

COMPANIES AND OTHER LAW

# REVISION WORK-BOOK

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# One Day before Question Bank

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# CH – 3 PROSPECTUS

**DAY – 1**

**Sec- 23 to 30**

**DAY – 2**

**Sec- 31 to 35**

1. 4 ways to issue share of public company 23(1)–
2. 3 ways to issue share of private company 23(2) –
3. Listed company shall be compliance with - 1. \_\_\_\_\_ 2. \_\_\_\_\_
4. When company issue share by public offer , then it is necessary to listed with stock exchange ? 1. Yes 2. No
5. SEBI is empowered to administer provision , relates to – 1. \_\_\_\_\_ 2. \_\_\_\_\_
6. Section no . of deemed prospectus ? a. 26 b.24 c.23 d .25
7. Matters to be included in prospectus ? a. sec 26 b. sec 24 c. sec 23 d .sec 25
8. SEC – 26(1) -  
Prospectus shall be \_\_\_\_\_ and \_\_\_\_\_  
And shall state – 1. \_\_\_\_\_ 2. Reports on \_\_\_\_\_
9. Exception of sec 26 (1) – 1. \_\_\_\_\_ 2. \_\_\_\_\_
10. Validity for issue prospectus - a. 30 days b.60 days c.15 days d .90 days From the date \_\_\_\_\_
11. Penalty or fine – contravention of sec- 26
  - a) Company and every person - 50,000 to 3,00,000
  - b) Company and every person - 15,000 to 50,000
  - c) Company and every person - 25000 to 1,00,000
  - d) Company and every person - 100,000 to 10,00,000
12. The copy of prospectus shall be signed by 1. Every director or proposed to be director 2. Majority director
13. EXPERT STATEMENT shall include in prospectus IF,
  - a) He is not \_\_\_\_\_ in \_\_\_\_\_, \_\_\_\_\_ of company.
  - b) He has given \_\_\_\_\_ to issue prospectus .
  - c) He has not \_\_\_\_\_ the \_\_\_\_\_ before delivery of copy to ROC.
14. Define Deemed prospectus – \_\_\_\_\_
15. Issuing document is deemed to be prospectus if any of the following condition met.
  1. \_\_\_\_\_
  2. \_\_\_\_\_
16. Matters need to be STATED in Deemed prospectus – Sec 26 + Additional –
  1. STATEMENT
  2. TIME & PLACE
  3. \_\_\_\_\_ named in prospectus as \_\_\_\_\_
17. Deemed prospectus shall be signed by : \_\_\_\_\_ Directors.
18. As per sec \_\_\_\_\_ The Term of contract (referred in prospectus ) or Object (for which prospectus has been issued) can be \_\_\_\_\_ by passing \_\_\_\_\_ in \_\_\_\_\_ Notice are to be \_\_\_\_\_.
19. Is company use any amount (RAISED THROUGH PROSPECTUS) for buying / trading /dealing of equity share of other listed company . 1. Yes 2. No
20. SEC – 28 \_\_\_\_\_.
21. SEC -29 \_\_\_\_\_.
22. ADVERTISEMENT OF PROSPECTUS – SEC \_\_\_\_\_
  - Advertisement of prospectus is published in \_\_\_\_\_.
  - It shall specify the content of \_\_\_\_\_.
23. The members of company in consultation with \_\_\_\_\_.  
May offer their HOLDING SHARE to PUBLIC.
24. The member whose share proposed to be offered to public  
Shall \_\_\_\_\_ to \_\_\_\_\_.  
To take all \_\_\_\_\_ on their \_\_\_\_\_ for \_\_\_\_\_.
25. MEMBER also have to \_\_\_\_\_ all the EXPENSES to \_\_\_\_\_ made by it , on this matter.

26. In case of change in term of contract or object for which prospectus has been issued , the DISSENTING SHAREHOLDER are to be given \_\_\_\_\_ by shareholder or promoter at \_\_\_\_\_ acc. With SEBI regulation .

27. The SUMMARY of prospectus are included in \_\_\_\_\_ prospectus.

28. Define SHELF prospectus :-

\_\_\_\_\_

\_\_\_\_\_

HINTS:- issue for subs. of one or more issues without issue FURTHER prospectus.

29. Period of validity of SELF prospectus : \_\_\_\_\_ From the DATE of \_\_\_\_\_.

- a. Max – 1year      b. Max - 90days      c. Max - 180 days      d. till the next offer

30. A company (filling the SHELF prospectus) shall be require to file INFORMATION MEMO.

With \_\_\_\_\_ + \_\_\_\_\_ within \_\_\_\_\_ a. prior   b. after   to issue \_\_\_\_\_.

31. INFORAMATION MENO. Shall contains .

- a. \_\_\_\_\_ (material fact ---new changes)  
b. \_\_\_\_\_ (change in F.P b/w )  
c. \_\_\_\_\_ (other changes as pres.)

32. The INFO. MEMO shall be prepared in \_\_\_\_\_.

33. In case company received application for allotment + ADVANCE payment before making such changes.

Then company shall \_\_\_\_\_.

34. If they wants to WITHDRAW application .

Then company \_\_\_\_\_ within \_\_\_\_\_.

35. Define RED-HERRING prospectus :

\_\_\_\_\_

36. A company proposing to issue RED-HERRING prospectus

File with \_\_\_\_\_ minimum \_\_\_\_\_ to \_\_\_\_\_.

37. Any Variation b/w RED- HERRING and \_\_\_\_\_ shall \_\_\_\_\_ in \_\_\_\_\_.

38. On CLOSING of OFFER , The Prospectus stating : a. \_\_\_\_\_ file with \_\_\_\_\_ + \_\_\_\_\_.

- b. \_\_\_\_\_  
c. \_\_\_\_\_

39. ABRIDGED prospectus contains \_\_\_\_\_.

40. ABRIDGED prospectus has to be \_\_\_\_\_ with \_\_\_\_\_.

EXCEPT,

- a. \_\_\_\_\_ (not ---public)  
b. \_\_\_\_\_ (exis. member)  
c. \_\_\_\_\_ (in underwriting agre.)

41. Penalty for company who make default in complying with sec -33 \_\_\_\_\_ for EACH \_\_\_\_\_.

42. SEC 31:

43. SEC 32:

44. SEC 33:

45. SEC 34:

46. SEC 35:

47. CIVIL LIABLITY :

\_\_\_\_\_

\_\_\_\_\_

Liabe person :

- 1.
- 2.
- 3.
- 4.
- 5.

Liability : \_\_\_\_\_.

Exceptions of liability :

- 1.
- 2.

Every person shall be personally liable with \_\_\_\_\_ for \_\_\_\_\_.

48. Such person who found guilty u/s 34 shall be liable for \_\_\_\_\_ u/s \_\_\_\_\_.