

CORPORATE AND ECONOMIC LAWS**Test:- 1****Topic:- Preliminary + Incorporation + Deposits****TIME:-60 MINUTES****MAX. MARKS:-45 Marks****MCQs**

1. In case of deposits by the company,

- a. no brokerage can be given
- b. any amount of brokerage can be given
- c. rate of brokerage shall be as per RBI Regulations
- d. rate of brokerage shall be as per SEB Regulations.

1 Marks

2. ABC Ltd., has 35% shares in XYZ Ltd. The majority of directors of XYZ Ltd. are appointed and removed by ABC Ltd., XYZ Ltd. Is _____.

- a. Not a subsidiary of ABC Ltd.
- b. Depends on the Board of ABC Ltd.
- c. Depends on the Board of XYZ Ltd.
- d. A subsidiary of ABC Ltd.

1 Marks

3. Only a natural person who is _____ and _____ shall be eligible to incorporate a one person company.

- a. 18 years old, Citizen of India
- b. 21 years old, citizen of India
- c. an Indian citizen, resident of India
- d. a resident in India, citizen of any country

1 Marks

4. Where a company changes the place of its registered office from the Jurisdiction of one Registrar to the Jurisdiction of another Registrar within the same state, such change is to be confirmed by _____ as on application made by a company.

- a. Director
- b. Managing Director
- c. Regional Director
- d. Deputy Director

1 Marks

5. The nationality of a company is decided by:

- a. Place of residence of directors in charge of management
- b. Place of registered office
- c. Place where books of accounts are kept
- d. None of the above

1 Marks

Descriptive Questions:

QUESTION: - ABC Limited is a registered public company having the following:

i	Directors and their Relatives	20
ii	Employees	15
iii	Ex-Employees (Shares were allotted during employment)	20
iv	Members holding shares jointly (10 shares x 2 joint holders each)	20
v	Other Members	150

The Board of Directors of ABC Limited proposes to convert the company into a private limited company. Referring the provisions of the Companies Act, 2013, advise:

- i. Whether the company can be converted into a private company?
- ii. Whether existing number of members need to be reduced for the proposed conversion into a private company?

5 Marks

QUESTION: - S Ltd acquired 10% paid up share capital of H Ltd on 15th March 2017. H Ltd acquired 55% paid up share capital of S Ltd on 10th March 2018. H Ltd on 25th September 2020 decided to issue bonus shares in the ratio of 1:1 to the existing shareholders. Accordingly, bonus shares were allotted to S Ltd. examine under the provisions of the Companies Act, 2013 and decide

- i) the validity of holding of shares by S Ltd in H Ltd
- ii) allotment of bonus shares by H Ltd to S Ltd

5 Marks

QUESTION: Explain the statutory provisions under the Companies Act, 2013 relating to conversion of a private company into a public company. Outline the procedural requirements, including alteration of Articles, filing with the Registrar, and compliance with prescribed rules.

4 Marks

QUESTION: - Mr. Dan, an Indian citizen decides to start a software development company and opts for a One Person Company (OPC). He appoints his friend, Mr. Rohit as the nominee at the time of incorporation, following all legal requirements. After two years, Mr. Rohit wants to withdraw his nomination. Mr. Dan then nominates Mr. Akaram in his place and submits the necessary Forms to the Registrar of Companies (RoC).

Considering the legal provisions governing OPCs, analyze the following:

1. What legal process must be followed when a nominee withdraws his consent?
2. How does the change of nominee impact the Memorandum of Association (MoA) of the company?
3. Can Dan own another OPC while still being a member of Dan Technologies OPC Pvt. Ltd.?

6 Marks

QUESTION: United Social Services Ltd. is a company formed by 10 professionals, each contributing ₹1 lakh as paid-up capital, making the total paid-up capital ₹ 10 lakh. The company intends to provide various consulting and support services to NGOs and social sector organisations, with the objective of earning only marginal profits sufficient to sustain operations.

The company has its Registered Office in Delhi, but intends to carry out activities on a pan-India basis.

In this context, critically examine the following perceptions of the company and advise its management in line with the provisions of the Companies Act, 2013:

- (1) Whether the company can be treated as a non-profit company merely based on its objects and intentions.
- (2) If not, whether it can be converted into a not-for-profit (NPO) company.
- (3) The procedure and requirements for such conversion.

7 Marks

QUESTION: M/s Pearson Ltd., a public limited company engaged in manufacturing of steel pipes, has the

following financial figures as per its latest audited financial statements:

Particulars	Amount (Cr)
Paid-up Equity Share Capital	100
General Reserve	20
Securities Premium	5
Term Loan from SBI	75
Turnover	575

The company proposes to invite public deposits of different tenures ranging from three months to 36 months.

Answer the following:

- (i) Is the company eligible to invite public deposits?
- (ii) What is the limit for acceptance of deposits from the public? Can it accept deposits for less than six months?
- (iii) How much can the company accept as deposits from its members?
- (iv) How much can it accept from public and members together?

8 Marks