

Company Law (Companies Act, 1956)

Fill in the blanks for Practice

Topic – Divisible Profits & Dividends



Re-write the following sentences after filling in the blank spaces :

- (1) _____ is the share of the company's profit distributed among the members.
- (2) _____ is recommended by the _____ in its report to the shareholders.
- (3) The interim dividend is paid between _____ of the company.
- (4) Both interim and final dividend when declared become _____ and are payable within _____ of declaration.
- (5) A preference share carries a _____ as to dividend in accordance with term of issue subject to availability of distributable profits.
- (6) Dividend must be paid only out _____ and after _____ as provided u/s 205 of companies act, 1956.
- (7) _____ is empowered to allow any company to declare or pay dividend for any financial year out of profits for that year without providing for declaration.
- (8) U/S 173(1), declaration of dividend is a/an _____ business at _____.
- (9) _____ can be paid only in _____, not in kind.
- (10) A dividend in respect of a _____ has to be paid to the _____ of the share or to his order or to his banker.
- (11) _____ is for seeking approval of central government for not providing depreciation.
- (12) "_____" is an order by the company to its banker to pay the amount specified therein to the shareholders whose name is written therein.
- (13) U/s. 250 A, if a dividend declared by a company has not been paid or claimed within _____ of the declaration, the same shall be within _____ days thereafter i.e. 7 days after the expiry of the 30 days from the date of declaration.
- (14) Once a dividend is declared a _____ has the right to claim dividend against the company.
- (15) A dividend including interim dividend once declared becomes a _____ and cannot be _____, except with the consent of the _____.

- (16) A newly incorporated company is prohibited from transferring not more than _____ of its profits to its _____.
- (17) ' _____ ' means the profits which the law allows the company to distribute to the shareholders by way of dividend.
- (18) The profits of a business mean the _____ of the concerns after deducting the _____ without which those proceeds could not be earned.
- (19) _____ is a charge on profits while _____ is an appropriation of profits.
- (20) When the amounts in the unpaid dividend accounts remain unclaimed and unpaid for a period of _____ from becoming due, it shall be credited to _____.

Answers:-

- (1) Dividend
(2) Final dividend, B. O. D
(3) Two AGMs
(4) Debt, 30 days
(5) A preferential right
(6) Profits, providing for depreciation
(7) CG
(8) Ordinary, AGM
(9) Dividend, cash
(10) A share, registered shareholder
(11) E-form 23AAC
(12) "Dividend warrant"
(13) 30 days, 7 days
(14) Shareholder
(15) Debt, revalued, shareholders
(16) Ten percent reserves
(17) 'Divisible profits'
(18) Net proceeds, necessary expenses
(19) Interest, dividend
(20) Seven years, IEPF (Investors' Education and Protection Fund)