

6. The appointment of Director of the Serious Fraud Investigation Office shall be made by –
- (a) The Central Government (b) Registrar
(c) Inspector (d) The Tribunal
7. An investigation into the affairs of a company may be initiated even if –
- (a) An application has been made u/s 240
(b) Any proceeding for winding up of the company is pending before the Tribunal
(c) Either (a) or (b) or both
(d) None of these
8. Where the certificate of registration of a person is cancelled, any foreign contribution and any assets created out of such foreign contribution which are in his custody, shall vest in ____.
- (a) The Court
(b) The Bank concerned
(c) Such authority as may be prescribed
(d) The person concerned
9. Statement (1) : An arbitral award shall be made in writing.
Statement (2) : In arbitral proceedings with more than one arbitrator, any decision of the arbitral tribunal shall be made by a majority of all its members.
Statement (3) : In arbitral proceedings with more than one arbitrator, the signatures of the majority of all the members of the arbitral tribunal shall be sufficient so long as the reason for any omitted signature is stated.
- (a) Only one of the above Statement is correct
(b) Only two of the above Statements are correct
(c) All the above Statements are correct
(d) None of the above statements is correct
10. Any act or proceeding of SEBI ____ invalid by reasons of ____.
- (a) Shall not be ; any irregularity in procedure of SEBI affecting the merits of the case
(b) Shall be; any irregularity in procedure of SEBI not affecting the merits of the case
(c) Shall not be ; any vacancy in SEBI or any defect in the constitution of SEBI or any defect in the appointment of a member.
(d) Shall be; any vacancy in SEBI or any defect in the constitution of SEBI or any defect in the appointment of a member

11. Giant Ltd. prepare a scheme by which an offer is made to the shareholders of Small Ltd. to acquire their shares. Such offer shall remain open for a period of _____.
(a) 6 months (b) 4 months (c) 2 months (d) 1 months
12. Where the majority shareholders make an offer to the minority shareholders of the company to buy the equity shares held by minority shareholders and the minority shareholders of the company agree to sell the minority shareholding to the majority shareholders, the majority shareholders shall deposit in a separate bank account an amount equal to the value of shares of the minority shareholding determined in accordance with the prescribed rules. The amount deposited in the bank account shall be disbursed to the entitled shareholders within _____.
(a) 7 days (b) 15 days (c) 30 days (d) 60 days
13. The provisions relating to class action application shall not apply to –
(a) Banking companies
(b) Insurance companies
(c) Companies engaged in providing infrastructural facilities
(d) All of these
14. The registered valuer shall be appointed by _____.
(a) The audit committee (b) The Board
(c) Either (a) or (b) (d) None of these
15. A company may file an application to the Registrar for removing its name from the register of companies only if the company is authorized by –
(a) A special resolution
(b) Consent of members holding 75% paid – up share capital
(c) Both (a) and (b)
(d) Either (a) or (b)
16. The Director is conducting an inquiry as to whether ABC Bank has fulfilled its obligations under section 12. As the Director is of the opinion that such case is complex in nature, he directs ABC Bank to get its records audited by a Chartered Accountant. The Chartered Accountant who can conduct such audit shall be the one who is ---
(a) Included in the panel of accountants, maintained by Central Government
(b) Included in the panel of accountants, maintained by the Reserve Bank of India
(c) A Chartered Accountant who has been in continuous practice for 10 years or more
(d) A Chartered Accountant who has been in continuous practice for 15 years or more
17. Every reporting entity shall maintain a record of all transactions for a period of _____ from the date of transaction between a client and the reporting entity.
(a) 8 years (b) 6 years (c) 5 years (d) 3 years

18. While determining as to whether a person is a resident in India or not, the period for which he has resided in India in the is to be considered.
- (a) Current financial year (b) Current calendar year
(c) Preceding financial year (d) Preceding calendar year
19. The liquidator shall receive or collect the claims of creditors within a period of ____ from the date of the commencement of the liquidation process.
- (a) 3 days (b) 7 days (c) 14 days (d) 30 days
20. Where an order of winding up of a company is passed by the Tribunal, the directors and officers of the company shall, within ____, submit to the liquidator, the books of account of the company duly ____ upto the date of the order of the Tribunal.
- (a) 60 days; completed (b) 30 days; completed and audited
(c) 60 days; completed and audited (d) 30 days; completed
21. Every foreign company shall exhibit outside every office or place where it carries on business in India, the name of the foreign company, the country of incorporation and the fact that the liability of members is limited. Such particulars shall be conspicuously exhibited in _____.
- (a) Legible English characters
(b) Legible characters of one of the local languages
(c) Both (a) and (b)
(d) None of these
22. Where the Central Government is a member of a Government company, it shall, within ____ of the AGM of that Government company, cause to be prepared an annual report on the working and affairs of that Government company.
- (a) 1 months
(b) 2 months
(c) 3 months
(d) 6 months
23. Any member of the Tribunal or Appellate Tribunal may resign from his office by sending his resignation addressed to _____.
- (a) The Tribunal (b) The Appellate Tribunal
(c) The Central Government (d) Registrar
24. Statement (1) : While disposing of any proceeding or appeal filed before it, the Tribunal and the Appellate Tribunal shall be bound by the procedure laid down in the Code of Civil Procedure, 1908.
- Statement (2) : While disposing of any proceeding or appeal filed before it, the Tribunal and the Appellate Tribunal shall have the power to regulate their own procedure.

- (a) Only statement (1) is correct
(b) Only Statement (2) is correct
(c) Both the Statements are correct
(d) None of the Statement is correct
25. On dissolution of the Company Law Board, every officer or employee who had been appointed on deputation basis and who fulfills the qualifications and requirements under the Companies Act, 2013, shall _____.
- (a) Become officer or employee of the Tribunal or the Appellate Tribunal
(b) Stand reverted to his parent cadre, Ministry or Department
(c) Either (a) or (b)
(d) Both (a) and (b)
26. Carrying on of business by any association or partnership is not prohibited even if the object of the association or partnership is the acquisition of gain and the association or partnership is not registered as a company under the Companies Act, 2013 or any law for the time being in force, if the association or partnership consists of _____ or less.
- (a) 200 persons (b) 100 persons (c) 50 person (d) None of these
27. A Nidhi shall not admit _____ as a member.
- (a) Anybody corporate (b) Any trust (c) A minor (d) All of these
28. While granting the recognition to a stock exchange, the Central Government may impose a condition that the Central Government shall be empowered to appoint its representatives, _____, on the stock exchange.
- (a) Not exceeding 3 (b) Not exceeding 5
(b) Not exceeding 7 (d) None of these
29. In case of issue of specified securities through book building process, where an issuer decides to opt for price band instead of floor price, the cap of the price band shall be less than or equal to _____ of the floor of the price band.
- (a) 120% (b) 125% (c) 150% (d) None of these
30. A person who is, or has been, _____ in the Ministry or Department of the Central Government or any equivalent post in the Central Government or State Government is qualified for appointment as a Technical Member of the Securities Appellate Tribunal.
- (a) A Secretary (b) An additional Secretary
(c) Either (a) or (b) (d) None of these

Question 2:

(A)

On the complaint of Mr. Kamlesh Gupta, after enquiry SEBI finds that Mr. P. Mehta a Chief Executive Officer of the Company, on the basis of unpublished price sensitive information, has indulged in the trading of the securities of that company. Explain, on the basis of the said finding, **what action SEBI can take against Mr. P. Mehra under the Securities and Exchange Board of India Act, 1992.**

(5 marks)

(B)

The Board of Directors of APCO Limited a listed company for carrying out the valuation of the immovable properties standing in the name of the company as required under the provisions of the Companies Act, 2013 proposes to appoint Mr. Mehta, an individual as the valuer. Referring to the provisions of the *Companies Act, 2013 read with the Companies (Registered Valuers and Valuation) Rules, 2017*, **the Audit Committee is of the opinion that the Board of Directors does not have the right to appoint the valuer. Decide.**

(5 marks)

Question 3:

(A) Mr. RG is a practicing Chartered Accountant and having 15 years of professional experience. Can he be appointed as Technical Member of National Company Law Appellate Tribunal as per section 411 of the Companies Act, 2013 ? Will your answer be different, if he is appointed as **Technical Member of National Company Law Tribunal ?**

(6 marks)

(B) Sarva Kalyan Morcha, an organisation pursuing a definite social programme, is in receipt of \$ 5,000 from a charitable trust in Canada. Whether it amounts to contravention of the **Foreign Contribution (Regulation) Act, 2010** ? Give reasons in support of your answer and refer to relevant provision.

(4 marks)

(C) Anil moves an application for setting aside the arbitral award on the ground that he was not given a proper notice of the arbitral proceedings and thereby not being able to present his case. He furnishes sufficient proof and pleads before the court that he received the arbitral award just 15 days back,

Decide with reasons –

(i) Whether Anil will succeed in his prayer, and

(ii) Whether the law of limitation will be a bar in his case.

(5 marks)

(D)

The Board of Directors of IBC Consultants Limited, registered in Maharashtra, proposes to hold the next **board meeting** in the month of May, 2019. They seek your advice in respect of the following matters:

(i) Can the board meeting be held in Delhi through video conferencing, when all the directors of the company reside at Maharashtra?

- (ii) Is it necessary that the notice of the board meeting should specify the nature of business to be transacted? **(5 marks)**

Question 4:

(A)

Shitiza has recently started her articleship with a reputed CA firm. Her first assignment involves understanding the working of stock exchange and the transactions related thereto. Since she is a part of your team, your manager has assigned you with the responsibility to make sure that Shubhangi is aware of the basic terms relating to securities market. In view of the **Securities Contract (Regulation) Act, 1956**, brief your teammate about the following terms –

I) Option in securities

II) Derivative

(2 marks x2 = 4 marks)

- (B)** M/s ITK Limited was wound up with effect from 15th March 2018 by an order of the Court. Mr. A, who ceased to be a member of the company from 1st June 2017, has received a notice from the liquidator that he should deposit a sum of Rs. 5,000 as his contribution towards the liability on the shares previously held by him. In this context explain whether **Mr. A can be called as a contributory, whether he can be made liable and whether there is any limitation on his liability.** **(6 marks)**

- (C)** Robertson Ltd. is a company registered in Thailand, Although, it has no place of business established in India, yet it is doing online business through telemarketing in India.

Whether it will be treated as **a Foreign Company** under the Companies Act, 2013 ? Explain. **(4 marks)**

(D)

The financial creditor, Mr. Raman, was an investor and a debenture holder of '**Optionally Convertible Debenture Bond (OPDB)**' payable on maturity, was issued by the M/s Asset Ltd. (corporate debtor). The zero interest OCD bonds amounted to 2 crore matured in 2016. The liability to redeem the debentures on maturity along with a redemption premium lay on the debtor, which was not made. Mr. Raman filed the **Corporate Insolvency resolution process before the NCLT**. Advise in the light of the given facts, the following situations:

- (i) State whether Mr. Raman is eligible for filing of application for initiation of CIRP?
- (ii) Do the redemption of debenture payable on the maturity date amounts to debt? **(6 marks)**

Question 5:

(A)

Mr. Fraudulent has been arrested for a cognizable and non – bailable offence punishable for a term of imprisonment for more than three years under the **Prevention of Money Laundering Act, 2002**. Advise, as to how can he be released on bail in this case ? **(5 marks)**

(B)

A group of members of XYZ Limited has filed a petition before the Tribunal alleging various acts of **oppression and mismanagement** by the majority shareholders of the company. The Petitioner group holds 12% of the issued share capital of the company. During the pendency of the petition, some of the petitioner group holding about 5% of the issued share capital of the company wish to disassociate themselves from the petition and they along with the other majority shareholders have submitted before the Tribunal that the petition may be dismissed on the ground of non- maintainability. Examine their contention having regard to the provisions of the Companies Act, 2013. **(4 marks)**

(C)

Answer the following with reference to the provisions of the **FEMA, 1999-**

- (i) Mr. Bharat, a person resident in India can remit amount to his son Arjun residing in USA, to buy immovable property there.
- (ii) Mr. Raghav, a resident of India went to Australia for a business deal. He realised foreign exchange for bearing expenses while staying there for the business purpose. After maturing the deal, he returned back to India. Mr. Raghav was left with certain unused foreign exchange. He retained the foreign exchange with him for future use. **(4 marks)**

(D)

In the context of judicial rulings in the matter of **merger**, answer the following:

Whether transferor company is justified in excluding assets held on lease and license arrangement, from those transferred to the transferee company? **(7 marks)**

Answer 6:

(A)

Rudraksh Ltd., a public company, was incorporated for supply of solar panels for the emerging project of government for construction of highways. However, the said project did not turn up for two years due to some legal implications. During the said period, no any significant accounting transaction was made and so the company did not file financial statements and annual returns during the last two financial years. In the meantime, the **Board proposed for Mr. Ram & Mr. Rahim to be appointed as an Independent Directors** for their independent and expertise knowledge and experience for better working and improvement of financial position of the company.

Evaluate in the light of the given facts, the following legal position:

- (i) Comment upon the accountability for non- filing of financial statements and annual returns for last two financial years of the Rudraksh Ltd.
- (ii) Nature of the proposal for an appointment of Mr. Ram & Mr. Rahim in the Rudraksh Ltd. for improvement of the company. **(8 marks)**

(B)

RST Ltd. is a securitization and reconstruction company under SARFAESI Act, 2002. The certificate of registration granted to it was cancelled. State the authority which can cancel the registration and the right of RST Ltd. against such cancellation.

(4 marks)

(C)

State the types and functions of the various committees constituted under the SEBI (LODR) Regulations, 2015 ?

(8 marks)