Section 28 of Indian Partenership Partnership Act 20 1932,

Partner by holding out -

He himself introducing as partners or he knowing

Imp
Partner by Holding out - According to section 28 of Indian partnership Act, 1932

* A partner himself represents or he knowingly permits himself to be represented as a partner in the firm

* Anyone who by words spoken or written or by conduct he himself represents as a partner. and he is liable for the all acts

* A partner in the firm to anyone who has on faith of any such representation given credit to the firm.

Imp > A Transfere cannot challenge books of accounts but he is only receive the profits of transfering partner. He should accept the account of profits agreed by the partners.

The continuance of partnership, such transferee M.B is not entitled -

a) To interfere with conduct of business
b) To require accounts
c) To inspects the books of the firm.

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Expulsion of a Partner - According to section 33 of Indian partnership act, 1932.

A partner may not be expelled from a firm by a majority of partners except in exercise, in good faith, of powers conferred by contract between the partners.

The ~~tex~~ test of good faith as required -

- The expulsion must be in the interest of the partnership
- The partner to be expelled is served with a notice.
- He or is given an opportunity of being heard.

The factors to be kept in their mind prior expelling a partner from the firm -

i) The power of expulsion must have existed in contract b/w partners
ii) The power has been exercised by majority of partners.
iii) It has been exercised in good faith.

~~Good should be a unascertained~~ -

The transfer

- By taking documents of title in his name or his agent name.
- By sending bill of exchange for price to the buyer along with the document of title.

According to sec 59-61 → Appropriation of payment-

Sec - 59 → Where debtor stated that the payment made by him should be adjusted against a particular debt, the creditor must do so if he accepts the payment.

Sec - 60 → Where the debtor makes a payment without any ~~an~~ indication about the appropriation of the payment, the creditor may adjust the payment according to his discretion.

Sec - 61 → Where the debtor does not expressly intimate anything about appropriation of payment & creditor also fails to ~~rety~~ make any appropriation.

Sales of Goods Act, 1930 (Mtp sept 24)

Caveat Emptor -

1. The Doctrine of caveat emptor means let the buyer beaware. If the
If the seller displays the goods in the open market and buyer makes a selection of the goods, which turnout to be defective, then he cannot hold the seller liable.
The seller is in no way responsible for the bad selection of the buyer

2. The following are the exceptions to caveat emptor:-
a. Fitness as to quality or use.
b. Sale by sample
c. Sale by description
d. Sale by sample & description
e. Goods of merchantable quality
f. Trade usage
g. Seller actively conceals a defect

3) When the buyer makes known to the le seller the purpose which he is buying the goods, he relies on the skills of the seller. Seller deals in those goods, then it is the duty of the seller to supply such goods which are fit for the buyer's purpose.

4) Thus, in the given case Mrs. Prema is entitled to get the money back or get right kind of cloth

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Private Company →

According to section 2(68) of Companies Act, 2013, is Private company.

Private company is company which it has three restrictions provided that —

i) Restricts the Right to transfer it's shares.

ii) Limits the number of it member upto 200, where a two or morer person who hold shares in company jointly.

iii) Prohibits any inivitation to the public to subscribe any securities of company.

a) From the following provisions of section 2(68), 25 members were employee do not during present membership which was started from 1st December 2016, after the date on which these 25 members were ceased the employee of the company in Jagannath oils Ltd. Hence, they will be considered as members of the purpose of the limit of 200 members.

b) On the other hand, if those 25 members were ceased to be employee on 28th June 2017, they were employee at the time of getting present members, Hence, they will not be counted as members of the company. So there no need to reduce the member of company to converting into a privat. Co. because it will be 195.

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The Vof Viobta

The violating the objects of its objective clause due to which it was granted the status of section 8 co. -

Section 8 of the companies Act, 2013 deals with the formation of companies which are formed to promote the charitable objects of commerce, carts, sciene, education, sports etc. Such company intends to apply it's profit in promoting its objects.
Section 8 Co. are registered by Registrar only when a license is issued by the Central Govt to them.
Since ABC Club was sec 8 & it was observed on 30th sept, 209 that it was started violating it's objects - Hence in such a situation the following power can be exercised by the Govt :

i) The Central Government may by order revoke the licence of the company where the company contravenes any of the requirement or condition of this section subject to which licence is issued or where the affairs of the company are conducted fraudulently or violative of the objects of company. But before the revocation the Central Govt must give written notice of it's intention to revoke the licence & opportunity to be heard in the matter.

ii) Where a licence is revoked, the central Govt by order, if it is satisfied that it is essential in public interest, direct the company be wound up under this Act or amalgamated with another company registered under this section.

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3) Provided that for such amalgamation to form a single company with such constitution, properties, powers, rights, interest, authorities & privileges & with such liabilities, duties & obligation as may be ~~satisfied~~ specified in the order.

One Person Company -

According to section 2(62) of the Companies Act 2013, The Act defines one person company as company which has only one person as a member.

Rules of OPC -

> Only one person as member.
> The memorandum of OPC shall indicate the name of the other person, who shall in the event of subscriber's death or his incapacity to contract, become the member of the company.
> The other person whose name is given in the memorandum shall give in the memorandum shall give his prior consent in the prescribed form & some shall be filed with Registrar of Companies at the time of incorporation of company along with it's e-memorandum & e-articles.

> Such other persons may be given right to withdraw his consent.
> The member of OPC may at any time change name of such other person by giving notice to company & the ~~th~~ company shall intimate the same to registrar.
> Any such change in the name of the person shall not be deemed to be an alteration of the memorandum.
> Only a natural person who is an indian citizen whether resident in India or otherwise & has stayed in India for a period of atleast 120 days during immediately preceding
- Shall be eligible to incorporate a OPC.
- Shall be a nominee for the sole member

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Corporate Veil →

→ It refers to a legal concept where by the company is identified separately from the members of the company.

Lifting of corporate Veil →

The following are the cases where company law disregards the principle of corporate personality or the principle that the company is a legal entity distinct and separate from it's shareholders or members.

1] To determine the character of the company that to find out whether Co-enemy or friend-

A company does not have mind therefore, it cannot be a friend or foe. It may however be characterized as an enemy company, if it's affairs are under the control of people of an enemy country.

For this purpose, The court may examine the character of the persons who are really at the helm of affairs of the company.

2. To Protect revenue / tax -

It certain matters concerning the law of taxes, duties and stamps particularly where question of the controlling interest is in issue.

case law - Dinshaw Maneckjee petit.

3] To ~~avoi~~ avoid a legal obligation-

Where it was found that sole purpose for the formation of the company was to use it as a device to reduce the amount to be paid by way of bonus to workmen, the Supreme court upheld the piercing of the veil to look at the real transaction.

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4] Formation of subsidiaries to act as agents -
Company may sometimes be regarded as an agent or trustee of it's members or of another company & may therefore be deemed to have lost it's individuality in favour. Here the principal will be held liable for the acts of that company.

5] Company formed for fraud / improper conduct or to defeat law -
Where the device of incorporation is adopted for some illegal or improper purpose eg to defeat or circumvent law, to defraud creditors or to avoid legal obligation.

Distinguish b/w Contract of Sale & hire p...

13/12/25

Contract of sale closely resembles a hire purchase agreement, because ultimately in a hire purchase agreement there is sale of goods after a period of time.

Hire purchase agreement is governed by the hire purchase Act, it is a contract where goods are given on hire & there is an option to purchase the goods after the completion of a period of time. The possession of the goods is delivered in exchange for periodical installments. However agreement may be terminated before property passes.

Basis	Sale	Hire Purchase
Time of passing of property	Ownership is transferred immediately	The property in the goods is transfered on payment of last installment
Terminate of Contract	Buyer cannot terminate the contract.	The hirer is in position of the goods as a bailee & can cancel at any time.
Risk of insolvency of buyer	The seller is at risk if the buyer is insolvent	The owner is at no such risk since the owner can take back the goods
Transfer of title	the buyer can pass a good title to purchaser	The hirer cannot transfer a better title since he in not owner.
Resale	The buyer can resell the goods	The hirer purchaser cannot resell unless all installment Paid.

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Q2 Destruction of goods covered under section 7 & 8 of Sales of goods Act.

Section 7 → Where there is contract for the sale of specific goods the contract shall become void, cobere the goods are destroyed without the fault of buyer or seller or have become so pershid or damaged that they cannot be used in the contract, this amounts to initial impossibility

Section 8 → Where there is an agreement to sell of specific goods & the goods are destroyed or perished or damaged befor the p' property in them passes to the buyer the agreement is void

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