

**DEPOSITS TEST**

**(40 Mks)**

**By CS Niti Taheem**

Q.1. Prism limited has accepted 10 lacs as advanced towards the supply of goods to certain parties. As per the agreement company will supply the goods after 2 years from the date of deposit. Later on internal auditors qualified there report on the ground that the company has violated the provisions of the Companies Act 2013. Directors explained that this is required to complete your order. Examining the relevant provisions of the Companies Act 2013 state whether the explanation given by the directors is justified or not? (5)

Q.2 Provisions of the section 73 subsection 1 are not applicable to guarantee companies and Section 8 companies. Comment (5)

Q.3 Shine limited has accepted deposits from the public under the Companies (Acceptance of Deposit) Rules 2014. The company has not decided to repay some of its deposits before maturity. Can the company do so? If yes, what are the conditions attached thereto? (5)

Q. 4 Comment on the following: (5x3)

- i. 'A company cannot raise deposits for an unlimited amount'.
- ii. A company can accept deposits without issuing advertisement
- iii. Certain Companies are exempted from the provisions of Companies Act, 2013.

Q.5 DEFINE THE TERM DEPOSITS (8 marks)

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