the companies was handed back to F as a pretended loan. This way, F divided his income into three parts in a bid to reduce his tax liability. Decide, for what purpose the three companies were established? Whether the legal personality of all the three companies may be disregarded.

(4 MARKS)

QUESTION : 5

Explain the classification of the companies on the basis of control as per the Companies Act.

(6 MARKS)

Question: 6

What do you mean by the term Capital? Describe its classification in the domain of Company Law.

(6 Marks)

QUESTION: 7

The object clause of the Memorandum of Association of the XYZ (Pvt.) Ltd., New Delhi, authorised to do trading in mangoes. The company, however, entered into partnership with Mr. A and traded in mangoes and incurred liabilities to Mr. A. The Company, subsequently, refused to admit the liability to 'A' on the ground of "ultra vires the Company" Advice, whether stand of the company is legally valid and if so, give reasons in support of your answer.

(5 MARKS)

QUESTION : 8

Radha incorporated a "One Person Company" making his sister Saloni as the nominee. Saloni is leaving India permanently due to her marriage abroad. Due to this fact, she is withdrawing her consent of nomination in the said One Person Company. Taking into considerations the provisions of the Companies Act, 2013 answer the questions given below.

A) If Saloni is leaving India permanently, is it mandatory for her to withdraw her nomination in the said One Person Company?

B) If Saloni maintained the status of Resident of India after her marriage, then can she continue her nomination in the said One Person Company?

(5 MARKS)

QUESTION : 9

Ravi Private Limited has borrowed ` 5 crores from Mudra Finance Ltd. This debt is ultra vires to the company. Examine, whether the company is liable to pay this debt? State the remedy if any available to Mudra Finance Ltd.?

(6 MARKS)