



Prayaas Test Series

Test 4- The Companies Act, 2013 (Unit 1 to 6 of Module)

Marks: 20 marks

Time: 30 mins

Date:

Q1) What is an abridged prospectus? State the conditions whereunder the issuing of prospectus is not necessary under the provisions of the Companies Act, 2013? **(5 Marks)**

Q2) TDL Ltd., a public company is planning to bring a public issue of equity shares in June, 2018. The company has appointed underwriters for getting its shares subscribed. As a Chartered Accountant of the company appraise the Board of TDL Ltd. about the provisions of payment of underwriter's commission as per Companies Act, 2013. **(6 Marks)**

Q3) Mr. Antriksh purchased a commercial property in Delhi belonging to NRT Limited after entering into an agreement with the company. At the time of registration, Mr. Antriksh comes to know that the title deed of the company is not free and the company expresses its inability to get the title deed transferred in his name contending that he ought to have the knowledge of charge created on the property of the company. Explain, whether the contention of NRT Limited is correct? **(5 Marks)**

Q4) (i) Being in need of further capital, Rimsi Cotton-Silk Products Limited opted to offer 50 lacs equity shares of ₹ 1 each to 50 identified persons on 'private placement' basis and accordingly a letter of offer accompanied by application form was sent to them after fulfillment of due formalities including passing of special resolution. One of the applicants Rajan made a written complaint to the company highlighting the fact that the offer letter was incomplete as well as illegal, as it did not contain 'renunciation clause' as he wanted to exercise his 'right of renunciation' in favour of one of his son Uday. By choosing the correct option, advise the company in this matter **(2 Marks)**

(a) As the 'Right of Renunciation' cannot be denied, the company needs to rectify its mistake by including the same in the offer letter and the application form.

(b) The company is prohibited from providing 'Right of Renunciation' so the offer letter and the application form need not include any such clause.

(c) Instead of absolute prohibition, the company can provide 'Right of Renunciation' limited to twenty five percent of offering.

(d) Instead of absolute prohibition, the company can provide 'Right of Renunciation' limited to fifty percent of offering.

(ii) Anupam got incorporated 'One Person Company' with his sister Alpana as the nominee and about three years have passed satisfactorily. From time to time Anupam does a number of charitable works and is associated with three NGOs. In the meantime his business under his OPC has also flourished. Now he is contemplating to convert the OPC either as a Section 8 company (i.e. formation of companies with charitable objects). Choose the correct option. **(2 Mark)**



- (a) Since company belongs to Anupam, he has full discretion to convert the OPC either as a Section 8 company or as a private or public company
- (b) Since the company was formed as a private company, the only option available with Anupam is to convert it into a public limited company.
- (c) There is specific prohibition on converting OPC into a Section 8 company; otherwise it can be converted into a private or public company without any hindrance.
- (d) Since Anupam does a lot of charitable works there is no prohibition to convert his OPC into a Section 8 company (companies formed with charitable objects).

CA PREETI AGGARWAL