

### Question 1

*State the various components which are required to draft a partnership deed.*

### Answer

**Components of the Partnership Deed:** A Partnership Deed is divided into different paragraphs. Each paragraph deals with relevant and related information in simple and intelligible language. If a particular part is not applicable in a particular case that part is omitted from the document. The important components in general are as following:-

- Heading of the document
- Date and place of execution of the document
- Names & description of Parties
- Recitals
- Terms and condition
- Special rules
- Jurisdiction
- Signature of the parties
- Signature of the witnesses

The Deed must be executed on a stamp paper of prescribed value. The copy of the deed must be sent to the Registrar of Partnership Firms along with the prescribed form duly completed for issue of acknowledgement by the Registrar of Firms. All subsequent changes must be notified to the Registrar.

### Question 2

*Draft a 'Power of Attorney' by subscribers of Memorandum of Association of the Company authorising a Chartered Accountant to appear before the Registrar of Companies to do the needful for the purpose of incorporation of the company.*

**Answer**

**Before Registrar of Companies:** We the subscribers of the Memorandum and Article of Association of the Proposed Company, hereby authorize to present the memorandum of Article of Association and other connected documents for the registration of the said company before the registrar of companies, Karnataka, Bangalore and to make such corrections/Alterations/deletions/Additions as may be required to be done by the Registrar in the documents and also to receive the certificate of incorporation.

**General Power of Attorney:** Know we all men by their present we do hereby appoint and constitute.....son of.....(hereinafter called "chartered Accountant" who has subscribed his signature hereunder in token of identification) presently residing.....to my lawful Chartered Accountant in our name and on our behalf do it any one or all the following acts, deeds, things namely

1. to give all particulars necessary for incorporation of company.
2. to give affidavit to the Registrar of Company for the purpose of incorporation.
3. to do needful acts necessary for incorporation of the company
4. he is authorized to include promissory notes letter of declaration and indemnity for the purpose of incorporation.
5. to receive documents on behalf of the members of the company.
6. to sign forms, documents and papers required for the purpose of incorporation of the company.

Dated .....at this the ..... day of .....

(address)

Specimen signature of the Chartered Accountant above named

Notary Public

**Question 3**

*Draft a 'Power of Attorney' by an assessee authorizing a professional to appear before the Income Tax Authorities in respect of the pending taxation matter.*

**Answer**

**Power of Attorney to appear before Income Tax Authorities**

I, .....S/o....., R/o.....and partner of the firm M/s.....with registered office at....., do hereby appoint Mr....., S/o....., R/o.....as attorney of the firm above named and authorize him for the purpose hereinafter mentioned :

1. That the said attorney shall appoint an advocate of his choice and hand him over the judgement of the tribunal of Income Tax and instruct him to file the appeal against the order, for the Assessment Year .....

2. That the said attorney shall execute Vakalatnama to the Advocate appointed by him and shall sign all the related papers under the supervision of the advocate.
3. That specimen signature of the said attorney is given below of this deed.
4. The said attorney shall generally do all other lawful acts necessary for the conduct of the said case.

I hereby declare that the acts done by the said attorney in connection with the work given to him shall be deemed to have been done by me and shall be binding on the firm and its partners.

IN WITNESS WHEREOF I have signed this power of attorney in the presence of the following witnesses:

Signature  
(Holder of Power of Attorney)

WITNESSES:

- 1.....
- 2.....

**Question 4**

*M/s. Assure Investments, a firm of partners A and B, appoint and authorize Mr. X giving powers to sell and sign transfer deeds for transfer of shares and debentures by executing an instrument of the "Power of Attorney". Draft such instrument of the "Power of Attorney" of the firm.*

**Answer**

Power of Attorney to execute a deed for the transfer of shares & debentures:-

BY THIS POWER OF ATTORNEY, M/s. Assure Investments (full details), the firm hereby appoints Mr. X (full details) as Attorney of the firm, to act in his name and on his behalf and to do or execute all or any of the acts or things relating to transfer of shares and debentures, that is to say:

1. To receive from.....(Full details), the transferee the sum of ₹.....(Rupees..... only) being the price agreed to be paid to the firm by the said transferee for the purchase of (full description of shares and debentures) under an agreement dated.....and to give proper receipt and discharge for the same.
2. To execute a transfer deed of the said shares and debentures
3. To present the said transfer deed for registration before the proper registration authority, to admit the execution thereof, to do all acts, deeds and things which may be necessary for registering the said transfer deed.

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4. To execute or to do all acts, things or deeds or assurance for the completion of the transfer of the said shares and debentures.

AND, the firm DO HEREBY AGREE to ratify all acts, things, deeds or proceedings lawfully done by the said Attorney on behalf of the firm and in the name of the firm by virtue of this power of attorney and the same shall be binding on firm in full force or effect.

IN WITNESS WHEREOF the firm have executed this power at .....this.....day of.....20.....

Witness: 1 \_\_\_\_\_  
2 \_\_\_\_\_

Signature  
(Executant)

### Question 5

*Explain lease deed.*

### Answer

A lease is defined under Section 105 of the transfer of enjoyment of immovable property by the lesser to the lessee in consideration of a premium that means a price paid or promised on rent that may be periodical payment of money, share of crops or rendering of services. In order to constitute the valid lease, there must be a transfer of right to enjoyment of immovable property through delivery of possession of the property. However, this is not a condition precedent for operation of a lease. The term of lease including the period of lease, amount of rent etc. are contained in a leased agreement or deed duly executed and signed by both the lesser and lessee.

### Question 6

*The Board of Directors of RSP Limited agrees with X to hire his (X's) flat at NOIDA on lease for ten years @ ₹ 20,000 per month for marketing office of the company. You are a senior executive of the Board and the board asks you to prepare the lease deed for the agreement. Draft a lease deed.*

### Answer

**Lease Deed:** This Lease is made on this the day of 01 March 2010, between, X s/o Y, aged about 45 years, residing at Noida (hereinafter called the LESSOR); which expression shall, whenever the context so requires or admits mean and include his heirs, executors, Administrators and permitted assignees of the one part;

And RSP Limited, Noida and herein after called the LESSEE Whereas, the lessor is the absolute owner of the property Noida (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 10 years and , whereas, the Lessor is agreeable for the same.

Now therefore this deed witnessed that in pursuance of aforesaid agreement and in consideration of the rent hereinafter contained, the Lessor hereby demises by way of lease who Lessee the Schedule Property for 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 ₹ 20,000/- (Rupees twenty thousand only) for the Scheduled Property on or before the 10 day of the following calendar month, and 10 months rent of ₹ 2.00 lac only deposit by the lessee on the date of execution of this lease; the receipt where of the lessor hereby acknowledges and agrees to repay the same without interest at the time of vacating the Scheduled Property, after deducting for damages, if any.
2. The lease shall commence from the 1<sup>st</sup> April 2010 and shall be in force for a period of 10 years.
3. The lessee shall use the Scheduled Property only for official purpose and shall not assign or sublease or use the Scheduled Premises for any unlawful purposes or alter 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 inspection.

**Schedule:**

1500 Squares of house bearing No. 56 at Noida measuring East to West 50 eter North to South 30 eter and bounded on: East by: Road, West by: Road, North by: Plot No. 55, South by: Plot No. 57.

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

**Question 7**

*Explain Affidavit and its model format.*

**Answer**

**Affidavit**

An affidavit is a written statement used mainly to support certain applications and in some circumstances as evidence in court proceedings. A person who makes the affidavit is called the Deponent and must swear or affirm that the contents are true before a person who has the

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authority to administer oaths in respects of the particular kind of affidavit. The model form of affidavit is given below:

I..... son of ..... aged .....  
years, residing at .....  
hereby declare an oath as follows:  
"  
.....  
.....  
.....  
.....  
....."  
....."Sworn on this .....the day of  
.....  
Date:..... Signature  
Place:.....

**Question 8**

*What is an Indemnity Bond? Supply a format for Indemnity Bond.*

**Answer**

**Indemnity Bond**

A contract of indemnity as defined under Section 124 of the Indian Contract Act, 1872 is a contract by which one party promises to save the other from laws cost to him by the contract of the promissory himself or by the contract of any other person. A person who gives the indemnity is called indemnifier and a person for whom protection is given is called the indemnity holder. The model form of indemnity bond is given below:

Name of the Assessee:  
P.A.N. No. Assessment Year:  
I. .... son/ wife/ daughter of ..... Resident of ..... do hereby  
agree to indemnify the Government of India for any loss that may occur on giving credit for the  
Certified Photostat copies of the TDS Certificates/ ...../...../  
..... for a sum of Rs..... being ... % of my share in the total TDS of ₹ .....  
of ..... I further declare that the credit for consolidated TDS Certificate  
was not claimed in the hands of the Association of  
Persons,.....  
Date: Signature:  
Place:

**Question 9**

*Mr. A has not received a dividend warrant of ₹ 1,500 for 150 shares of XYZ Ltd. Draft an indemnity bond, to be given to the company for seeking release of Dividend.*

**Answer**

**Indemnity Bond**

Mr. A S/o ..... resident ..... do hereby agree to indemnify the XYZ Ltd. for any loss that may occur for seeking release of dividend for 150 shares of ₹ 1500.

I further declare that personally I have not received the dividend warrant in question.

Mr. A

Date:

Signature

Place:

**Question 10**

*SVA Limited dispatched Bonus Share Certificate to Mr.R.R did not receive the Bonus Share Certificate as it was lost in the transit. R applied to the company to issue the Bonus share certificate in duplicate. SVA Limited asked Mr. R to submit an Indemnity Bond so that Bonus Share Certificate in duplicate may be issued to him. Draft an Indemnity Bond to be given by R to the company for seeking release of Bonus Share Certificate in duplicate.*

**Answer**

**Indemnity Bond**

Mr. R S/o X resident of Mumbai do hereby agree to indemnify the SVA Limited for any loss that may occur for seeking release of Bonus Share Certificate in duplicate of 50 equity shares of Rs.10 each fully paid. I further declare that personally I have not received the Bonus Share Certificate issued by the company for which the company is claiming that it has already been despatched.

Date.....

Place: Mumbai

Signature

(Mr. R)

**Question 11**

*Write a short note on: Gift deed*

**Answer**

**Gift deed:** The law relating to gifts is provided for in the Transfer of Property Act, 1882 and Indian Succession Act, 1925. Gift is defined as the transfer of certain movable or immovable

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property made voluntarily and without consideration by one person called the donor to another called the donee and accepted by or on behalf of the donee. A gift to be valid must be accepted by the donee during the life time of the donor. Registration of a gift of immovable property is compulsory and that of movable property is optional.

### Question 12

*Draft a 'Gift Deed' assuming your own facts regarding parties and subject matter relating to gift.*

### Answer

#### Gift Deed

THIS DEED OF GIFT made on this 15<sup>th</sup> day of May 2014 BETWEEN 'X' an Indian aged about 70 years, son of 'A' resident of .....(hereinafter called "the Donor") of the one part AND 'Y' an Indian aged about 30 years, son of 'B', resident of .....(hereinafter called "the Donee") of the other part :

WHEREAS the Donor has no issue and the donee is the nephew of the Donor and has been living with him since childhood in the house owned by Donor.

AND WHEREAS the Donor out of natural love and affection for his said nephew, is desirous of making a gift of the said house to the donee.

NOW THEREFORE THIS DEED WITNESSETH as follows :-

1. That in consideration of natural love and affection of Donor for the Donee, the donor hereby voluntarily transfers to the Donee free from all encumbrances whatsoever of the said house with all rights of easements, privileges appurtenant thereto and to hold the same unto the donee absolutely forever.
2. That the Donor or his heirs shall have no interest in the said house hereafter.
3. That the Donee hereby accepts the said transfer made by the Donor.
4. That the value of the said house is Rs. 5,00,000/- (Rupees Five Lakhs only).

IN WITNESS WHEREOF the parties hereto have signed this deed at .....in presence of the witnesses on the day and year first hereinabove written.

SIGNED AND DELIVERED

By the within named "Donor"

In the presence of.....

1).....

2).....



SIGNED AND DELIVERED

By the within named "Donee"

In the presence of.....

1).....

2).....

**Question 13**

*J desires to gift out her flat in Mumbai in City Cooperative Society registered under the Maharashtra Cooperative Societies Act, 1960, to her brother A. Stating the legal requirements to be complied with, draft a Gift Deed. Take your own data regarding date, flat no., floor area etc.*

**Answer**

**Drafting of Gift Deed:**

This Deed of gift is made of.....on this.....day of.....2007. Between..... an Indian.....inhabitant residing at flat No., Cooperative Housing Society Ltd.....(city), hereinafter called 'The Doner' of the one part and , also an Indian inhabitant of (City).....Residing at ..... at.....(city) herein after called there 'Donee of the other part. Whereas the Donee .....is the..... of donor.....and whereas the Doner is the member of ..... society which is duly registered under Maharashtra Cooperative Societies Act, 1960. The donor has 5 fully paid shares of the said society. The donor has acquired a flat No. .... on the .....floor and measuring:.....sqr. mtr. In the building situated at..... (city)

Whereas the Donor has full right title and in last in their said shares/flat more particularly described in this schedule.

And whereas the donor desired to gift his right, title and interest in the said share/flat in the said building of the said society described in the schedule hereunder written to the Donee hereto.

The Donor out of natural love and affection for the donee hereby transfer by way of gift his right title and interest in the said shares and the flat absolutely forever.

The Donee accept the gift and agrees to hold that right title and interest of the Donor in said shares/flat of the societies.In the interest whose of the parties hereto have here under set and subscribed their respective hands on the day and the year.

Signed and Delivered

In the presence of.....

1. ....

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2. ....

Signed and Delivered:

By the named Donee.

In the presence of.....

1 .....

2. ....

### Question 14

*X desires to gift his flat to Y. Draft a gift deed.*

### Answer

This Deed of Gift is made at---- (city) on this ----- day of ----- 2010 between X and Y an Indian inhabitant residing at flat No. ----- Floor, ----- Coop. Housing Society Ltd. ----(city) hereinafter called "THE DONOR" of the ONE PART and ----- also an Indian inhabitant of----- (city), residing at flat no. ----- floor ----- Coop. Housing Society Ltd. -----(city), hereinafter called" THE DONEE" of the OTHER PART.

WHEREAS the Donee Y is the ----- ( Relative) of Donor X .

AND WHEREAS the Donor is the member of ----- society which is duly registered under the Maharashtra Coop. Societies Act 1960, (hereinafter referred to as "the said society"). The donor has five fully paid up shares of the said society. The donor has acquired a flat No. ----- on the ----- floor and measuring ----- sq. meters. In the building known as "----" (hereinafter referred to as the "said building") situate at ----- (City), (hereinafter referred to as "the said flat") more particularly described in the Schedule hereunder written "said society").

WHEREAS the Donor has full right title and interest in the said shares/flat more particularly described in the Schedule hereunder written.

AND WHEREAS the Donor desires to gift his right, title and interest in the said shares/flat in the said building of the said society more particularly described in the Schedule hereunder written to the Donee hereto.

NOW THIS DEED OF GIFT WITNESSETH AS FOLLOWS:

The donor out of natural love and affection for the Donee, hereby transfers by way of gift his right, title and interest in the said shares and the said flat more particularly described in the Schedule hereunder written to the Donee absolutely for ever.

The Donee accepts the gift and agrees to hold the right, title and interest of the donor in the said shares/flat in the said building of the said society more particularly described in the Schedule hereunder written of the said flat from the Donor.

Schedule of property above referred to:

IN WITNESS WHEREOF the parties hereto have hereunder set and subscribed their respective hands on the day and the year first herein above written.

SIGNED AND DELIVERED

By the within named "Donor"

In the presence of -----

1) -----

2) -----

SIGNED AND DELIVERED

By the within named "Donee"

In the presence of

1) -----

2) -----

#### Question 15

*State the contents that are required for drafting an Annual Report of a Company.*

#### Answer

The following are the main contents are required for drafting an annual report of a company.

1. Leadership team : including top Management.
2. Directors report
3. Financial Statements - Balance Sheet and Profit and Loss Account including Auditors report
4. Corporate social responsibility
5. Graphs

### Exercise

1. *What is a deed?*

**Answer Deed:** The Legal Glossary defined 'deed' instrument in writing (or other legible representation or words on parchment or paper) purporting to effect some legal disposition. Simply stated deeds are instruments though all instruments may not be deeds. However, in India no distinction seems to be made between instruments and deeds.

2. *Explain partnership deed.*

**Answer:** A partnership firm may be constituted either by oral agreement or a written agreement. A written agreement of partnership or partnership deed is preferred as it minimizes the challenges of disputes and ambiguities in future. The model form of partnership is given below:

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In form, deed can be seen as comprising of the following components:

1. Date
2. Names of Partners
3. Preamble
4. Recitals
5. Attestation
6. Custody
7. Special Rules

The Deed must be executed on a stamp paper of prescribed value. The copy of the deed must be sent to the Registrar of Partnership Firms along with the prescribed form duly completed for issue of acknowledgement of firm. All subsequent changes must be notified to the Registrar.