

CA Final – Paper 4 (Law) – MCQ

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(Covering ICAI SM, MTPs & RTPs till Nov. 2022 applicable for May/Nov. 2023 Exams)

Chapter - 8: Companies Incorporated Outside India

1	<p>Jackson Communications LLC, incorporated in Arizona, USA, has established a principal place of business at Kolkata, West Bengal. It is required to deliver requisite documents to the specified authority. You are required to select an appropriate option from the four given below which indicates the number of days within which such documents shall be delivered:</p> <p>(a) Jackson Communications LLC shall, within 10 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority.</p> <p>(b) Jackson Communications LLC shall, within 15 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority.</p> <p>(c) Jackson Communications LLC shall, within 30 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority.</p> <p>(d) Jackson Communications LLC shall, within 45 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority.</p>
2	<p>Morgen Stern Digi Cables GmbH incorporated in Berlin, Germany, established a place of business at Mumbai to conduct its business of data interchange and other digital supply transactions online. However, Morgen Stern Digi Cables GmbH failed to deliver certain documents to the jurisdictional Registrar of Companies within the prescribed time period in compliance with the respective statutory provisions. Which option, out of the four given below, shall correctly indicate the amount of fine with which Morgen Stern Digi Cables GmbH shall be punishable for its failure to deliver certain documents:</p> <p>(a) Morgen Stern Digi Cables GmbH is punishable with fine which shall not be less than 50,000 rupees but which may extend to 5,00,000 rupees and in the case of a continuing offence, with an additional fine upto 25,000 rupees for every day after the first during which the contravention continues.</p> <p>(b) Morgen Stern Digi Cables GmbH is punishable with fine which shall not be less than 1,00,000 rupees but which may extend to 5,00,000 rupees and in the case of a continuing offence, with an additional fine upto 20,000 rupees for every day after the first during which the contravention continues.</p> <p>(c) Morgen Stern Digi Cables GmbH is punishable with fine which shall not be less than 2,00,000 rupees but which may extend to 5,00,000 rupees and in the case of a continuing offence, with an additional fine upto 50,000 rupees for every day after the first during which the contravention continues.</p> <p>(d) Morgen Stern Digi Cables GmbH is punishable with fine which shall not be less than 1,00,000 rupees but which may extend to 3,00,000 rupees and in the case of a continuing offence, with an additional fine upto 50,000 rupees for every day after the first during which the contravention continues.</p>

3	<p>Radix Healthcare Ltd., a company registered in Thailand, although has no place of business established in India, yet it is engaged in online business through remote delivery of healthcare services in India. Select the incorrect statement from those given below as to the nature of the Radix Healthcare Ltd. in the light of the applicable provisions of the Companies Act, 2013:</p> <p>(a) Radix Healthcare Ltd. is not a foreign company as it has no place of business established in India. (b) Radix Healthcare Ltd. is a foreign company being involved in business activity through telemedicine. (c) Radix Healthcare Ltd. is a foreign company for conducting business through electronic mode. (d) Radix Healthcare Ltd. is a foreign company as it conducts business activity in India.</p>
4	<p>Fam Software Company Inc., a company incorporated in Australia, proposes to establish a place of business at Mumbai. The list of the Directors includes (i) Mr. Arjun - Managing Director, (ii) Mr. Ranveer - Director, (iii) Mr. Ramesh Malik - Director and (iv) Mr. Arbaaz - Director. Ms. Lavina has been appointed as the Secretary of Fam Software Company Inc. It is to be noted that Mr. Ramesh Malik and Mr. Arbaaz, resident in India, are the persons who have been authorised by Fam Software Company Inc. to accept on behalf of the company service of process, notices or other documents required to be served on Fam Software Company Inc. In relation to the company's establishment, you are required to enlighten the Fam Company Inc. with respect to whose, a declaration will be required to be submitted to the Registrar of Companies by Fam Software Company Inc. for not being convicted or debarred from formation of companies in or outside India.</p> <p>(a) Mr. Arjun, Mr. Ranveer, Mr. Ramesh Malik, Mr. Arbaaz and Ms. Lavina. (b) Mr. Arjun, Mr. Ramesh Malik, Mr. Arbaaz and Ms. Lavina. (c) Mr. Ramesh Malik and Mr. Arbaaz. (d) Mr. Arjun, Mr. Ranveer, Mr. Ramesh Malik and Mr. Arbaaz.</p>
5	<p>Modern Books Publishers plc., a company incorporated in United Kingdom (UK) has a wholly owned subsidiary by the name Beta Periodicals Limited whose Registered Office is situated at Mumbai and which is engaged in publishing scientific, technical and speciality magazines, periodicals and journals. Beta Periodicals Limited considers itself to be a foreign company since it is a wholly owned subsidiary of Modern Books Publishers plc. which is a foreign company. From the four options given below, you are required choose the one which appropriately indicates whether Beta Periodicals Limited can be considered as a foreign company:</p> <p>(a) Beta Periodicals Limited cannot be considered as a foreign company even if it is a wholly owned subsidiary of Modern Books Publishers plc. which is a foreign company. (b) Beta Periodicals Limited shall be considered as a foreign company since it is a wholly owned subsidiary of Modern Books Publishers plc. which is a foreign company. (c) Beta Periodicals Limited can be granted the status as a foreign company, if its holding company Modern Books Publishers plc. makes an application to the Regional Director having jurisdiction over New Delhi for considering its wholly owned subsidiary Beta Periodicals Limited a foreign company. (d) Beta Periodicals Limited can be granted the status as a foreign company, if its holding company Modern Books Publishers plc. makes an application to the New Delhi Bench of National Company Law Tribunal for considering its wholly owned subsidiary Beta Periodicals Limited a foreign company.</p>
6	<p>5K Cosmetic Shop plc., a company incorporated in Switzerland, is involved in digital supply services through electronic mode, the server of which is located outside India. The company follows calendar year as its financial year. Every year the company is required to prepare a balance sheet and profit and loss account. You are required to choose the correct timeline within which such documents shall</p>

	<p>be filed with the Registrar of Companies considering the provisions of Chapter XXII of the Companies Act, 2013:</p> <p>(a) Within a period of 30 days from the close of the financial year of 5K Cosmetic Shop plc. (b) Within a period of 3 months from the close of the financial year of 5K Cosmetic Shop plc. (c) Within a period of 60 days from the close of the financial year of 5K Cosmetic Shop plc. (d) Within a period of 6 months from the close of the financial year of 5K Cosmetic Shop plc.</p>
7	<p>Towering Mobiles Ltd., a company incorporated in Indonesia, proposes to establish a place of business in India through electronic mode. Towering Mobiles Ltd. issued prospectus to the citizens of India for subscription of its securities. The company has been into the business for more than three years since it received the commencement of business certificate. What should the prospectus issued by Towering Mobiles Ltd. include in addition to (i) date and signature on the prospectus; (ii) the instrument defining the constitution of company; (iii) the enactment under which the company is incorporated; (iv) address in India where documents mentioned at (ii) and (iii) can be inspected:</p> <p>(a) Date and country of incorporation of company. (b) Address of principal office in India, if any. (c) Disclosure of all such matters which are specified under Section 26 of the Companies Act, 2013. (d) All of the above.</p>
8	<p>Top Footwear Limited, incorporated in Singapore, established a principal place of business at Chennai. It seeks to deliver various documents to the specified authority. Choose the correct option from those given below as to the authority to which Top Footwear Limited is required to deliver such documents:</p> <p>(a) Top Footwear Limited is required to deliver the relevant documents to the Central Government. (b) Top Footwear Limited is required to deliver the relevant documents to the Registrar of Companies having jurisdiction over New Delhi. (c) Top Footwear Limited is required to deliver the relevant documents to the Registrar of Companies having jurisdiction over Chennai. (d) Top Footwear Limited is required to deliver the relevant documents to the National Company Law Tribunal (NCLT), Chennai Bench.</p>
9	<p>Vision Ltd., a foreign Company incorporated in Singapore, appointed Mr. X as a representative in India for the management of place of business in India. Due to un-satisfactory services of Mr. X, Vision Ltd. replaced him and appointed Mr. Y. Vision Ltd. is required to comply with which of the following requirement-</p> <p>(a) Vision Ltd. shall file return to the Registrar of Company in India, within 30 days of the appointment of Mr. Y. (b) Vision Ltd. being a foreign co. in singapore does not require to give any such intimation of replacement/change made for management of place of business in India. (c) Vision Ltd. shall intimate of such alteration at the place where it is registered within 15 days from such alteration. (d) Vision Ltd. shall file return to the Registrar, within 1 month of such alteration as to appointment of Mr. Y.</p> <p style="text-align: right;">[MTP-Oct. 19]</p>
10	<p>Videshi Ltd., a foreign company established with a principal place of business at Kolkata, West Bengal. The company delivered various documents to Registrar of Companies. State the number of days and place where the said company shall deliver such documents:</p>

	<p>(a) Within 15 days to the Central Government</p> <p>(b) Within 15 days to the Registrar having jurisdiction over New Delhi</p> <p>(c) Within 30 days to the Registrar having jurisdiction over West Bengal</p> <p>(d) Within 30 days to the Registrar having jurisdiction over New Delhi</p> <p style="text-align: right;">[MTP-May 20]</p>
11	<p>In which of the following cases the issue of prospectus by a company incorporated outside India will be invalid in law considering the provisions of Chapter XXII of Companies Act, 2013.</p> <p>(a) The Consent to the issue of the prospectus required from any person, as an expert is attached to the copy for the registration of prospectus to be delivered to the Registrar.</p> <p>(b) In case where the prospectus is signed by the duly authorized agents of the directors and the copy of power of attorney is not attached with the copy of prospectus to be delivered for Registration.</p> <p>(c) A company incorporated outside India not having place of business in India.</p> <p>(d) A Company to be incorporated outside India.</p> <p style="text-align: right;">[MTP-Nov. 20]</p>
12	<p>X Ltd., a foreign company along with the financial statement of FY 2021-2022 of its Indian business operations have to file statement of related party transactions, repatriation of profits and statement of transfer of funds with the Registrar latest by:</p> <p>(a) April 30, 2022</p> <p>(b) June 30, 2022</p> <p>(c) September 30, 2022</p> <p>(d) December 31, 2022</p> <p style="text-align: right;">[MTP-April. 21]</p>
13	<p>Fam Company LLC, a company incorporated outside India, proposes to establish a place of business in India. The list of the directors includes Mr. Arjun – Managing Director, Mr. Ranveer – Director and Ms. Lavina – Secretary of Fam Company LLC. Mr. Malik and Mr. Arbaaz, resident in India, are the persons who has been authorised by Fam Company LLC to accept on behalf of the company service of process, notices or other documents required to be served to Fam Company LLC. In relation to the company’s establishment, you are asked by the Fam Company LLC with respect to whose declaration will be required to submit to the Registrar by the Company for not being convicted or debarred from formation of companies in or outside India.</p> <p>(a) Mr. Arjun, Mr. Ranveer, Ms. Lavina Mr. Malik and Mr. Arbaaz.</p> <p>(b) Mr. Arjun, Ms. Lavina, Mr. Malik and Mr. Arbaaz.</p> <p>(c) Mr. Malik and Mr. Arbaaz.</p> <p>(d) Mr. Arjun, Mr. Ranveer, Mr. Malik and Mr. Arbaaz</p> <p style="text-align: right;">[MTP-Nov. 21]</p>
14	<p>Suppose Mr. Amba Prasad, after due formalities, is appointed as Whole-Time Director of Beauty Products Limited, then what would be the maximum term for which he can be so appointed:</p> <p>(a) The appointment of Mr. Amba Prasad as Whole-Time Director of Beauty Products Limited would be for a maximum term of three years.</p> <p>(b) The appointment of Mr. Amba Prasad as Whole-Time Director of Beauty Products Limited would be for a maximum term of five years.</p> <p>(c) The appointment of Mr. Amba Prasad as Whole-Time Director of Beauty Products Limited would be for a maximum term of seven years.</p> <p>(d) The appointment of Mr. Amba Prasad as Whole-Time Director of Beauty Products Limited would be for a maximum term of ten years.</p> <p style="text-align: right;">[MTP- March 22]</p>

Answers Key		
Q. No	Answer	
1	(c)	Jackson Communications LLC shall, within 30 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority.
2	(d)	Morgen Stern Digi Cables GmbH is punishable with fine which shall not be less than 1,00,000 rupees but which may extend to 3,00,000 rupees and in the case of a continuing offence, with an additional fine upto 50,000 rupees for every day after the first during which the contravention continues.
3	(a)	Radix Healthcare Ltd. is not a foreign company as it has no place of business established in India.
4	(d)	Mr. Arjun, Mr. Ranveer, Mr. Ramesh Malik and Mr. Arbaaz.
5	(c)	Beta Periodicals Limited can be granted the status as a foreign company, if its holding company Modern Books Publishers plc. makes an application to the Regional Director having jurisdiction over New Delhi for considering its wholly owned subsidiary Beta Periodicals Limited a foreign company.
6	(d)	Within a period of 6 months from the close of the financial year of 5K Cosmetic Shop plc.
7	(d)	All of the above.
8	(b)	Top Footwear Limited is required to deliver the relevant documents to the Registrar of Companies having jurisdiction over New Delhi.
9	(a)	Vision Ltd. shall file return to the Registrar of Company in India, within 30 days of the appointment of Mr. Y.
10	(d)	Within 30 days to the Registrar having jurisdiction over New Delhi.
11	(b)	In case where the prospectus is signed by the duly authorized agents of the directors and the copy of power of attorney is not attached with the copy of prospectus to be delivered for Registration.
12	(c)	September 30, 2022.
13	(d)	Mr. Arjun, Mr. Ranveer, Mr. Malik and Mr. Arbaaz
14	(b)	The appointment of Mr. Amba Prasad as Whole-Time Director of Beauty Products Limited would be for a maximum term of five years.