

Companies incorporated Outside India

✓ Question 1. 2(42) + 386

Examine with reference to the provisions of the Companies Act, 2013 whether the following companies can be treated as foreign companies: ?

- (i) A company incorporated outside India having a share registration office at Mumbai. ✓
- (ii) Indian citizens incorporated a company in Singapore for the purpose of carrying on business there. [MTP-April 18] ✗

✓ Question 2. 2(42)

Indian citizens incorporated a company in U.K. for the purpose of carrying on business there. Examine with reference to the relevant provisions of the Companies Act, 2013 whether it is a "Foreign Company". What would be your answer in case the U.K. company was incorporated by a company registered in India? [Nov. 08 (5 Marks)]

✓ Question 3. 2(42) +

Examine in the light of the provisions of the Companies Act, 2013 whether the following companies can be considered as "Foreign Companies": ?

- (i) A company incorporated outside India having a share registration office at New Delhi ✓
- (ii) A company incorporated outside India having shareholders who are all Indian citizens; ✗
- (iii) A company incorporated in India but all the shares are held by foreigners. ✗

Also examine whether the above companies can issue Indian Depository Receipts under the provisions of the Companies Act, 2013? [May 13 (8 Marks)]

✓ Question 4. 2(42)

Robertson Ltd. is a company registered in Thailand. Although, it has no place of business established in India, yet it is doing online business through telemarketing in India. Whether it will be treated as a Foreign Company under the Companies Act, 2013? Explain. [Nov. 15 (4 Marks), RTP-May 18]

Or

Radix Ltd. is a company registered in Thailand. Although, it has no place of business established in India, yet it is engaged in online business through remote delivery of healthcare services in India. State the legal position as to the nature of the Radix Ltd. as a foreign company in the light of the Companies Act, 2013. – [MTP-Oct. 20]

✓ Question 5. 2(42)

In the light of the provisions of the Companies Act,

2013 explain whether the following Companies can be considered as a 'Foreign Company': ?

- (i) A Company which has no place of business established in India, yet, is doing online business through telemarketing in India. ✓
- (ii) A company which is incorporated outside India employs agents in India but has no place of business in India. ✗
- (iii) A Company incorporated outside India having shareholders who are all Indian citizens. [Nov. 18-

✓ Question 6. 2(42)

In the light of the provisions of the Companies Act, 2013, examine whether the following companies can be considered as a 'Foreign Company': ?

- (i) M/s Red Stone Limited is a company registered in Singapore. The Board of Directors meets and executes business decisions at their Board Meeting held in India. ✓
- (ii) M/s Blue Star Public Company Limited registered in Thailand has authorized Mr. 'Y' in India to find customers and to enter contracts with them on behalf of the Company. ✓

(iii) M/s. Xex Limited Liability Company registered in Dubai has installed its main server in Dubai for maintaining office automation software by Cloud Computing for its client in India. [Nov. 19 – New Syllabus (8 Marks)]

Question 7.

Trans Asia Limited is registered as a public company u/s 4(7) of the erstwhile Companies Act, 1956 which is a subsidiary of Galilio Limited, a foreign company. Trans Asia Limited carries in business in India describing itself as a foreign company.

Can it do so? State the actions that can be taken against the company for improper use or description as foreign company under the provisions of the Companies Act, 2013. [Nov. 18-Old Syllabus (4 Marks)]

✓ Question 8. 379

Puresoft Solutions Private Limited is incorporated in Singapore and more than 60% of the paid-up share capital is held by two citizens of India who are Software Engineers. The company wants to open a branch office in Kolkata. Determine the status of Puresoft Solutions as per the provisions of the Companies Act, 2013. [Nov. 20 – Old Syllabus (2 Marks)]

✓ Question 9. 2(42) + 380

A company incorporated in Singapore has established its place of business at Chennai. State the documents which are required to be furnished on such establishment of business in India under the Companies Act, 2013 and the authorities to whom such documents are to be furnished. [May 09 (5 Marks)]

Or

DEJY Company Limited incorporated in Singapore, desires to establish a place of business at Mumbai. You being a practicing Chartered Accountant has been appointed by the company as a liaison officer, for compliance of legal formalities on behalf of the company. Examining the provisions of the Companies Act, 2013, state the documents you are required to furnish on behalf of the company, on the establishment of a place of business at Mumbai. [May 12 (8 Marks), RTP – May 19]

Or

State the documents that are required to be delivered by a foreign company at the time of establishment of a place of business in India. State to whom the said documents are to be delivered. [May 14 (4 Marks)]

Question 10.

ABC Ltd., a foreign company having its Indian principal place of business at Kolkata, West Bengal is required to deliver various documents to Registrar under the provisions of the Companies Act, 2013. You are required to state, where the said company should deliver such documents. [MTP-April 18]

✓ Question 11. 2(42) + 386 + 379 + 380

M/s Joel Ltd. was incorporated in London with a paid-up capital of 10 million pounds. Mr. Y an Indian citizen holds 25% of the paid-up capital. M/s. X Ltd. a company registered in India holds 30% of the paid-up capital of Joel Ltd. M/s. Joel Ltd. has recently established a share transfer office at New Delhi. The company seeks your advice as to what formalities it should observe as a foreign company under Companies Act, 2013.

Or

Mr. Ziyen an Indian citizen holds 25% of the paid-up capital of Laurel Steven Limited, a company which was incorporated in Singapore with a paid-up capital of 10 million Singapore Dollars. Swaraj Limited a company registered in India holds 30% of the paid-up capital of Laurel Steven Limited. Laurel Steven Limited has recently established a share transfer office at New Delhi. The Company seeks your advice as to what

formalities it should observe as a foreign company under the Companies Act, 2013. [Nov. 17 (4 Marks)]

Question 12.

Qinghai Huading Industrial Company Ltd., incorporated in China established a place of business at Mumbai. The Charter/Documents constituting the company is in Mandarin Chinese (Chinese local language). It is required inter alia to file a certified translation of above Documents with the Registrar of companies in India. Who can authenticate the translated charter/documents as per the provisions of the Companies Act, 2013 and rules made there under governing foreign companies in case such translation is made at Mumbai? (May 18 – New Syllabus (2 Marks))

Question 13. 2(42) + 380

Transtar Limited, a company incorporated in Thailand, has a place of business through an agent in Bangalore. The agent transacts the business on behalf of the company through electronic mode. As regards Transtar Limited, answer the following:

(i) Whether, Transtar Limited shall be called a foreign company within the meaning of the Companies Act, 2013?

(ii) What are the regulatory requirements under the Companies Act, 2013 to be complied with by a company which has established its place of business in India with respect to delivery of documents etc. to Registrar? [Nov. 19 – Old Syllabus (4 Marks)]

Question 14.

State briefly the requirements relating to filing of financial statements with the Registrar of Companies by the foreign company in respect of its global business as well as Indian business.

Or

Galillo Ltd. is a foreign company in Germany and it established a place of business in Mumbai. Explain the relevant provisions of the Companies Act, 2013 and rules made thereunder relating to preparation and filing of financial statements, as also the documents to be attached along with the financial statements by the foreign company. [May 16(4 Marks)].

✓ Question 15. 383

X Inc is a company registered in UK and carrying on Trading Activity with Principal Place of Business in Chennai. Since the company did not obtain registration or make arrangement to file Return, the Registrar having jurisdiction, intends to serve show cause notice on the Foreign Company. As Standing Counsel for the department, advise the Registrar on **valid service of notice.** [Nov. 14(4 Marks), MTP-Aug. 18]

✓ Question 16. 387

Under Section 387 of the Companies Act 2013, what are **particulars required to be incorporated in a prospectus to be issued by an existing foreign company?**

✓ Question 17. 379 + 387

Blue Berry Ltd. Is a Company incorporated outside India. 50% of its preference share capital and 20% of its equity share capital are, held by Companies incorporated in India. It issued prospectus inviting subscriptions in India for its share but did not state the Country in which it is incorporated. Examine in the light of the provisions of the Companies Act 2013 whether the issue of prospectus by the Company is valid. [May 19- Old Syllabus (2 Marks)]

Question 18. 389

Chang Limited, a company incorporated in Singapore proposes to issue prospectus offering its securities in India. The Company has no established place of business in India.

The officer in charge of the issue of the prospectus in India seeks your opinion regarding the provisions relating to registration of the prospectus under the Companies Act, 2013. **List out the documents required to be enclosed with the prospectus.** [May 18 – Old Syllabus (4 Marks)]

Or

Abroad Ltd. a foreign company without establishing a place of business in India, issued prospectus for subscription of securities in India. Being a consultant of the company advise on the validity of such an issue of prospectus by Abroad Ltd. [MTP-May 20].

Question 19. 392

In case, a foreign company does not deliver its documents to the Registrar of Companies as required u/s 380 of the Companies Act, 2013, **state the penalty prescribed under the said Act, which can be levied.** [RTP-May 18]

Or

ABC Limited, a foreign company failed to deliver some desired documents to the Registrar of Companies as required under Section 380 of the Companies Act, 2013. State the provisions of penalty prescribed under the said Act, which can be levied on ABC Limited for its failure.

Or

Ronnie Coleman Ltd., a foreign company failed to deliver some documents to the Registrar of Companies as required under section 380 of the Companies Act, 2013. State the provisions of penalty prescribed under the Act, which can be levied on Ronnie Coleman Ltd. for its failure to deliver the documents. [Nov. 18-New Syllabus (2 Marks)]

Question 20. 390

North Sea Shipping Limited is incorporated in South Korea. It has established an office in Paradeep. Mr. Jonathan is the Branch in charge and the Compliance Officer in India. He has received a communication from the Chief Executive Officer in South Korea to explore the possibilities of issuing Indian Depository Receipts to the extent of Rs. 1,000 million in financial year 2020-21. He has approached you being financial consultant for your advice.

Advise him as per the provisions of the Companies Act, 2013. [Nov. 20 – Old Syllabus (2 Marks)]