

Roll No.....

Total No. of Questions—16  
Time Allowed—3 Hours

[Total No. of Printed Pages- 6  
Maximum Marks - 100

**WWF**

Answers to questions are to be: given only in English except in the case of candidates who have opted for Hindi medium. If a candidate who has not opted for Hindi medium, answers in Hindi, his answers in Hindi will not be valued.

Marks

**PART—I**

Answer **all** the questions,

- Qn. 1. (a)** Z rent out his house situated at Mumbai to W for a rent of Rs. 10,000 per month. A sum of Rs. 5 lac, the house tax payable by Z to the Municipal Corporation being in arrears, his house is advertised for sale by the corporation, W pays the corporation, the sum due from Z to avoid legal consequences. Referring to the provisions of the Indian Contract Act, 1872 decide whether W is entitled to get the reimbursement of the said amount from Z. [ 5 marks ]
- (b)** State with reasons whether the following statements are correct or incorrect : [ 2 x 1 = 2 marks ]
- (i) Employees can relinquish their right to receive minimum bonus by an agreement with employer.
- (ii) Ratification of agency is valid even if knowledge of the principal is materially
- (c)** Pick out the correct answer from the following and give reasons ; [ 3 x 1 = 3 marks ]
- (i) X sells the goodwill of his retail store to Y for Rs. 5 lac and promises not to carry on the same business -forever and anywhere in India. Is the agreement :
1. valid
  2. void
  3. voidable
  4. illegal.
- (ii) A without B's authority let outs B's Hat to C. Afterwards B accepts rent of the flat from C. It is an agency by ;
1. holding out
  2. estoppel
  3. ratification
  4. necessity.
- (iii) P, obtains a cheque drawn by M by way of gift. Here P is a :
1. holder in due course
  2. holder for value
  3. holder
  4. None of the above.

**Ans(1) (a)** Question is based on the “**Quasi Contract**” as explained in “**Indian Contract Act, 1872**”. ‘Quasi’ means ‘almost’ or apparently but not really’ or ‘as if it were’. This term is used when one subject resembles another in certain characteristics but there are intrinsic differences between the two. ‘Quasi contract’ is not a ‘contract’; it is an obligation which law created in absence of any agreement. It is based on equity. As per section 69 if payment of lawful dues is made by interested person a quasi contract will arise between the parties. In other words a person, who is interested in the payment of money which another is bound by law to pay, and who therefore pays it, is entitled to be reimbursed by the other.

In the given situation Z rent out his house situated at Mumbai to W for a rent of Rs. 10,000 per month. A sum of Rs. 5 lac, the house tax payable by Z to the Municipal Corporation being in arrears, his house is advertised for sale by the Corporation. W pays the corporation, the sum due from Z to avoid legal consequences.

As per section 69 of the Indian Contract Act, W is entitled to get the reimbursement of the said amount from Z.

**Ans(1)(b)**

- (i) **Incorrect:** Any agreement, which states that employee may be paid less than minimum bonus shall be void.
- (ii) **Incorrect:** No valid ratification can be made by a person whose knowledge of the facts of the case is materially defective.

**Ans(1)(c)**

- (i) **valid** : Every agreement by which any one is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void. Exception 1.-One who sells the goodwill of a business may agree with the buyer to

refrain from carrying on a similar business, within specified local limits, so long as the buyer, or any person deriving title to the goodwill from him, carries on a like business therein, provided that such limits appear to the Court reasonable, regard being had to the nature of the business.

(ii) **ratification**: Ratification' means confirm or accept or give consent after the act or event. Thus, B's acceptance of rent ratified the act done by A. This is an agency by ratification.

(iii) **Holder**: No consideration or value paid by P. Hence he is a holder but not a holder in due course.

**Qn. 2 (a)** UMC Limited has only 7 shareholders having fully paid-up shares. On 30th April, 2009, all the shares of X (a shareholder of the company) are sold to Y (another shareholder of the company) in an auction by the order of the court. Z, (a shareholder of the company) was in USA for a business trip from January and thus he was not aware of the developments. The company continues to carry on its business thereafter. In December, 2009, the company borrowed a sum of Ks. 5 lac from the Unique Bank. Later, the company was wound up and the Assets of (the company were not sufficient for the payment of its Liabilities. The Bank filed a suit against Y and Z for recovery of the said loan, from them. Decide the Liabilities of Y and Z under the provisions of Companies Act, 1956. Would your answer be the same, if the said loan was taken in the month of March, 2009 ? [ 5 marks ]

**Ans. 2(a).** As per section 45 of the companies Act; where the number of members fall below statutory minimum ( 7 or 2 as the case may be ) and the company carries an business for more than 6 months then every person who is a member at that time it so carries on business after those six months and knows this fact is severally liable for the whole of the debts of the company contracted during such time. Here in the present case UMC Ltd. has only 7 shareholders having fully paid shares. On 30<sup>th</sup> April 2009 all the shares of X (a shareholder) was sold to Y reducing number of shareholders to six. Number of shareholders have reduced below the statutory minimum and the business have continued for more than 6 months with 6 shareholders which is below the statutory minimum hence all shareholders are jointly and severally liable for payment of liabilities. Hence the bank is correct in filling a suit against Y for the recovery of said loan.

Z was not aware of all these developments, therefore he is not liable personally for the debt. His liability will be limited upto the amount of his unpaid share capital only.

If the loan was taken in March 2009 then section 45 would have not applied and Banks filling of suit against Y and Z for recovery of loan would be incorrect. In this case liability of the shareholders will be limited upto the amount of their unpaid share capital only.

**Qn. 2 (b)** State with reasons whether the following statements are correct or incorrect: [ 2 x 1 = 2 marks ]

- (i) Issue of debentures with voting rights in not permissible.
- (ii) A private company is required to hold the statutory meeting.

**Ans. 2(b)(i)** True, as per section 2(12) a debenture includes debenture stock, bonds and any other securities of the company whether constituting a charge on the assets of the company or not. As per characteristics of debenture it doesn't carries voting rights.

**Ans. 2(b)(ii)** False, as per section 165(1) of companies act statutory meeting applies only to

- Public companies – limited by shares
- limited by guarantee having share capital.

Therefore private companies are not required to hold any statutory meeting.

**Qn 2 (c)** Pick out the correct answer from the following and give reasons : [ 3 x 1 = 3 ]

- (i) Contracts entered into by a company after its incorporation and before it is entitled to commence business are called :
  - 1. provisional contracts
  - 2. pre-incorporation contracts
  - 3. both 1 and 2
  - 4. None of the above.
- (ii) The under-writing commission on shares must not exceed :
  - 1. 2.0 percent of the issued price of shares
  - 2. 2.5 percent of the issued price of shares
  - 3. 5.0 percent of the issued price of shares
  - 4. 5.5 percent of the issued price of shares
- (iii) Which one of the following required ordinary resolution ?
  - 1. to change the name of the company

2. to alter the articles of association
3. to reduce the share capital
4. to declare dividends.

**Ans. 2(c)(i)** Contracts entered into by a company after its incorporation and before it is entitled to commence business are called **provisional contracts**.

**Ans. 2(c)(ii)** As per section 76, of companies act. The underwriting commission on shares must not exceed 5% of the price at which the shares have been issued on amount or rate authorized by the articles, whichever is less therefore answer is **(3) 5% of the issued price of shares**.

**Ans. 2(c)(iii)** In case of AGM the following is deemed as ordinary business and hence ordinary resolution is required to be passed.

- (a) Consideration and adoption of annual account and the reports of BOD and auditors.
- (b) Declaration of dividends
- (c) Appointment of Directors in place of those retiring.
- (d) Appointment of auditors and fixing of this remuneration.

Hence ordinary resolutions is required to **declare dividends**.

**Qn. 3.** J accepted a bill of exchange and gave it to K for the purpose of getting it discounted and handing over the proceeds to J. K having failed to discount it returned the bill to J. J tore the bill in two pieces with the intention of cancelling it and threw the pieces in the street. K picked up the pieces and pasted the two pieces together. In such manner that the bill seemed to have been folded for safe custody, rather than cancelled. K put, it into circulation and it ultimately reached L. who took it in good faith and for value. Is J liable to pay the bill under the provisions of the Negotiable Instruments Act. 1881? [ 5 marks ]

**Ans(3) Instrument obtained by unlawful means or for unlawful consideration**

When a negotiable instrument has been lost, or has been obtained from any maker, acceptor or holder thereof by means of an offence or fraud, or for an unlawful consideration, no possessor or endorsee who claims through the person who found or so obtained the instrument is entitled to receive the amount due thereon from such maker, acceptor or holder, or from any party prior to such holder, unless such possessor or endorsee is, or some person through whom he claims was, a holder thereof in due course.

In the given case L is holder in due course and hence can claim bill amount from J. J may after payment of bill can initiate the action against K.

**Qn. 4** In 2009, the Electronics Corporation, a Public Sector establishment under the Department of Science and Technology, Government of Rajasthan starts to sell mobile sets manufactured by it, in addition to T.V. sets, so as to compete with private sector establishments of mobile sets in the market. The income from sale of mobile sets is 30 percent of the gross income of the Corporation. The employees of the Corporation went to strike for demand of Bonus. Decide, whether the demand of the employees is tenable under the provisions of the Payment of Bonus Act, 1985. Would your answer be different if the income from sale of mobile sets is only 10 percent; of the gross income of the Corporation. [ 5 marks ]

**Ans (4)** As per section 20 of the Bonus Act, this Act does not apply to the establishment in Public Sector.

But in one case it applies to Public Sector also. When the Public Sector Sells goods, manufactured or produced by it, or provide service in competition with Private Sector, and at least 20% of its gross income is from such sale or service or both, the provision is applicable.

In the given case income from sale of mobile sets is 30% of the gross income of corporation. Hence Bonus Act will be applicable on Electronics Corporation. So, the demand of the employees is tenable.

If the income from sale of mobile sets is only 10% of the gross income of the Corporation answer will be different. In that situation demand of employees would not be tenable.

**Qn. 5.** R, a 57 years old district judge was appointed by the Central Government as Presiding Officer of the Employee's Provident Funds Appellate Tribunal for a period of five years, After three years, he (R) resigns from his office and ceases to work with immediate effect without, handing over the charge to his successor, who was not appointed by the Government till that date. Examine the validity of R's action to cease work under the provisions of the Employee's Provident Funds and Miscellaneous Provisions Act, 1952. [ 5 marks ]

**Ans(5)** The Presiding Officer may, by notice in writing under his hand addressed to the Central Government, resign his office; Provided that the Presiding Officer shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a

person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.

In view of the above provisions, R's resignation cannot be effective with immediate effect. He has to hold his office at least three months or until another person is appointed in his place, whichever is earlier.

**Qn. 6.** S is employed in Golden ice-cream factory, a seasonal establishment. The factory was in operation for four months only during the financial year 2009-10. S was not in continuous service during this period. However, he has worked only for sixty days. Referring to the provisions of the payment of Gratuity Act, 1972 decide whether S is entitled to gratuity payable under the Act. Would your answer be the same in case S works for 100 days? [ 5 marks ]

**Ans(6)** Section 4 of Gratuity Act says that the gratuity shall be payable to an employee on the termination of his employment AFTER he has rendered continuous service for not less than 5 years. If the employee is employed in a seasonal establishment, he shall be deemed to be in continuous service if he has ACTUALLY WORKED for not less than 75% of no. of days on which the establishment was in operation during such period.

In the given case :

Number of operative days in Golden ice-cream factory =  $4 \times 30 = 120$  days

Number of days worked by S = 60 days.

Required no. of days = 75% of 120 = 90 days.

Since number of days worked by S is less than the required days, he is not eligible for gratuity.

If days worked is 100 days instead of 60 days he will be eligible for gratuity.

**Qn. 7.** J held 100 partly paid up shares of LKM Limited. The company asked him to pay the final call money on the shares. Due to some unavoidable circumstances he was unable to pay the amount, of call money to the company. At a general meeting of the shareholders, the chairman disallowed him to cast his vote on the ground that the articles do not permit a shareholder to vote if he has not paid the calls on the shares held by him. J contested the decision of the Chairman. Referring to the provisions of the Companies Act, 1956 decide whether the contention of J is valid. [ 5 m ]

**Ans. 7** According to Sec 181 of the Companies Act, 1956, the Articles of a company may provide that a member shall not exercise any voting right if any calls are due on his shares or in regard to which the company has exercised any right of lien.

In the present case J failed to make payment of calls and also articles of the company do not permit a shareholder to vote if he has not paid the calls on the shares held by him. Therefore the contention of the Chairman of the meeting is correct and J's contention is invalid.

**Qn. 8.** The object clause of the Memorandum of Association of RST Limited authorizes to publish and sell text-books for students. The company, however, entered into an agreement with Q to supply 100 laptops of worth Rs. 5 lac for resale purposes. Subsequently, the company refused to make payment on the ground that the transaction was ultra-vires the company. Examine the validity of the company's refusal for payment to Q under the provisions of the Companies Act, 1956. [ 5 marks ]

**Ans.8. DOCTRINE OF ULTRA-VIRES** - Ultra-Vires means "Beyond Power". The acts done beyond the legal powers are the ultra-vires acts. A company is allowed to carry on these acts, which are specified in object clause of MOA. But those are the maximum acts, which a company may carry on. If any act is done beyond the object clause, the act shall be wholly void and null. Even the consent of all members of company cannot RATIFY an act, which is ultra-vires the object of company.

MOA of a company are the "public documents". Anybody dealing with the company is expected to have the knowledge of MOA. If a person enters into any contract, which is ultra-vires, he cannot sue the company on that contract. The effect of an ultra-vires act is that neither the company nor any other person can sue on an act which is ultra-vires. (Ashbury Railway Carriage and Iron Co. Ltd. Vs Riche)

In this question, the object clause of MOA of RST. Ltd., authorizes to publish and sell text books for students, the company however entered into an agreement with Q to supply 100 laptops of worth Rs. 5 lacs. for resale purpose. Therefore contract to buy laptops for the purpose of reselling is ultra virus and neither the company nor Q can enforce the contract.

But suppose Q has delivered laptops to the company and those laptops are still with the company, and after refusal of payment by the company, Q can take back the laptops from the company.

**Qn. 9.** K, a member of MNO Limited, appoints L, as his proxy to attend the general meeting of the company. Later he (K) also attends the meeting. Both K (the member) and L (the proxy) voted on a particular resolution in the meeting. K's vote was declared invalid by the chairman stating that since he has appointed the proxy and L's vote has been

considered as valid. K objects to the decision of the Chairman. Decide, under the provisions of the Companies Act, 1956 whether K's objection shall be taxable. [ 5 marks ]

**Ans. 9** As per Sec 176(1) of the companies Act, 1956, right of members to vote in person supersedes rights conferred by grant of proxy. Where a member who has given proxy also votes, the vote of member is valid and vote of proxy is to be rejected. However mere presence of a member doesn't imply revocation of proxy appointed by him. Hence in the present case K(the member) appointed as his proxy to attend general meeting. Later he also attends the meeting. K and L both attended the meeting and voted of which chairman declared K's(member) vote as invalid which is not in accordance with law.

**Qn 10.** Explain 'MCA 21 Program' introduced by the Government, of India to develop computerized environment, for company law. How does it serve the interest of all the stakeholders of a company, corporate professionals and the public at large? [ 5 marks ]

**Ans 10.**

Under the Companies Act, 1956 there are various documents which are required to be filed with the Registrar of Companies at various point of time. For example, Form No. 1A for checking availability of Name, Form no.1 for declaration for registration of a company, Form No.18 for notice situation/change of registered office of the company, Filing of Memorandum, Annual return etc. Earlier all this documents were filed physically with the Registrar of companies. According to section 52 of the Companies Act these documents are either submitted personally or by post. But after introduction of MCA 21 project almost all the documents can be filed electronically with ROC. Web address for the same is [www.mca.gov.in/MCA21/inded.html](http://www.mca.gov.in/MCA21/inded.html).

This project is initiated by Ministry of company affairs and carried out under the national e-governance programme of the Government.

This programme serves the interest of all the stakeholders as follows :

- 1) **Company** : Can file almost all the documents electronically. Even payment of registration fees and stamp duty can be made online. This will save lot of paperwork, time and money of more than 6 lakhs companies registered in our country.
- 2) **Corporate Professional**: will be able to offer efficient services to their company clients.
- 3) **Public at Large** : As per companies act, General public have access to many document filed with ROC. Earlier to inspect these documents or to get a certified copy, one need to go to ROC office. But now one can easily access all these documents online. Also redressal of grievances has become faster.
- 4) **Financial Institutions** : can easily find charges created on properties before granting finance to the company.

## PART—II

**Answer all the questions.**

**Qn. 11 (a)** What is meant by Corporate Governance ? Explain the benefits of Good Corporate Governance. [5 marks]  
**(b)** Explain the concept of Green Accounting system. [ 5 marks ]

**Ans. 11 (a) : Meaning-** Corporate governance is about promoting corporate fairness, transparency and accountability. It is concerned with structures and processes for decision making, accountability, control and behaviour at the top level of organisations. It influences (i) The organisation's objectives (ii) risk monitoring (iii) performance optimisation.

**Definition** : Corporate Governance can be defined "as the formal system of accountability and control for ethical and socially responsible organisational decisions and use of resources".

**Accountability** is related to how well the content of workplace decision is aligned with the organisations stated strategic direction.

**Control** involves the process of auditing and improving organisational decisions and actions.

**Applicability** The need of good 'Corporate Governance arises in all categories of Indian Companies,

- (i) **Public sector units (PSUs)** where the government is the dominant share holder and the general public holds minority stake.
- (ii) **Multi national companies (MNCs)** where the foreign parent is the dominant shareholder.

- (iii) **Domestic business groups** where the promoters (with their friends & relatives) are the dominant shareholders, government owned financial institutions holds a comparable stake and the balance is held by the general public.

**Scope :** Corporate Governance arrangements are key determinants of an organizations relationship with the worlds. It encompasses the following aspects:

- (i) The power given to management and control over management's use of power
- (ii) Management's accountability to stakeholders;
- (iii) The formal and informal processes by which stakeholder's influence management decisions.

**Ans. 11 (b) Green accounting systems :** conventional accounts may result on policy decisions which are non - sustainable for the country. Green accounting on the other hand/ is focused on addressing deficiencies in conventional accounts with respect to the environment.

Environmental cost reflecting in the prices paid for goods & services, so as to adjust the market behaviour in a way that would reduce damage to environment, pollution and waste production. Price signed will influence the behaviour to avoid exploitation or excessive utilization of natural esources and such resources, would facilitate the approach of polluter pay principle. Removal of subsidies which encourages environment damage is another measure.

**Qn. 12** Explain the various safeguards that should be adopted for overcoming threats faced by an accounting and finance professional. [ 5 marks ]

**Ans. 12** Effective safeguards are required to check unethical behaviour. Thus safeguards shall

- (i) ensure an ethical environment.
- (ii) eliminate or reduce the threats to an
- (iii) acceptable level,
- (iv) increase the likelihood of identifying or deterring unethical behaviour. Safeguards may be created by the —
  - 1. Finance & Accounting Profession, legislation and Regulation, or
  - 2. Business firms employing the professional.

**1. Finance & Accounting Profession Legislation and Regulation :**

- (i) Educational training & experience requirement for entry into the profession.
- (ii) Continuing professional development requirement
- (iii) Corporate governance, regulations.
- (iv) Professional standards.
- (v) Professional or regulatory monitoring and disciplinary procedures.
- (vi) External review by a legally empowered third party of the reports, returns, communication or information produced by concerned professionals.

**2. Safeguards in the Work Environment:**

- (i) Employing organizations systems of corporate oversight
- (ii) Employing organizations ethics & programs.
- (iii) Recruitment procedures in the employing organization emphasizing the importance of employing high caliber competent staff
- (iv) Adequate internal control system Appropriate disciplinary processes
- (v) Policies & procedures to implement and monitor the quality of employee performance.
- (vi) Ethical leadership
- (vii) Policies & procedures to empower & encourage employees to report unethical practices to seniors without fear.
- (viii) Timely communication of the company's policies and procedures and appropriate training and education on such polices and procedures.

**Qn. 13** State with reasons whether the following statements are correct or incorrect : [ 2 ½ x 2 = 5 marks ]

- (i) Corporate Social Responsibility is closely linked with the principles of substainable development.
- (ii) A good environmental practice improves corporate performance.

**Ans. 13 (i)** Corporate Social responsibility refers to an entity's responsibility towards society. Corporate social responsibility mainly focuses on the upliftment of resources of the society in return of various benefits enjoyed by the society. An entity uses the resources of the society with a view to safeguard the resources for future generations hence corporate social responsibility is closely linked with the principles of sustainable development.

(ii) Good environmental practice refers to maintenance of healthy working environment in the entity by maintaining a ethical, professional environment for working a corporate entity. By maintaining a standard working environment performance can be optimized.

### **PART – III**

**Answer All the questions.**

- Qn. 14 (a)** Explain the functions of interpersonal communication. [ 5 marks ]  
**(b)** The statutory meeting of PQR Limited was held on 20th January, 2010 at its registered office at Kolkata. As a secretary of the company, draft the minutes of the statutory meeting of the shareholders of the company. [ 5 marks ]

**Ans. 14 (a)** Interpersonal communication is important because of the functions it achieves. Whenever we engage in communication with another person, we seek to gain information about them. We also give off information through a wide variety of verbal & non-verbal cues.

**Ans. 14 (b)**

**FERGUSAN COLLEGE THRIFT AND CREDIT  
CO-OPERATIVE SOCIETY (FCTCCS)  
CHENNAI  
MINUTES OF EXECUTIVE COMMITTEE MEETING**

HELD IN : BOARD ROOM  
ON : 10<sup>th</sup> SEPTEMBER, 2006  
AT : 3.30 P.M.

**PRESENT :**

Mr. GOURAB GUPTA	Chairman
Mr. RAJARAM TIWARI	Director, Finance
Mr. SHARAD AGRAHARI	Director, Personnel
Ms. ANUMITA SINGH	Director, Production
Mr. KAMLESH PATHAK	Director, Marketing
Mr. RAMASWAMI IYEAR	Nominee, Director
Mr. SUJOY ROY	Company Secretary

**DECISIONS TAKEN :**

- (i) The minutes of the meeting held on 27<sup>th</sup> April, 2006 were approved.
- (ii) The loan application for Rs. 50,000 received from Mr. Raja Ram Tiwari, Mr. Kamlesh Pathak and Ms. Anumita Singh were considered and loan granted.
- (iii) Mr. Sharad Agrahari moved That a dividend of Rs. 10 per equity share, subject to income tax are recommended by the Directors for the year 2005-06.  
The motion was seconded by Ms. Anumita Singh which was unanimously accepted.
- (iv) Mr. Kamlesh Pathak moved and Mr. Ramasway Iyer seconded the following, 'That the resignation of Mr. Pankaj Agarwal, the treasurer of the society be considered.  
The move was however rejected and the resignation not considered.
- (v) On the motion of Ms. Anumita Singh it was resolved that Annual General Meeting of the society be held on 24th of November 2006. The meeting ended with a vote of thanks to the chair.
  - Sujoy Roy  
Company Secretary

**Qn. 15.** The Board of Directors of RSP Limited agrees with X to hire his (X's) fiat at NO1DA on lease for ten years @ Rs. 20,000 per month for marketing office of the company. You are a senior executive of the Board and the board asks you la prepare the lease deed for the agreement. Draft a lease deed. [ 5 marks ]

**Ans. 15.**

THIS LEASE is made on this the day of....., between ....., S/o....., aged about years, residing at ..... (hereinafter called the LESSOR); which expression shall, whenever the context so requires or admits mean and include his/her heirs, executors, Administrators " and permitted assignees of the ONE PART; and ..... son of :..... aged about..... years presently a ..... residing at:..... and Herein after called the LESSEE Whereas, the lessor is the absolute owner of the property ..... (more fully described in the schedule

hereunder and hereinafter referred to as 'Schedule Property') and Whereas, the Lessee is desirous of taking on lease the Schedule property for a period of..... from today and, whereas, the Lessor is agreeable for the same.

NOW THEREFORE THIS DEED WITNESSETH that in pursuance of aforesaid agreement and in consideration of the hereinafter contained, the Lessor hereby demises by way of lease who Lessee the Schedule Property a period of..... From today, on the following terms and conditions:

1. That the lessee has undertaken to pay the lessor a monthly rent of Rs...../ (RUPEES..... ONLY) for the Scheduled Property on or before the.....day of the following calendar month, and.... Months rent of Rs..... (RUPEES deposit by the lessee on the date of execution of this lease; the receipt where of the lessor hereby acknowledge and agrees to repay the same without interest at the time of vacating the Scheduled Property, after deduction for damages, if any.
2. The lease shall commence from the..., day of... and shall be in force for a period of.....
3. The lessee shall use the Scheduled Property only for residential purpose and shall not assign or sublease or use the Scheduled Premises for any unlawful purposes or after the Scheduled Property without the consent of the lessor in writing.
4. During the lease period, the lessee shall pay the electricity and water charges to the respective departments promptly and obviate disconnection at any time.
5. The lessee shall permit the lessor or his agents, to enter the Scheduled Property at all reasonable times for the purpose of periodical at all reasonable times for the purpose of periodical inspection.
6. The lessor shall pay the building tax whenever the same shall fall due.
7. The Leassor hereby covenants with the Lessee that the Lessee paying the rent hereby stipulated and performing the conditions and covenants herein, shall quietly and peacefully hold posses and enjoy the scheduled property during the said term of lease, without any interruption and disturbance either from the lessor or any body claiming under her.
8. Termination of the lease
9. Handing over the premises to the lessor

#### Schedule

.....Squares of house bearing No., at.....measuring East to West .....M. North to South.....

M and bounded on:

East by: .....

North by:.....

West by:.....

South by:.....

Fixtures provided by the Lessor -

Fans - Nos.

Geysors- Nos

In Witness whereof the parties hereto have their respective hands and seals to this agreement on the day, month, year first written above.

Witness

1. LESSOR

2. LESSEE

**Qn. 16.** State the contents that are required for drafting an Annual Report of a Company. [ 5 marks ]

**Ans. 16.**

#### **ABC Limited**

Minutes of 3<sup>rd</sup> AGM of the company held at the Registered office on 28<sup>th</sup> of September 2007 at 4 P.M.

#### **Present**

Mr. Manoj Kumar; Chairman

Mr. Ram Shanker Das; MD

Mr. Raj Kumar; Director

Mr. Shyam Sunder; Director

Mr. Keshav Gupta; Director and 30 Members present in person and 5 Members present in prosy.

(Whose name are given in the attached list)

1. **Chairman** : Pursuant to Article of the Articles of Association, the Chairman of the Board of directors being present took the chair.
2. **Quorum** : After satisfying himself that there was adequate quorum, the Chairman declare the meeting to be only constituted and commenced the proceedings.
3. **Welcome** : The Chairman welcomed the members for the company's Annual General Meeting.
4. **Register of Directors' Shareholdings** : The Chairman informed the members that the Register of Directors' Shareholders maintained under Section 307 of the Act was available at the meeting inspection by any member till the conclusion of the meeting.



5. **Notice of Meeting** : With the consent of the members, the chairman said that the notice sent members calling the Annual General Meeting along with the other document had been taken as read.
6. **Chairman's Speech** : The Chairman addressed the members and apprised them about the working of the company during the year under review and the general economic scenario of the country and of the international situation and also the prospects of the company is future.
7. **Report and Accounts** : The Chairman proposed:  
"That the audited Balance Sheet of the company as on 31<sup>st</sup> March, 2001, and the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2001, with the Reports of the Directors' and the Auditors thereon, be received, approved and adopted."

This was seconded by Mr ..... a member.

The Chairman then invited members to speak on the motion. Mr. .... a member said that he was happy that the Company has turned out improved turnover and profits during the year under review. He added, however, that there were certain areas of expenses, which he said had increased substantially during the year under review and he cautioned the management to take note of the situation, Some members, namely, Mr..... Mr..... and Mr..... while praising the Directors on the good performance of the company, asked them to consider issue of bonus shares without delay.

After having given an adequate opportunity to the members to give their views on the working of the company, the Chairman replied to all the queries raised by members and assured them that the Boss would give careful consideration to the matter of issue of bonus shares after the Company had completed the ongoing modernisation projects. The Chairman the put the motion to vote on a show of hands and declared the motion as having been passed without opposition.

#### **Declaration of Dividend**

The following motion was proposed by Mr. .... and seconded by Mr.....

"Pursuant to the recommendation of the Board of Directors of the Company, the dividend in respect of the year ended 31<sup>st</sup> March, 2001 on the equity shares of the Company at the rate of Rs. 5.00 (Rupees five only) per share (50%), be paid to those shareholders of the Company whose names appear on the Company's Register of Members on ..... or their mandate."

Several members welcomed the proposal and requested the Chairman to increase the quantum of dividend at least from the next year. The Chairman put the motion to vote on a show of hands and declared the same to have been carried unanimously.

The meeting closed with a vote of thanks to the Chair.

Dated ..... 2007.

Chairman.