

TEST -3

Answer All the questions. Each question carries 4 marks each. Duration – 60 Mins

1. After receiving 80% of the minimum subscription as stated in the prospectus, a company allotted 100 equity shares in favour of 'X'. The company deposited the said amount in the bank but withdrew 50% of the amount, before finalization of the allotment, for the purchase of certain assets. X refuses to accept the allotment of shares on the ground that the allotment is violative of the provisions of the Companies Act, 2013. Comment.
2. A company issued a Prospectus. All the statements contained therein were literally true. It also stated that the company had paid dividends for a number of years, but did not disclose the fact that the dividends were not paid out of trading profits, but out of capital profits. An allottee of shares wants to avoid the contract on the ground that the prospectus was false in material particulars. Decide.
3. Apex Metals Limited wants to provide financial assistance to its employees, to enable them to subscribe for certain number of fully paid up shares. Considering the provisions of the Companies Act, 2013, what advice would you give to the company in this regard?
4. Ramesh, who is a resident of New Delhi, sent a transfer deed, for registration of transfer of shares to the company at the address of its Registered office in Mumbai. He did not receive the shares certificates even after expiry of 4 months from the date of dispatch of transfer deed. He lodged a criminal complaint in the court at New Delhi. Decide, under the provisions of the Companies Act, 2013, whether the court at New Delhi is competent to take action in the said matter?
5. "A forged transfer of shares is a nullity." Comment.
6. RSP Ltd. allotted 500 fully paid-up shares of 100/- each to Z, a minor, in response to his application without knowing that he was a minor and entered his name in the Registrar of members. Later on, the company came to know of his fact. The company cancelled the allotment and struck-off his name from the Register of members and also forfeited his entire share money. He filed a suit against the action of the company. Decide whether Z would be given any relief by the court under the provisions of the Companies Act, 2013.
7. What are the provisions of the Co. Act, 1956 w.r.t. appointment of Debenture Trustee by a company? Whether the following can be appointed as Debenture Trustee:
 - i. A shareholder who has no beneficial interest
 - ii. A creditor whom the company owes Rs.499 only.
 - iii. A person who has given a guarantee for repayment of amount of debentures issued by the company.