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TEST-7

CA INTERMEDIATE

CORPORATE AND OTHER LAWS

Topics Covered:

Full Syllabus

QUESTION PAPER BOOKLET NO. 7092022

(25-09-2022 3:00 P.M. TO 6:00 P.M)

Roll No754987.....

Time allowed: 3 hours

Total No. of Printed Pages: 13

Maximum Marks: 100

GENERAL INSTRUCTIONS TO CANDIDATES

1. The Question Paper comprises two parts, Part I & Part II
2. Part I comprises Multiple choice Questions
3. Part II comprises questions which require descriptive type answers
4. Part II Question paper comprised 5 questions Answer Question No.1 which is compulsory and any 3 out of the remaining 4 questions.
5. Working notes should form part of the answer.

PART I

MULTIPLE CHOICE QUESTIONS

(1 Marks Each)

1. While making an application to the Tribunal for seeking its confirmation in respect of extinguishing the liability of ₹ 3 per equity share, Medhavi Publishers Limited has to file a certificate along with the application, that the accounting treatment proposed by it for such reduction of share capital is in conformity with the accounting standards specified in the prescribed Section. Advise the company as to who can issue such certificate?
 - (a) Any of the directors of the company as authorised by the Board may issue such certificate
 - (b) A practicing company secretary is authorised to issue such certificate
 - (c) The auditor of the company is authorised to issue such certificate
 - (d) The legal advisor of the company is authorised to issue such certificate

2. A reserve account that shall not be used by the company for any purpose other than repayment of deposits is called:
 - (a) Debenture redemption reserve account
 - (b) Deposit repayment reserve account
 - (c) Capital redemption reserve account
 - (d) Free reserve account

3. Normally no deposits are repayable earlier than _____ from the date of such deposits or renewal thereof.
 - (a) 3 months
 - (b) 6 months
 - (c) 12 months
 - (d) 1 year

4. Bhumi Real Estate Developers Limited has accepted deposits from its members. There is no default in repayment of such deposits on their maturity. The statutory amount to be deposited by the company on or before 30th April of each year in a specified account opened with its bankers, till the deposits are fully repaid is:
 - (a) Not less than 50% of the amount of its deposits maturing during the following financial year.
 - (b) Not less than 30% of the amount of its deposits maturing during the following financial year.
 - (c) Not less than 20% of the amount of its deposits maturing during the following financial year.
 - (d) Not less than 10% of the amount of its deposits maturing during the following financial year.

5. A Limited Company is accepting deposits of various tenures from its members from time to time. The current Register of Deposits, maintained at its registered office is complete. State the mandatory minimum period for which it should be preserved in good order.
 - (a) Four years from the financial year in which the latest entry is made in the Register.
 - (b) Six years from the financial year in which the latest entry is made in the Register.
 - (c) Eight years from the financial year in which the latest entry is made in the Register.
 - (d) Ten years from the latest date of entry.

6. Dream World Entertainment Limited, has accepted deposits worth ₹ 50.00 lacs from public on 1st April 2019 for a period of 24 months i.e. repayment of deposit would be made on 31st March 2021. The rate of interest payable on such deposits is 9% p.a. One of the depositors Mr. Aman requested the company on 1st June 2020 for premature repayment of his deposit of ₹ 6.00 lacs along with interest. Advise the company in the said matter.

- (a) The company can make premature repayment of deposits only with an intention to reduce the total amount of deposits to bring it within permissible limits. Hence, in the given case, the company cannot repay the deposit before the actual maturity.
 - (b) The company can prematurely repay the deposit along with interest @9% p.a. for the period of 12 months (from 1st April 2019 to 31st March 2020).
 - (c) The company can prematurely repay the deposit along with interest @8% p.a. for the period of 12 months (from 1st April 2019 to 31st March 2020).
 - (d) The company can prematurely repay the deposit along with interest @8% p.a. for the period of 14 months (from 1st April 2019 to 31st May 2020).
7. Sunet Spices Limited decides to raise deposits of 20.00 lacs from its members. However, it proposes to secure such deposits partially by offering a security worth 15.00 lacs. Which of the following options best describe such deposits:
- (a) Fully secured deposits (except a small portion)
 - (b) Unsecured deposits
 - (c) Partially secured deposits
 - (d) These cannot be classified as deposits
8. What is the maximum tenure for which a company can accept or renew deposits from its members as well as public?
- (a) 12 months
 - (b) 24 months
 - (c) 36 months
 - (d) 48 months
9. Ruchita wants to renew her deposit of ₹ 5.00 lakh with Kewal Constructions Limited before the expiry of original period for availing higher rate of interest. The fresh period, for which Ruchita is required to renew her deposit to be eligible for the higher rate shall be
- (a) One and a half times the unexpired period of original deposit.
 - (b) Double the unexpired period of original deposit.
 - (c) Six months more in addition to the unexpired period of deposit.
 - (d) Longer than the unexpired period of deposit.
10. Any person acquiring property, on which charge is registered under section 77, shall be deemed to have notice of the charge from:
- (a) the expiry of thirty days of such charge
 - (b) the date of application for registration of the charge
 - (c) the date of acquiring the property
 - (d) the date of such registration
11. An interest or lien created on the property or assets of a company or any of its undertakings or both as security is known as:
- (a) Debt
 - (b) Charge
 - (c) Liability
 - (d) Hypothecation
12. A charge was created by Cygnus Softwares Limited on its office premises to secure a term loan of ₹ 1.00 crore availed from Next Gen Commercial Bank Limited through an instrument of charge executed by both the parties on 16th February, 2019. Inadvertently, the company could not get the charge registered with the concerned Registrar of Companies (ROC) within the first statutory period permitted by law and the default was made known to it by the lending banker with a stern warning to take immediate steps for rectification. The latest date within which the company must register the charge

with the ROC so as to avoid paying ad valorem fees for registration of the charge is

- (a) 27th April, 2019.
- (b) 17th April, 2019.
- (c) 2nd May, 2019.
- (d) 16th June 2019

13. Which one of the following transactions requires the passing of an ordinary resolution?

- (a) To change the name of the company
- (b) To alter the articles of association
- (c) To reduce the share capital
- (d) To declare dividends.

14. A resolution shall be a special resolution when the votes cast in favour of the resolution by members are not less than the number of votes, if any, cast against the resolution.

- (a) Twice
- (b) Three times
- (c) Three fourth of
- (d) Two third of

15. Every listed company shall file with the Registrar a copy of the report on each annual general meeting within of the conclusion of the annual general meeting.

- (a) 7 days
- (b) 30 days
- (c) 60 days
- (d) 90 days

16. The AGM shall be called by giving 21 clear days' notice. However, it can be called by giving shorter notice if members entitled to vote at that meeting give their consent in writing or by electronic mode. In such cases how many members have to give their consent?

- (a) 75% of members entitled
- (b) 90% of members entitled
- (c) 91% of members entitled
- (d) 95% of members entitled

17. Dividend once declared, should be paid within days from the date of declaration

- (a) 14 days
- (b) 21 days
- (c) 30 days
- (d) 45 days

18. Which of the following amount need not be credited to Investor Education and Protection Fund Account (IEPF)?

- (a) Amount in unpaid dividend account (UDA) of company
- (b) Amount of matured deposits with the company
- (c) Profit on sale of asset
- (d) Amount of matured debentures with the company.

19. Amount to be transferred to reserves out of profits before any declaration of dividend is _____

- (a) 5%
- (b) 7.5%
- (c) 10%
- (d) at the discretion of the company.

20. The authorised and paid-up share capital of Avantika Ayurvedic Products Limited is ₹ 50.00 lacs divided into 5,00,000 equity shares of ₹ 10 each. At its Annual General Meeting (AGM) held on 24th September, 2019, the company declared a dividend of ₹ 2 per share by passing an ordinary resolution. Mention the latest date by which the amount of dividend must be deposited in a separate account maintained with a scheduled bank
- Latest by 29th September, 2019
 - Latest by 4th October, 2019
 - Latest by 9th October, 2019
 - Latest by 24th October, 2019
21. The Directors of Silver tongue Solutions Limited proposed dividend at 18% on equity shares for the financial year 2018-2019. The same was approved at the Annual general body meeting held on 30th September 2019. Mr. Jagan was the holder of 2000 equity of shares on 31st March, 2019, but he transferred the shares to Mr. Rajiv on 8th August 2019. Mr. Rajiv has sent the shares together with the instrument of transfer to the company for registration of the shares in his favour only on 25th September 2019. The registration of the transfer of shares is pending on 30th September 2019. With respect to the dividend declared the correct action to be taken by the company is:
- Pay the dividend to Mr. Jagan
 - Pay the dividend to Mr. Rajiv
 - Transfer the dividend in relation to such shares to the Unpaid Dividend Account
 - Transfer the dividend in relation to such shares to the Investor Education and Protection Fund.
22. The Board of Directors of Jip Rise Pharmaceuticals Limited wish to declare interim dividend in the last week of July, 2018. The company has incurred a loss during the current financial year up to the end of June, 2018. However, it is noted that during the previous five financial years i.e., 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18, the company had declared dividend at the rate of 8%, 9%, 12%, 11% and 10% respectively. Advise the Board as to the maximum rate at which they can declare interim dividend despite incurring loss during the current financial year.
- 10%.
 - 11%.
 - 10.5%.
 - 11.5%.
23. CSR Committee of the Board shall consist of:
- Directors forming 1/3rd of the total no of directors.
 - At least 2 directors out of which one shall be independent director.
 - 3 or more directors out of which one shall be managing director.
 - 3 or more directors, out of which at least 1 director shall be an independent director.
24. Provisions of CSR are applicable to:
- Companies with net worth of ₹ 250 crore or more but less than 500 crore.
 - Companies with turnover of ₹ 1000 crore or more.
 - Companies with net profit of ₹ 1 crore or more but less than ₹ 5 crore in any financial year
 - Companies having aggregate outstanding loans and deposits exceeding ₹ 50 crore or more in any financial year.
25. One Person Company shall file a copy of the duly adopted financial statements to the Registrar within:
- 30 days of the date of meeting at which it was adopted.
 - 90 days of the date of meeting at which it was adopted.
 - 90 days from the closure of the financial year.
 - 180 days from the closure of the financial year.

26. Rema formed and occupied the office of director in Rem Stationers(OPC) Private Limited which deals in manufacturing and trading of various items of stationery. Rema noticed a changed provision which mandates that from the Financial Year 2020-21 onwards, an OPC shall file its Annual Return in MGT - 7A. Rema is also one of the directors in another company which too is required to file its Annual Return in MGT - 7A. Which is that 'other company' where Rema also occupies the office of director in addition to OPC.
- That other company is a 'small company' where Rema also occupies the office of director in addition to OPC.
 - That other company is an 'associate company' where Rema also occupies the office of director in addition to OPC.
 - That other company is a 'subsidiary company' where Rema also occupies the office of director in addition to OPC.
 - That other company is a 'dormant company' where Rema also occupies the office of director in addition to OPC.
27. Ayush Power Limited has reported a net profit of ₹ 6 crore, ₹ 7.5 crore and ₹ 3 crore for the financial year(s) ended on March 2017, March 2018 and March 2019 respectively. The board's report of the company for the year ended March 2020 did not disclose the composition of the CSR Committee on the grounds that company is not required to constitute CSR committee as net profit during the immediately preceding financial year is less than the statutory requirements laid down in section 135. You are required to examine in the given scenario whether the act of non-composition and non-disclosure of the composition of CSR committee in the Board's Report is valid in law?
- No, the act of the company is not valid in law as every company is required to constitute a CSR committee and disclose the constitution of same in the board's report in every financial year irrespective of the profits earned by the company.
 - Yes, the act of the company is valid in law as the net profit of the company is less than ₹ 5 crore in the immediately preceding financial year.
 - No, the act of the company is not valid in law as composition and disclosure of composition of CSR Committee will be required only if the profits of the company are not less than ₹ 5 crore for a consecutive period of 3 financial years.
 - The act of the company is valid only to the extent of non-disclosure of the composition of CSR committee as the net profit of the company is less than ₹ 5 crore in the immediately preceding financial year.
28. During the half year ended September 2019, the board of directors (BOD) of Vidyut Manufacturing Limited has made an application to the Tribunal for revision in the accounts of the company for the financial year ended as on March 2017. Further during the year ended March 2020, the BOD has again made an application to the Tribunal for revision in the board's report pertaining to the year ended March 2019. You are required to state the validity of the acts of the Board of directors.
- The act of the BOD is valid only to the extent of application made for revisions in accounts as board's report are not eligible for revision.
 - The act of the BOD is valid as the applications made for revision in the accounts and board's report pertain to two different financial years.
 - The act of the BOD is invalid as the law provides for only one time application to be made in a financial year for revision of accounts and boards report.
 - The act of the BOD is invalid as the application made for revision in accounts pertains to a period beyond 2 years immediately preceding the year 2020. The application made for revision in the Board report is however valid in law.
29. Adani Enterprises Limited has its shares listed on a recognized stock exchange in India. During the current financial year ending on 31st March 2020, the securities and exchange board of India (SEBI) has found some irregularities in the filings made by the company. Accordingly, SEBI proposes to make an application to the Tribunal for reopening of the books of accounts of the Company. You, as an expert,

are called upon by SEBI to advise with which last financial year for reopening of books of accounts an application can be made?

- (a) 2015-2016
- (b) 2013-2014
- (c) 2010-2011
- (d) 2011-2012

30. Ganesh Company Ltd, a public company incorporated under the Companies Act, 2013 has Mr. Jay-Director, Mr. Sagar – Independent Director, Mr. Abhishek – Nominee Director and Mr. Yash – Whole time director. Mr. Abhishek wants to inspect the books of account of Shankar Company Limited, the subsidiary of Ganesh Company Limited. You are required to state whether Mr. Abhishek is eligible to inspect the books of accounts of Ganesh Company Limited?
- (a) Yes, Mr. Abhishek can inspect the books of account of Shankar Company limited only on authorization of the public financial institution on whose behalf he has been so appointed in the board of the Ganesh Company Ltd.
 - (b) No. Mr. Abhishek being a nominee director can only inspect the books of account of Ganesh Company Ltd and not its subsidiary company.
 - (c) Yes, Mr. Abhishek can inspect the books of account of Shankar Company limited only on authorization by way of resolution of the board of directors.
 - (d) Yes, Mr. Abhishek can inspect the books of account of Shankar Company limited only on authorization by way of resolution of the members holding not less than 25% of the paid up share capital of the company.

PART II

SUBJECTIVE QUESTIONS

Question 1 (a)**(6 Marks)**

MNP Limited is a registered public company having the following members :

| | | |
|-----|---|-----|
| i | Directors and their Relatives | 18 |
| ii | Employees | 26 |
| iii | Ex-Employees (Shares were allotted during employment) | 15 |
| iv | Members holding shares jointly (7 x 2) | 14 |
| v | Other Members | 137 |

The Board of Directors of MNP Limited proposes to convert the company into a private limited company. Referring the provisions of the Companies Act, 2013, advise:

- i. Whether the company can be converted into a private company?
- ii. Whether existing number of members need to be reduced for the proposed private company?

Question 1 (b) (i)**(3 Marks)**

SKIP Limited (the Company) was incorporated on 01.04.2019. The balances extracted from its audited financial statement are as given below :

| Financial Year (FY) | Net Profit before tax | Net Profit after tax (Ignore Income Tax computation) |
|---------------------|-----------------------|---|
| 2019-20 | ₹ 5.00 crore | ₹ 3.75 crore |
| 2020-21 | ₹ 7.00 crore | ₹ 5.25 crore |

The Company proposes to allocate the minimum required amount for CSR Activities to be undertaken during FY 2021-22, if it is mandatory. You are requested to advise the Company in this regard and compute the minimum amount to be allocated, if so required, taking into account the relevant provisions of the Companies Act, 2013.

Question 1 (b) (ii)**(3 Marks)**

SKS Limited issued 8%; 1,50,000; Redeemable Preference Shares of ₹ 100 each in the month of May, 2010, which are liable to be redeemed within a period of 10 years. Due to the Covid-19 pandemic, the Company is neither in a position to redeem the preference shares nor to pay dividend in accordance with the terms of issue. The Company with the consent of Redeemable Preference Shareholders of 70% in value, made a petition to the Tribunal [NCLT] to accord approval to issue further redeemable preference shares equal to the amount due. Will the petition be approved by the Tribunal in the light of the provision of the Companies Act, 2013?

Can the company include the dividend unpaid in the above issue of redeemable preference shares?

Question 1 (c)**(2+2=4 Marks)**

- (i) Ramu has given authority to Prem to buy certain goods at the market rate. Prem buys the goods at a higher rate than the market rate. However, Ramu accepted the purchase in spite of higher rate. Afterwards, Ramu comes to know that the goods purchase belonged to Prem himself. Decide, whether, Ramu is bound by ratification done ?
- (ii) Hari, authorises Bharat, a merchant in Mumbai, to recover dues from Bankey & Co., Bharat instructs Deepak, a solicitor, to take legal proceedings against Bankey & Co. for recovery of the money. Explain the legal position of Deepak, referring provisions of the Indian Contract Act, 1872, related to agency.

Question 1 (d)**(3 Marks)**

Examine the validity of the following statements with reference to the Negotiable Instruments Act, 1881.

- (i) When payment on an instrument is made in due course, both the instrument and the parties to it are discharged.
- (ii) Alteration of rate of interest specified in the Promissory Note is not a material alteration.
- (iii) Conversion of the blank indorsement into an indorsement in full is not a material alteration and it does not require authentication.

Question 2 (a) (i)**(4 Marks)**

Beauty Limited obtained a working capital loan from a Nationalized Bank against the hypothecation of Stocks & Accounts receivable of the Company. An instrument creating the charge was duly signed by the Company and the Bank. The Company is not willing to register the charges with the Registrar of Companies. In the light of the provisions of the Companies Act, 2013, discuss :

- (i) Is there any provision empowering the Nationalized Bank (charge holder) to get the charges registered?
- (ii) When can the Registrar refuse to register the charges in the present scenario?

Question 2 (a) (ii)**(2 Marks)**

ABC Ltd. has declared dividend of ₹ 2/- per equity share in the general meeting. Mr. Suresh is holding 5000 equity shares of ₹ 10 face value each, on which ₹ 10,000 towards call money is due. Whether the dividend amount payable to him be adjusted against such dues as per the provisions of the Companies Act, 2013 ? Give reasons for your answer.

Question 2 (b)**(4 Marks)**

XYZ Ltd. received a communication from Central Government for preparation of periodical financial results and complete audit or limited review of such periodical financial results. The Board of Directors have raised an objection on the ground that as, it is an unlisted company, periodical financial results need not to be prepared. Examine, referring the provisions of the Companies Act, 2013, in this regard.

Question 2 (c)**(4 Marks)**

Examine the validity of the following statements under the provisions of the Indian Contract Act, 1872.

- (i) Creditor should proceed legal action first against the Principal debtor and later against the surety.

- (ii) A guarantee which extends to a single debt / specific transaction is called continuing Guarantee.
- (iii) Variation which is not material and beneficial to the surety will not discharge him of his liability.
- (iv) If the bailee does not use the goods according to the terms and conditions of bailment, the contract of bailment becomes void.

Question 2 (d)**(3 Marks)**

Healthcare Services Limited (the Bidder), bids the tender floated by Super Care Hospital (the Tendered), attaching a cheque dated 01.04.2021 for ₹ 5,00,000/- towards earnest money deposit. Since the tender process was extended, the Tenderer returned the cheque expiring on 30.06.2021 to the Bidder for its resubmission after having revalidated by changing the date of the cheque to 01.07.2021. Accordingly, the revalidated cheque was resubmitted by the Bidder to the Tenderer. The cheque presented by the Tenderer to the banker. It was dishonoured by the bank. Examine, whether, the cheque altered with a new date shall be deemed a valid cheque binding the Bidder for payment as per The Negotiable Instruments Act, 1881?

Question 3 (a)**(5 Marks)**

As per the financial statement as at 31.03.2021 the Authorized and Issues share capital of Manorama Travels Private Limited (the Company) is of ₹ 100 Lakh divided into 10 Lakh equity share of ₹ 10 each. The subscribed and paid-up share capital on that date is ₹ 80 Lakh divided into 8 lakh equity shares of ₹ 10 each. The Company has reduced its share capital by cancelling 2 Lakh issued but unsubscribed equity shares during the financial year 2021-22, without obtaining the confirmation from the National Company Law Tribunal (the Tribunal). It is noted that the Company has amended its Memorandum of Association by passing the requisite resolution at the duly convened meeting for the above purpose. While filing the relevant e-form the Practicing Company Secretary refused to certify the form for the reason that the action of the Company reducing the share capital without confirmation of the Tribunal is invalid.

In light of the above facts and in accordance with the provisions of the Companies Act, 2013, you are requested to (i) examine, the validity of the decision of the Company and contention of the practicing company secretary and (ii) state, the type of resolution required to be passed for amending the capital clause of the memorandum of Association.

Question 3 (b)**(5 Marks)**

The Board of Directors of ABC Limited are proposing to raise funds from the public through issue of equity shares. However due to volatile financial markets, the price per share and the number of shares to be issued are left open and to be decided post closure of the issue. As a financial advisor of the company, what would you suggest to the Board in this regard as per the provisions of the Companies Act, 2013?

Question 3 (c)**(4 Marks)**

'A' draws a cheque for ₹ 5,000 in favour of 'B'. 'A' had sufficient funds in his bank account to meet it, when the cheque ought to be presented in the bank. The bank fails before the cheque is presented. 'B' wants to claim it from 'A'. Decide, whether 'A' is liable as per the Negotiable Instruments Act, 1881.

Question 3 (d)**(3 Marks)**

Explain the provision related to 'Effect of Repeal' as per the General Clauses Act, 1897.

Question 4 (a)**(3+3=6 Marks)**

- (i) ABC Private Ltd. has two wholly owned subsidiary companies, D Private Limited and E Private Limited. Examine, whether, D Private Limited and E Private Limited will be treated as related party as per the provisions of the Companies Act, 2013 ?
- (ii) Sapphire Private Limited has registered its articles along with memorandum as on 1st July 2021. The directors of the company seeks your advice regarding effect of registration of the company on the company itself and on its members.

Question 4 (b)**(2+2=4 Marks)**

ABC Limited is an unlisted company, having its registered office at Kolkata. The Annual General Meeting was held at Goa on 1st July 2021 at 3.00 PM and concluded at 8.00 PM. Consent of all the members to conduct AGM at Goa were received by 24th June 2021 by Email.

- (i) Examine the validity of the meeting as per the provisions of the Companies Act, 2013.
- (ii) State, the consequences if a resolution has passed in such meeting, without sufficient disclosure regarding interest of a director.

Question 4 (c)**(4 Marks)**

The Ministry of Corporate Affairs (MCA) published in the Gazette of India, the proposed draft of Rules further to amend certain rules under the Companies Act, 2013. The MCA made some modifications in the draft Rules already published. In the light of the provisions of the General Clauses Act, 1897, answer the following :

- (i) Is it required for MCA to publish a draft of the proposed Rules?
- (ii) In case of any irregularities in the publication of the draft, can it be questioned?
- (iii) Is MCA entitled to make suitable changes in the draft?
- (iv) Is it necessary to re-publish the Rules in the amended form when the changes made are ancillary to the earlier draft?

Question 4 (d)**(3 Marks)**

Does an explanation added to a section widen the ambit of a section ?

Question 5 (a)**(5 Marks)**

HD Software Private Limited is engaged in the business of providing software service. The company appointed its statutory auditors. The engagement letter was signed with a clause that fee to be mutually decided. However, the remuneration was not finalized. Directors of the company seeks your advice for provisions related to remuneration of directors as per the provisions of the Companies Act, 2013.

OR

ABC & Co, Chartered Accountants, are statutory auditors of Moon Exports Limited. In an inquiry, it is proved that 'A', one of the partner of the firm has acted in fraudulent manner and colluded in fraud to its partners. Explain the consequences of such act under the provisions of the Companies Act, 2013.

Question 5 (b) (i)**(3 Marks)**

Mr. Ram, a shareholder of PQR Ltd., has made a request to the company for providing a copy of minutes book of general meeting. Whether, the shareholder of a company is entitled to receive a copy of minutes book ? Explain, provisions of the Companies Act, 2013.

Question 5 (b) (ii)**(2 Marks)**

Explain, the provision relating to 'Credit Rating' which an 'Eligible Company' should follow to raise public deposits as per the Companies Act, 2013.

Question 5 (c)**(4 Marks)**

Mr. Truth deposited 100 bags of ground-nut in the factory of Mr. False for safe keeping. Mr. False mixed the ground-nut bags with the others ground-nut bags in the factory with the consent of Mr. Truth and consumed it to produce edible oil.

- (i) Whether Mr. Truth is entitled to claim his share in the edible oil produced under the provisions of the Indian Contract Act, 1872?
- (ii) What will be the consequences in case the ground-nut bag were mixed without the consent of Mr. Truth under the above said Act?

Question 5 (d)**(3 Marks)**

What is the effect of proviso? Does it qualify the main provisions for the enactment? Explain it with reference to Interpretation of Statutes.

SPACE FOR ROUGH WORK