

COMPANY LAW

(MARKS 100)

Module D

(3 hours)

- Q.1 Mr. Zuhair, holder of 9.5% shares in Zuhaib Company Limited, shifts to UK and intimates the company of his new registered address of the UK. After one year, he claimed on his return to Pakistan that he was not served with any notices from the company during that time despite having informed the company about change in his address. State with reasons whether this is a violation on the part of Zuhaib Company Limited of any of the provisions of the Companies Ordinance, 1984. (06)
- Q.2 On what grounds can the directors of a company refuse the transfer of shares? What is the time frame for notifying the refusal to the concerned member? (04)
- Q.3 (a) State the provisions of the Companies Ordinance, 1984 relating to the application of premium received on issue of share. (04)
- (b) Under what conditions, can a company issue shares at discount? (05)
- Q.4 Mr. Pervaiz Khan, chief accountant of a listed company purchased 1,000 shares of his own company on 26 October 2004 and sold 500 shares on 15 March 2005 with a gain of Rs. 6,000. He sold the balance on 20 October 2005 with a gain of Rs. 14,000. State the procedure that Mr. Pervaiz Khan has to follow as required under the Companies Ordinance, 1984. (06)
- Q.5 (a) A shareholder of the company wants to inspect the register of directors and officers of the company. The company charges a sum of Rs. 250 from him. Explain whether this is a violation of any provisions of the Companies Ordinance, 1984. (02)
- (b) You are the Chief Financial Officer of a company listed on the Karachi Stock Exchange having a share capital of Rs. 50 million. Mr. Wahid, who holds Rs. 5 million shares of the company, has sent a written request to review the cash book of the company. Explain whether you can refuse this request? (05)
- Q.6 What are the requirement of the Companies Ordinance, 1984 regarding the maintenance of minutes of proceedings of general meetings and directors? (05)

(2)

- Q.7 XYZ Limited is a listed company and is planning to invest Rs. 500 million in one of its associated undertakings. The Company has asked you to provide them a report explaining the :
- (a) requirements of the Companies Ordinance, 1984 with regard to the investment in an associated undertakings; and
 - (b) consequences, if the company fails to comply with these requirements. **(06)**
- Q.8 (a) What is a conclusive evidence of the fact that a company has been duly registered under the Companies Ordinance? **(02)**
- (b) Before confirming an alteration of memorandum of association the Commission must satisfy itself that certain conditions have been fulfilled. What are those conditions? **(04)**
- Q.9 Describe the provision of the Companies Ordinance, 1984 with respect to holding of Annual General Meeting by a Company listed on a Stock Exchange? **(07)**
- Q.10 State how can a Chief Executive be removed from office before expiration of his term of office? **(03)**
- Q.11 (a) State the powers of the directors that are required to be exercised by them by means of a resolution at their meeting. **(10)**
- (b) List down the matters which are required to be included in the Directors report. **(10)**
- (c) Explain the circumstances under which:
- (i) election of the directors may be declared invalid; and **(03)**
 - (ii) a director shall cease to hold office. **(05)**
- Q.12 (a) Jafer Limited acquired a property from M/s Ali & Sons which is subject to a charge, registered within Pakistan. You are required to advise the Company about the requirements of the Companies Ordinance, 1984, relating to the disclosure and registration of this charge to the registrar? **(03)**
- (b) Describe the mortgages and charges which if not registered shall be considered to be void. **(08)**
- Q.13 What is the difference between “prospectus” and “offer for sale”? **(02)**

(THE END)