

**Paper Code – 5624 – Company Secretarial Practice**

**Time: 3 hours**

**Marks: 100**

**Note: 1. All questions are compulsory**

**2. Figures to the right indicates full marks**

**Q. 1 (A) Fill in the blanks with suitable options. (Any 10) ( 10)**

1. ICSI
2. 5 crores
3. One
4. A friend and a guide
5. Dividend
6. Secretarial
7. Memorandum of Association
8. Special
9. Incorporation
10. Creditor
11. Registrar of Companies
12. Listed

**Q. 1(B) State whether the following statements are True or False. (Any 10) (10)**

**True : 1,2,6,8,11,12**

**False : 3,4,5,7,9,10**

**Q2 . Answer Any Two from the following 7 ½ marks each (15)**

- a) Discuss the features of Company under Indian Companies Act 2013.  
Features of a Company- Registration, Separate legal entity, Perpetual succession, Separate property, Transferable shares, Capacity to sue and be sued, Limited Liability, Common seal, Capacity to contract in its own name.
- b) Explain the basic qualification of company secretary.  
Basic qualifications-CS from ICSI, etc  
Other educational qualifications- general knowledge, knowledge of finance, correspondence, law, technology, accounts, etc.  
Training qualification- with Company, CA, solicitor, etc
- c) Describe the rights of company secretary. - Rights given by companies act and service agreement..  
Control and supervise the work, principal officer, right to be indemnified, receive remuneration, etc.

**Q. 3 Answer Any Two from the following (15)**

- a) 'A company secretary acts as a liaison officer between Company and Stock Exchange' Explain.
- b) Explain the services of company secretary towards SEBI and Consumer Forum.

**Introduction 2 marks**

**Representation services -5 1/2 marks**

Consumer forum- protection of consumer rights, guidance, create awareness, legal representation for advocating the cases in consumer forum

SEBI- provide all information, reply to the queries, representation against any complaint from investors, delay in following the rules of SEBI, penalties raised, etc.

- c) Describe the need and importance of Secretarial Audit.  
Secretarial Audit Is A Process To Check Compliances Made By The Company Under Various Law, Rules, Regulation And Procedure Company. Company Secretary in Practice Can Be Appointed For the Conduct of Secretary Audit  
Need and Importance Ensure confidence, strong internal control mechanism, timely corrections, develop corporate image, improve functioning of company, better implementation of laws, benefits to all the stakeholders, proper disclosures, better conduct of affairs, etc

**Q. 4 Answer Any Two from the following (15)**

- a) Define Articles of Association? Discuss its contents.  
Articles usually contain provisions relating to the following matters:  
Share capital, rights of shareholders, variation of these rights, payment of commissions, share certificates, Calls on shares, Transfer of shares, Transmission of shares, Forfeiture of shares, Conversion of shares into stock, Share warrants, Alteration of capital, General meetings and proceedings there at, Voting rights of members, Voting and poll, proxies, Directors, their appointment, remuneration, qualifications, powers and proceedings of board of directors, Manager, Secretary, Dividends and reserves, Accounts, audit and borrowing powers, Capitalisation of profits, Winding up
- b) Describe secretarial duties in company formation.  
Obtain Director Identification Number (DIN), Acquire Digital Signature Certificate (DSC), proposing the name of the company and ascertaining its availability from the ROC, Drafting and printing the Memorandum and Articles of Association, Stamping and signing of Memorandum and articles. Filing of Documents and forms for registration.
- c) Explain secretarial procedure with regard to conversion of public limited company into a private company.  
I) Board Meeting for Conversion Ii) Notice Of Extra Ordinary General Meeting Iii) Approval Of Special Resolution Iv) Filing Of Documents With Roc V) Securing Approval Of Central Government Vi) Publicity To Conversion Introduced.

**Q. 5 Answer Any Two from the following (15)**

- a) Discuss secretarial correspondence with shareholders of the company.  
Essentials – Correct information, lucid language, Prompt replies, Secrecy, Politeness.
- b) Describe secretarial correspondence with SEBI  
- Correspondence is limited, but should be prompt, courteous, and polite. Correspondence is related to complaints and grievances of shareholders/ investors, supply of information, updating data, comply legal provisions, replies for investigations, etc.
- c) Give the specimen of Letter to Registrar of Companies for alteration of Memorandum of Association.
- |          |           |
|----------|-----------|
| Format   | 2 ½ marks |
| Contents | 2 marks   |
| Subject  | 2 ½ marks |

**Q. 6 Write Short notes on (Any four) (20)**

- a) Qualities of company secretary - 1) Qualities Of Head – i) Accuracy ii) Tact iii) Adaptability iv) Share Memory v) Punctuality vi) Concentration, etc  
2) Qualities Of Heart – i) Pleasing Personality ii) Leadership And Initiative iii) Courtesy And Co-Operation iv) Loyalty vii) Willingness.
- b) Resignation and removal of company secretary - A secretary can be removed from a private limited company at any time by a simple majority vote of the director(s), subject to any service contract in force. Likewise, a secretary may resign by giving notice in writing, subject to the terms of the service contract.  
Procedure - 1. Removal by Directors by passing a resolution. 2. ASIC notification. 3. Notify relevant bank (if applicable)
- c) Advantages of secretarial standards
- 1) Maintain And Introduction Of Standard Secretarial Practices In Corporate India
  - 2) Better Implementation Of Exertive Laws And Better Corporate Disclosure.
  - 3) More Transparency And More Compliance Or Less Non- Compliances
  - 4) Rise In Inventory Faith 5) Increasing Professionalism In Corporate And Their Management
  - 5) Less Frauds
  - 6) Easy Location Of Non- Compliance
  - 7) Better Corporate Governance And Enhance Corporate Culture
  - 8) 9 Prevents Oppression And Mismanagement Give Wide Publicity And To Create Positive Impact Of ICSI Standards Which Are Followed In Different Companies.
- d) Statement in lieu of prospectus

**A statement in lieu of prospectus contains the following information** -Name of company, Statement of capital, Description of the business, Names, addresses and occupations of directors, Estimated initial expenses, Names of vendors and details of property, Material contracts, Director's interests, Minimum subscription

- e) Specimen of letter for overdraft facility
- |             |                  |
|-------------|------------------|
| 1) Format   | <b>1 ½ marks</b> |
| 2) Contents | <b>2 marks</b>   |
| 3) Subject  | <b>1 ½ marks</b> |
- f) Clauses of Memorandum of Association - Clauses – Name Clause, Registered Office Clause, The Object Clause , Liability Clause, Capital clause , Subscription Clause