



September 07, 2006

COMPANY LAW

(MARKS 100)

Module D

(3 hours)

- Q.1 (a) M/s Polo Enterprises has been a well established partnership firm which submitted its documents for registration as private limited company with the Registrar of Companies. The Registrar has refused to register the memorandum of association.
- You are required to explain to the management, the steps which they may take in such a situation. (02)
- (b) What are the pre-requisites for obtaining a license for an 'Association not for profit' which is to be incorporated as a limited company? (05)
- (c) The directors of M/s Soccer (Pvt.) Limited have decided to shift the registered office of the company from Lahore to Karachi. You are required to advise them about the procedures they will have to follow in this regard. (04)
- Q.2 (a) What are the provisions of the Companies Ordinance, 1984 regarding issuance of a notice for convening a general meeting? (04)
- (b) Tennis Limited is a listed company which holds 25% shares of another listed company Cricket Limited. You are required to explain how Tennis Limited would:
- (i) exercise its voting rights; and (02)
- (ii) get represented on the Board of Directors. (02)
- (c) The Secretary of Badminton (Pvt.) Limited which was incorporated 10 years ago, has informed you that they are planning to convert their company into a public company. You are required to advise them on the following:
- (i) time period for holding statutory meeting; and
- (ii) the date of commencement of business for the newly converted company. (03)
- (d) The directors of Hockey Limited which closes its accounts in June have decided in their meeting on August 2, 2005 to hold the annual general meeting (AGM) on October 25, 2005.
- On September 28, 2005, fire erupted in the accounts department which caused delay in the preparation of accounts. The Board of Directors has decided to extend the date of AGM from October 25, 2005 to November 30, 2005.
- Explain whether the decision of the Board of Directors to extend the date of AGM is in compliance with the Companies Ordinance, 1984. (04)
- Q.3 (a) What are the restrictions imposed by the Companies Ordinance 1984, regarding declaration / payment of dividend? (06)

(2)

- (b) When is a shareholder entitled to receive an interim dividend? (03)
- (c) Describe the provisions of Companies Ordinance, 1984 regarding closure of register of members by a listed company. (05)
- Q.4 (a) One of the directors of M/s Squash Limited is leaving for vacations on October 1, 2006 and intends to return to Pakistan on February 1, 2007.
- Can the board of directors appoint another person in his place to act as director during his absence, and if so, under what conditions? (05)
- (b) A newly established listed company 'Snooker Limited' has approached you for advice. Being their legal advisor, you are required to inform them about:
- (i) Quorum requirements in respect of meeting of the board of directors. (02)
- (ii) Minimum number of directors' meetings to be held in a year. (02)
- Q.5 (a) State the legal requirements relating to payment of underwriting commission. (04)
- (b) Golf Limited is in the process of offering right shares to the existing shareholders. They have been informed by their Corporate Advisor that offer of right shares shall be accompanied by a circular.
- You are required to explain the company about the requirements of the circular which will be annexed with the offer. (07)
- Q.6 (a) Narrate the provisions of the Companies Ordinance, 1984 regarding audit of cost accounts. (04)
- (b) On March 15, 2006, Karom Textile Limited received a notice from a shareholder of the company nominating another firm of Chartered Accountants as auditors in place of the existing auditors at the annual general meeting to be held on March 31, 2006.
- Explain the conditions required to be fulfilled by a member of the company while making such nomination under the Companies Ordinance, 1984. Also describe the company's responsibilities on receiving such notice, towards other members and the existing auditors of the company. (05)
- Q.7 (a) What are the requirements which need to be fulfilled by a public company for obtaining the Certificate of Commencement of Business? (07)
- (b) One of your clients who holds majority shares in a company wishes to appoint nominees who shall be entitled to become the holder of shares in case of his death. You are required to advise him about relevant provisions contained in the Companies Ordinance, 1984. (09)
- Q.8 (a) State the requirements as contained in Companies Ordinance, 1984 in respect of application for allotment of shares. (03)
- (b) Under what conditions, allotment of shares made by a company is considered to be irregular? (06)
- (c) What do you understand by the doctrine of "ultra vires" in relation to a company? What are the implications of an ultra vires act done by a company? (06)

(THE END)