

Maharashtra State Board Class 11 Secretarial Practice Solutions

Chapter 10 Correspondence with Directors

1A. Select the correct answer from the options given below and rewrite the statements.

Question 1.

Representatives of shareholders are _____

- (a) directors
- (b) employees
- (c) servants

Answer:

- (a) directors

Question 2.

The notice of the meeting of the Board of Directors must be accompanied by _____

- (a) agenda
- (b) minutes
- (c) resolution

Answer:

- (a) agenda

Question 3.

_____ looks after the management of a company.

- (a) Board of Directors
- (b) Auditor
- (c) Company Secretary

Answer:

- (a) Board of Directors

Question 4.

The Directors take decisions at _____ meeting.

- (a) Annual General
- (b) Board
- (c) Statutory

Answer:

- (b) Board

Question 5.

According to Section 167(1)(b) of the Companies Act 2013, if a director absents himself from all the meetings of the Board, for a period of _____ months or more, with or without the leave of the Board, he shall be deemed to have vacated his office.

- (a) 12
- (b) 10
- (c) 9

Answer:

- (a) 12

Question 6.

Every company except OPC and the small company shall hold minimum _____ Board Meetings in each year.

- (a) 4
- (b) 3
- (c) 5

Answer:

- (a) 4

Question 7.

The gap between two consecutive Board Meetings should not be more than _____ days.

- (a) 120
- (b) 110
- (c) 130

Answer:

- (a) 120

1B. Match the pairs.

Question 1.

Group 'A'	Group 'B'
(a) Directors	(1) At least 2 Directors
(b) Absenteeism of Director in Board Meetings	(2) At least 3 Directors
(c) Public Company	(3) Disqualification of director
(d) Private Company	(4) Representatives of shareholders
(e) Notice of a Routine Board Meeting	(5) 21 clear days
	(6) 7 days
	(7) 70 days
	(8) Representative of the public
	(9) At least 20 directors
	(10) At least 30 directors

Answer:

Group 'A'	Group 'B'
(a) Directors	(4) Representatives of shareholders
(b) Absenteeism of Director in Board Meetings	(3) Disqualification of director
(c) Public Company	(2) At least 3 Directors
(d) Private Company	(1) At least 2 Directors
(e) Notice of a Routine Board Meeting	(6) 7 days

1C. Write a word or a term or a phrase that can substitute each of the following statements.

Question 1.

Elected body of representatives of shareholders.

Answer:

Board of Directors

Question 2.

An employee of a company who provides guidance and advice to the Board of Directors about business matters.

Answer:

Company Secretary

Question 3.

A meeting of all the directors of a company.

Answer:

Board Meeting

Question 4.

A written invitation was given to the Director to attend the meeting.

Answer:

Notice of Board Meeting

1D. State whether the following statements are True or False.

Question 1.

A director can be removed before the expiry of his term.

Answer:

True

Question 2.

Directors act as trustees of the company.

Answer:

True

Question 3.
A director can remain absent for any number of Board Meetings.
Answer:
False

Question 4.
Directors act as agents and trustees of the company.
Answer:
True

Question 5.
Company Secretary need not attend the board meetings.
Answer:
False

Question 6.
Director can take decisions individually.
Answer:
False

1E. Complete the sentences.

Question 1.
The elected representatives of the shareholders are called as _____
Answer:
Board of Directors

Question 2.
The meeting of all Directors is called as _____
Answer:
Board Meeting

Question 3.
The notice period for Board Meeting shall not be less than _____
Answer:
7 days

1F. Select the correct option from the bracket.

Question 1.

Group 'A'	Group 'B'
(1) Notice of Board Meeting
(2)	Meeting of all directors
(3) Duty of Directors

(Board Meeting, Not less than 7 days, Disclosure of personal interest)
Answer:

Group 'A'	Group 'B'
(1) Notice of Board Meeting	Not less than 7 days
(2) Board Meeting	Meeting of all directors
(3) Duty of Directors	Disclosure of personal interest

1G. Answer in one sentence.

Question 1.
When does a Director vacate his office due to absenteeism at Board Meeting?
Answer:
When the director is absent for all meetings of the Board held during a period of twelve months, with or without the leave of absence from the board, he shall be deemed to have vacated his office.

Question 2.

Can a Director who was absent at the Board Meeting get a copy of the minutes of that Board Meeting?

Answer:

If the director is absent for a board meeting he has the right to get a copy of the minutes of that Board Meeting.

1H. Correct the underlined word and rewrite the following sentences.

Question 1.

Secretary is an elected representative of the shareholders.

Answer:

Director is an elected representative of the shareholders.

Question 2.

Secretary is responsible for the decision-making and framing policies of a company.

Answer:

Director is responsible for the decision-making and framing policies of a company.

2. Explain the following terms/concepts.

Question 1.

Director

Answer:

Director is any person occupying a position by whatever name called, Directors are authorized by shareholders to conduct the activities of the company. Director prepares policies to achieve the aims of the company.

Question 2.

Board of Directors

Answer:

Directors are elected representatives of shareholders. Directors are responsible for decision making, policy framing, and determination of plans for achieving the target set. They have to exercise proper control, direction, and supervision. Directors exercise their powers and authorities collectively as a "Board".

Question 3.

Conciseness

Answer:

Business letters to directors must be brief and to the point. Unnecessary details, irrelevant matters must not be written, conciseness refers to 'briefness'. It is said that 'brevity is the soul of correspondence'.

Question 4.

Politeness

Answer:

While corresponding with Directors, simple words and language must be used. A letter must show empathy, respect, and mutual understanding. It helps to create goodwill. Unnecessary big terms, long sentences should be avoided. Secretary should not use any harsh words while corresponding with directors.

Question 5.

Initiative

Answer:

The secretary must take utmost care while corresponding with directors. He should take the lead to make arrangements for the board meetings. Secretary also helps the directors in conducting meetings.

Question 6.

Notice and Agenda of board meeting

Answer:

The notice of the Board meeting is a document that is sent to all directors of the company. All types of companies are required to give notice of at least 7 days along with agenda before the actual day of the meeting. Notice of Board meetings is generally sent by hand delivery or by post or by electronic means.

3. Answer in brief.

Question 1.

What are the points to be considered by a secretary while corresponding with the directors?

Answer:

Following are the points or precautions to be taken by the secretary while corresponding with Directors.

- Initiative: The secretary must take utmost care while corresponding with directors. He should take the lead to make arrangements for the board meetings. Secretary also helps the directors in conducting meetings.

- Accuracy: In correspondence with directors "accuracy" or perfectness is very much important. Whatever information, action, data, or reply is to be given, must be given accurately. Secretary should provide correct, accurate, and perfect information.
- Promptness: Every letter must be dealt with promptly, whatever might be the subject matter. Prompt replies always create a good impression about your organization, delays in correspondence may prove to be costly in a later stage.
- Brevity: The letter acts as a representative of the organization. Hence, the secretary should always provide all information in a compact manner. A letter should not be lengthy. Secretary should provide maximum information in minimum words.
- Politeness: In correspondence with directors simple and words and language must be used. Unnecessary use of big terms, long sentences should be avoided. Secretary should not use any harsh words.

Question 2.

Under what circumstances will a secretary correspond with a director?

Answer:

Following are the circumstances when a company secretary corresponds with a Director:

- Sending Notice and Agenda of routine Board Meeting.
- Requesting a director to disclose his interest in a particular contract.
- Forwarding the minutes of the meeting to the directors who were absent from the meeting.
- Intimation to the director about the provisions regarding absenteeism at board meetings.

[4. Justify the following statements.](#)

Question 1.

Directors exercise their powers and authorities collectively as a Board.

Answer:

- The Directors occupy a very important position in the company's management.
- They are elected representatives of the shareholders.
- Directors are responsible for decision making, policy framing, and determination of plans for achieving the target set.
- They have to exercise proper control, direction, and supervision.
- Directors exercise their powers and authorities collectively as a "Board".

Question 2.

The Secretary should take certain precautions while corresponding with Directors.

Answer:

- The company secretary is an executive officer of a Joint Stock Company.
- The decisions taken by the board of directors are implemented by the secretary.
- The secretary acts as a link between the directors and other management personnel.
- The secretary provides assistance to the directors and guidance to the directors.
- Directors occupy key positions and are superiors, so the communication with them should be cautious and tactful.

Question 3.

The Board of Directors is the elected representative of the shareholders.

Answer:

- A Joint Stock Company is a business organization with a wide scope of business activity.
- Though shareholders of the company are the part of owners as well as the members of the Joint Stock Company, they cannot participate in the management and day-to-day functioning of the company since they are scattered over a large geographical area.
- So, as such the shareholders during the Annual General Meeting elect the directors to act as their representatives and carry on the business activities of the company.

Question 4.

The Secretary has to correspond with Directors on important occasions.

Answer:

- The company secretary is an executive officer of a joint-stock company.
- The decisions taken by the board of directors are implemented by the secretary.
- The secretary acts as a link between the directors.
- The secretary is said to be the ears, eyes, hands, and mouthpiece of the Board.
- So under the following circumstances, the secretary writes letters to Directors:
 - Sending Notice and Agenda of the routine Board meeting.
 - Requesting directors to disclose their interest in a particular contract.
 - Forwarding the minutes of the meeting to the directors, who were absent for the meeting.
 - Intimating the director, the provisions regarding absenteeism at consecutive board meetings.

[5. Answer the following questions.](#)

Question 1.

Draft the notice and agenda of routine board meetings.

Answer:

INFORT TECHNOLOGY LIMITED
Registered Office: 12, Swaraj Excellency,
British Library Lane, F.C. Road, Pune-411004
CIN: BOO160MH20375JLB400180

Phone: 020-21173428
Fax: 020-32194237

Website: www.inforttechnology.com.
E-mail: infort@technology.com.

Date: 25th March 2019

Ref. No.: D/MR/13/19-20
The Director,
Mr. Anvit Gaurav Gaikwad,
Vastushodh, Building 42, Flat No. 107,
Urbangram, Kirkutwadi, Pune.

Sub: Notice of the Board Meeting dated 28th April 2019.

Dear Sir,

I wish to inform you that the monthly Board meeting will be held on 28th April 2019 at 10.00 a.m. at the registered office of the company to transact the following business.

AGENDA

1. To confirm the minutes of the last meeting.
2. To confirm the applications of shares.
3. To consider the financial position of the company.
4. To decide the date of the next board meeting.
5. To discuss any other matter with the permission of the Chairman.

You are requested to be present at the meeting.

Thanking you,

Yours faithfully,
for Infort Technology Ltd.
Sign
Company Secretary

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Question 2.

Write a letter to the director requesting him to disclose his personal interest in a contract.

Answer:

CHAUDHARI KANCHWALA LIMITED
Registered Office: S.N.1960, Kolhar Ghoti Highway,
Sangamner Akole Road,
Mangalapur.
CIN: B40408MH2019ABC1205

Phone: 02425-227244
Fax: 02425-221974

Website: www.chaudharikanchwala.com.
E-mail: chaudhari60@gmail.com

Date: 1st January 2019

Ref. No.: D/CK/23/19-20
The Director,
Mrs. Rajshri Atul Chaudhari,
Janata Raja Madian,
Vidyanagar, Sangamner.

Sub: Disclosure of personal interest.

Dear Madam,

I wish to inform you that the meeting of the Board of Directors of the company will be held on 21st January 2019. The Board decided to appoint Public Relations Officer for developing relations with customers and wholesalers.

As per information received from a reliable source, Mr. Vinayak Nehulkar your relative has applied for the post of PRO.

I wish to know whether the said information is true or false. In this case, if you have a personal interest in his appointment, kindly disclose your nature of interest as per Section 184 of the Companies Act, 2013.

Kindly revert as early as possible.

Thanking you,

Yours faithfully,
for Shri Chaudhari Kanchwala Ltd.
Sign
Company Secretary

Question 3.

Write a letter to the director who was absent for a Board Meeting to inform him about the proceeding of the meeting.

Answer:

PRABHAT OPTICAL COMPANY LTD.
Registered Office: Yuga Tower, Nashik-Pune Road,
Ganesh Nagar, Sangamner.

Phone: 02425-222697

Fax: 02425-232697

Website: www.prabhatoptical.com.
E-mail: ritivinayak@gmail.com.

Date: 20th May 2019.

Ref. No.: D/LB/16/19-20

The Director,
Mr. Vijay Kodur,
Tajane Mala, Navine Nagar Road,
Sangamner – 422605.

Sub: Information about the proceedings of the meeting.

Dear Sir,

Please find enclosed herewith a copy of the minutes of the Board Meeting held on 1st May 2019 for your information and record.

I invite your attention to paragraph No.25 of the minutes. A proposal to establish a branch office in Mumbai was moved by Mr. Laxman Gadekar. It was seconded by Mr. Atul Chaudhari. After a detailed discussion, the chairman finally concluded the meeting by accepting the proposal. The motion was passed with an 80% majority.

The other items on the agenda being of routine nature require no explanation.

Thanking you,

Yours faithfully,
for Prabhat Optical Company Ltd.
Sign
Company Secretary

Encl.: Copy of Minutes

Question 4.

Write a letter to the director reminding him about the provision relating to absenteeism at the Board Meeting.

Answer:

SURESH CABLES NETWORK COMPANY LIMITED

Registered Office: Shubham Heights,

Old Mumbai Agra Road, Ghoti.

CIN: H25301MH1999ABC14708

Phone: 042530

Fax: 312240

Website: www.sureshcnc.com

E-mail: sureshcable@gmail.com.

Date: 13th December 2019.

Ref. No.: D/CB/17/19-20

The Director,

Mrs. Archana Sumit Pawar,

Juna Adgaon Naka, Chavan Nagar,

Tapovan Road, Nashik.

Sub: Information about absenteeism in the board meeting.

Dear Madam,

This is to bring to your attention the fact that you have remained absent for two consecutive board meetings held on 15th October 2018 and 17th November 2018. The chairman has not received any intimation from you regarding your absence from these board meetings.

You are requested to note that Section 167(1)(b) of the Companies Act, 2013 provides that a director has to vacate his office if such absence is with or without the chairman's permission.

The next board meeting of the company is to be conducted on 13th January 2019. Please make it convenient to attend this meeting or intimate the cause of absence to avoid disqualification under Section 167(1)(b). The notice and agenda of the Board Meeting have been already forwarded to you.

Thanking you,

Yours faithfully,
for Suresh Cable Network Company Ltd.
Sign
Company Secretary