

Attempt any four Case Studies out of five. Each Case Study carries 25 Marks.

Case Study 1

(A) A Corporate Insolvency Resolution process, under the Insolvency and Bankruptcy Code 2016 was initiated by M/s Anand Limited as a Corporate Debtor. The company was in default to its creditors and the assets were insufficient to meet the liabilities of the company.

Attempts to resolve the insolvency of the corporate debtors failed and in the last, it was decided to go for liquidation of the company. The balance sheet and additional information of Anand Ltd. are given below:

Key Financial Information:

Data	Amount (₹ In crore)	Data	Amount (₹ In crore)
Equity Share Capital	10,590	Land & Building	15,500
Preference Share Capital	3,700	Fixtures & Fittings	2,400
Term Loan	1,600	Stocks In Trade	690
Working Capital Loan	1,300	Debtors	500
Unsecured Financial Creditors	1,100	Other current Assets	570
Government dues	500	Cash	110
Workman dues	290	Accumulated Losses	2,150
Employee Liability	340		
Operational Creditors	<u>2,500</u>		
	21,920		21,920

Additional Information:

Creditors

- (1) Term loan is secured against fixed charge on land & building and fixtures & fittings. SBI with an ₹ 700 crore term loan outstanding has first charge on the assets and ICICI with ₹ 500 crore outstanding has second charge on the assets and HDFC with ₹ 400 crore outstanding has third charge on the assets.

- (2) Working capital loan is provided by Canara Bank and secured against a floating charge on debtors and stock in trade of the company.
- (3) Unsecured financial creditors include a Director Mr. Ravindra who owns 5% of the share capital of M/s Anand Limited with an outstanding loan due to him of ₹ 60 crores.

Other Liabilities:

- (1) Workman dues represents amount payable for the period of 24 months preceding the liquidation commencement date.
- (2) Employee liability includes ₹ 15 crore is outstanding for employees for a period of 12 months.
- (3) Last three years of tax assessment pending total demand raised by the department is ₹ 400 crore which is accepted by the company. This has not been included in the balance sheet, but reflected as a contingent liability only.

Fixed Assets & Other Assets:

- (1) Land & Building realized 60% of book value and there would be a cost of ₹ 180 crore in realizing the assets.
- (2) Fixtures & fittings would realize 40% of book value, net of any realization cost. Stock, debtors & other current assets would realize 55% of book value.

Other information:

- (1) Based on the amount realized & distributed, the cost of liquidation is computed to be ₹ 150 crores.
- (2) The pending insolvency period cost was ₹ 85 crore, mainly including interim funding, remuneration of the IP and other such costs as permitted under the Code.
- (3) The secured creditors have decided to relinquish their security interest to the liquidation estate and receive proceeds from the sale of the liquidation assets by the liquidator as per provisions laid under the Insolvency and Bankruptcy Code, 2016.

You are required to find out following with reference to the relevant provisions laid under the Insolvency and Bankruptcy Code, 2016:

Multiple Choice questions (MCQs):**(2 x 5 = 10 Marks)**

1. Whether IBC is applicable to person resident outside India:
 - (a) No, IBC is not applicable to a person resident outside India.
 - (b) Yes, IBC is applicable to a person resident outside India.
 - (c) IBC is applicable to a person outside India with the prior approval of the Board.
 - (d) IBC is applicable to person resident outside India as well as to foreign persons.

2. Which of the following is a related party?
 - (a) A person controlling more than 30% of voting rights in Corporate Debtor.
 - (b) A person controlling more than 20% of voting rights in Corporate Debtor.
 - (c) A person controlling more than 25% of voting rights in Corporate Debtor.
 - (d) A person controlling more than 10% of voting rights in Corporate Debtor.

3. Can Civil Court enter into the matters of IBC?
 - (a) Yes
 - (b) No
 - (c) With approval of IBBI
 - (d) With approval of AA

4. Who shall declare a moratorium:
 - (a) Insolvency Professional
 - (b) Insolvency Professional Agency
 - (c) Adjudicating Authority
 - (d) Insolvency and Bankruptcy Board of India

5. Who shall receive the notice of meeting of committee of creditors:
 - (a) Only the members of committee of creditors.
 - (b) Members of committee of creditors, members of suspended Board of Directors and operational creditors in case their aggregate dues is not less than ten percent of debt.
 - (c) Members of the committee of creditors, operational creditors in case their aggregate dues is not less than ten percent of debt and special invitees.
 - (d) Members of the committee of creditors and special invitees.

Descriptive questions**(Total 15 Marks)**

Q.1 What would have been the constitution of the Committee of Creditors and what would have been the voting share of each of the members of the committee?

(5 Marks)

Q.2 Calculate Total value realized by liquidator along with detail Working.

(5 Marks)

Q.3 Order of Priority with Notes indicating the relevant section of the Code.

(5 Marks)**Case study 2**

Mr. Manish Shah is a civil engineer working in Ahuja constructions as project manager having high aspirations in life. He has high dream about his career and hence left his job and started his own business along with his colleague Mr. Ravi Kumar in the form of private limited company named 'Apna Aashiyana Private Limited'. Both Mr. Manish and Mr. Ravi are the directors of said company.

Mr. Ravi Kumar has tremendous knowledge of Management as he was working as general manager in Ahuja Constructions earlier and hence he has been assigned responsibility of management in 'Apna Aashiyana Private limited'. On behalf of Apna Aashiyana Private Limited, he met various Investors to raise requisite amount for funding initial projects. As house prices are very high, the company is targeting lower income group by selling affordable houses under scheme named 'Apna Makaan'. Due to amazing skill Mr. Ravi Kumar able to attract Investor Mr. Sunder to invest capital of INR 2 crore in Apna Aashiyana Private Limited. Mr. Karan Shekhawat friend of Mr. Sunder also agreed to invest in Apna Aashiyana Private Limited INR 1.5 Cr which he has earned out of Drug Trafficking which is in the Knowledge of Mr. Ravi Kumar.

Enforcement Directorate got the information about Drug trafficking business of Karan Shekhawat and after investigation arrested Mr. Karan Shekhawat and his wife Mrs. Ranjana under the Prevention of Money Laundering Act.

Project 'Apna Makaan' has to be constructed in three phases out of which Phase 1 comprises of 44 apartments in total area of 560 Square Meters.

Land for project 'Apna Makaan' purchased from Mr. Vikram for INR 75 lacs. Mr. Manish Shah on the request from Mr. Vikram, to make payment of INR 75 lacs entirely by account payee cheque in favour of Abhinandan Private Limited; instead of Mr. Vikram. Mr Sanjay, an employee of Abhinandan Private Limited did not like such arrangement and hence made complain of this transaction to concerned authority. After few days, Mr. Vikram received the show cause notice from office of Assistant Commissioner of income tax, to show cause why should provision of Prohibition of Benami Property Transaction Act, 1988 not applied to him.

'Apna Makaan' is targeting lower income segment group and hence under this project, affordable housing will be made and architected in such a manner that there will be fresh air ventilation and rooms will remain largely unaffected by external weather, especially in summers and will also be in accordance to vastu requirements. For expertise on space management, 'New Build Consultancy' an architect firm was hired. New Build Consultancy raised a bill of US \$ 5500 on Apna Aashiyana Private Limited.

Each apartment is designed in identical unit of 1 BHK flat and since said apartments are part of affordable housing scheme, hence sale price of each 1 BHK flat will be kept at INR 15 Lacs which is far less than existing Market Price. The estimated cost as of now of entire project will be about INR 5 crores.

Soil testing, legal aspects in reference to Municipal Corporation of city, agreement with fund provider, maintaining escrow account and selection of vendors etc. had been done in mean time, in order to meet expected project delivery date 15th July 2020.

Hari Om Real Estate Agent is a property advisor. Hence, Hari Om Real Estate Agent was appointed as authorized real estate agent for project 'Apna Makaan', on 18th February, 2020. Hari Om Real Estate Agent has filed an application with authority for registration. However, even after expiry of specified period no communication made by Appropriate authority to Hari Om Real Estate Agent.

Hari Om Real Estate Agent started advising their clients about the affordable houses and within first five days identified 5 clients, who offered advance to book the apartments under Project 'Apna Makaan'. Advance collected was deposited into current account of Apna Aashiyana Private Limited.

Application for project approval was moved to Real Estate Regulatory Authority on

24th January, 2020 along with necessary details and prescribed fees, by Apna Aashiyana Private Limited. Project Apna Makaan got nod from Real Estate Regulatory Authority on 24th feb, 2020.

Apna Aashiyana Private Limited began the construction from 26th Feb, 2020. On 24th June, 2020 Company forced to suspend its project due to severe cyclone in the area of construction of 'Apna Makaan'. Due to such suspension company is expecting certain delay in completion of the project.

Multiple Choice questions (MCQs):

(2 x 5 = 10 Marks)

1. How much can be the maximum amount of consultancy charges which can be remitted by Apna Aashiyana Private Limited without RBI approval, presuming it is infrastructure project:
 - (a) US \$1,000
 - (b) US \$ 10,000
 - (c) US \$ 100,000
 - (d) US \$ 10,000,000

2. What is the Maximum amount Promoter can accept for each flat of project 'Apna Makaan' as Advance Money from buyer without entering into agreement for sale in the above case?
 - (a) 2 Lacs
 - (b) 1.5 Lacs
 - (c) 3 Lacs
 - (d) 5 lacs

3. How much Maximum extension can be granted to Apna Aashiyana Private limited for project Apna Makaan for delay occurred due to cyclone
 - (a) 2 years
 - (b) 3 years
 - (c) 1 Year
 - (d) 6 Months

4. What will be the status of Application of Hari Om Real Estate Agent?
 - (a) It will be deemed to be Rejected
 - (b) It will be deemed to be Accepted
 - (c) It will be held in abeyance
 - (d) None of the above

5. In the above situation who has committed offence of Money Laundering?
- (a) Mr. Karan Shekhavat
 - (b) Mr. Ravi Kumar
 - (c) Both i.e. Mr. Karan Shekhavat and Mr. Ravi Kumar
 - (d) None of the above

Descriptive Questions

(Total 15 Marks)

- Q.1** Is act of Apna Aashiyana Private Limited, was offering apartments at prices lower than prices prevailing in market. Examine whether the said situation will be considered as predatory bidding under the Competition Act, 2002.
(5 Marks)
- Q.2** Whether Payment made to Abhinandan Private limited instead of Mr. Vikram is a benami Transaction? What is the Quantum of Penalty under Prevention of Benami Property Transactions Act, 1988?
(5 Marks)
- Q.3** How bail can be granted to Mr. Karan Shekhawat and his wife Mrs. Ranjana. Kindly Answer In detail Along with Legal Provision.
(5 Marks)

Case Study 3

Mr. Manish Jain, running a reputed jewellery shop titled as M/s. Kamlesh Jewelers in Kandivali at Mumbai. He has two daughters Reshma and Renu and also has three sons Amit, Tushar and Sanjay. Due to Long business history he has gained name in the industry and customers from far and near came to his shop to purchase gold ornaments, gold coins and other items made of gold and silver. He then thought of expanding his business and thereby purchased a new shop at bandra in Mumbai. The payment of ₹ 4 crore was made by cheque and title deeds of the property were registered in his name after making payment of appropriate stamp duty.

The eldest son Mr. Amit managed the jewellery shop in Kandivali while the second son Mr. Tushar helped him in new shop opened at Bandra. The youngest son Sanjay was undergoing a two-year jewellery designing course from Manchester Metropolitan University, UK.

Mr. Manish Jain was desirous of purchasing a residential property in Oberoi Towers,

in a high-end area of Bandra, Mumbai. For this purpose, he engaged a property dealer and within a month was able to finalise a house on ground floor. It was registered in his name and payment towards purchase consideration, stamp duty etc. to the extent of ₹ 7.20 crore was made by cheque. After purchasing the property he felt content and happy that he was the owner of a property which was situated in a prime area of Bandra. He spent some funds in renovating the Property, furnished it properly and thereafter gave it on lease to a nationalized bank for the purpose of Guest House where bank's officials visiting Mumbai could be accommodated.

During the course of the years, he accumulated lots of funds which he wanted to invest safely with a view to earn higher returns. He, therefore, consulted his close friend Mr. Ramesh Gupta who was a practicing lawyer. He advised him to purchase properties in UP or Rajasthan because investment in properties was a safe bet and over a period of time it would give higher returns also. Mr. Ramesh Gupta also told Mr. Manish regarding existence of the Benami Transactions (Prohibition) Act, 1988 which was recently renamed as the Prohibition of Benami Property Transactions Act, 1988 (PBPT Act). The re-naming of the Act was done by enacting the Benami Transactions (Prohibition) Amendment Act, 2016 with effect from 1st November, 2016. He also apprised him of that benami transaction provisions were attracted to any property, shares, debentures, fixed deposits and bank accounts if they were held by one person for another who actually paid for the transaction. Anyway, he purchased a plot in Bangalore for ₹ 65 lacs in the name of his wife Mrs. Kalyani by paying lesser amount of stamp duty as a relaxation was given to the women. Mr. Manish Jain also interested to expand real estate and construction business. In order to build a land bank in various parts of India that were likely to see commercial development and anticipating a future upward trend in land prices in various parts India . Mr. Manish Jain hired the services of Mr. Mahesh to assist in the process of acquisition of lands.

Manish Jain issued a detailed offer letter to Mr. Mahesh for purchase of around 30 acres of land at the maximum price of ₹ 10, 00,000/- per acre in different parts of India within a period not exceeding five years. The said offer was accepted by Mr. Mahesh by a letter of acceptance. Upon exchange of offer and acceptance, a legally binding and valid contract came to be force between Manish Jain and Mr. Mahesh.

Mr. Mahesh received from Manish Jain a sum of ₹ 2 Crore as a loan/advance for the purchase of lands as specified in the contract between the parties. Mr. Mahesh purchased various movable and immovable properties with the funds received from

Manish Jain. Since all the funds could not be directly invested in land as required by the contract, investments were made by Mr. Mahesh by himself or through his company in purchase of immovable property, including land, built-up residential and commercial buildings, etc. and Investment in fixed deposits in name of Mr. Mahesh and PQR Limited(95% shareholding by Mr. Mahesh) also investment in movable property including bank balance and few vehicles.

In the meantime Director of Enforcement initiated *suo moto* proceedings under the Prevention of Money Laundering Act, 2002(PMLA) and registered a complaint under Sections 3 and 4 of the PMLA against such property of Mr. Mahesh under the Prevention of Money Laundering Act, 2002.

Multiple Choice Questions

(2 x 5 = 10 Marks)

1. In the case of alleged property after the conclusion of trial for the scheduled offence the attachment of property becomes final. The Adjudicating Authority after giving an opportunity of being heard to the person concerned, made an order confiscating such property. After an order of confiscation what will happen to the attached properties after conclusion of trial for the scheduled offence?
 - (a) The order of attachment of property will become final
 - (b) The Property will be released and equivalent amount of cash will be obtained
 - (c) The attachment of the property and net income, if any, shall cease to have effect.
 - (d) All the rights and title in such property shall vest absolutely in the Central Government free from all encumbrances.

2. In what circumstances a letter of request to contracting state u/s 57 cannot be issued?
 - (a) examine facts and circumstances of the case
 - (b) forward all the evidence so taken or collected to the Special Court issuing such letter of request
 - (c) take such steps as the Special Court may specify in such letter of request
 - (d) None of the above

3. Benami Property is -
- (a) any property which is not the subject matter of a benami transaction.
 - (b) any property which is the subject matter of a benami transaction and also includes the proceeds from such property.
 - (c) any property which is not the subject matter of a benami transaction and also does not include the proceeds from such property.
 - (d) None of the above
4. A person who finances the deal in respect of benami property:
- (a) is not the beneficial owner of the property
 - (b) is the beneficial owner of the property
 - (c) is not the possessor of the property
 - (d) None of the above
5. Beneficial Owner is -
- (a) a person, whether his identity is known or not, for whose benefit the benami property is held by a benamidar.
 - (b) a person, who is benamidar and holds the property.
 - (c) Both (a) and (b)
 - (d) person who is valid legal holder of the property.

Descriptive Questions

(Total 15 Marks)

- Q.1** Can the property purchased by Mr. Manish Jain in the name of his wife Mrs. Kalyani be considered as 'Benami Property'? Justify.
(5 Marks)
- Q.2** Discuss the power of Director of Enforcement related to property of Mahesh involved in money laundering under PMLA and also specify the Procedure to exercise such Power.
(5 Marks)
- Q.3** Explain the extent of punishment can be levied on Mahesh under PMLA and also specify what is the time limit to file appeal against such punishment.
(5 Marks)

Case Study 4

Kanzra Kysco, a company incorporated and listed in South Korea, is inter-alia engaged in the business of manufacturing and sale of steel products, automotive parts and fuel cell systems. Kanzra Kysco present in India through its subsidiaries, i.e. Kanzra Kysco India Private Limited. Kanzra Kysco India Private Limited a company incorporated in India, is engaged in the business of supply/distribution of processed steel sheets to automobile original equipment manufacturers (OEMs), or their vendors.

Kanzra Steel, a company incorporated and listed in South Korea, is an integrated iron and steel mining company inter-alia engaged in manufacture and sale of various steel products such as steel bars, steel beams, hot and cold rolled steel and plates. Kanzra Steel's presence in India is largely limited to the supply of certain raw materials to Kanzra Kysco India Private Limited.

Kanzra Kysco and Kanzra Steel contemplates a merger. The proposed combination under Section 5 of the Competition Act, 2002 relates to the merger of Kanzra Kysco into Kanzra Steel as a result of which Kanzra Kysco would cease to exist and Kanzra Steel will be the surviving company. Both Kanzra Kysco and Kanzra Steel belong to the Kanzra Automobiles Group of South Korea.

Mr. Inder and Mr. Sunder are promoter directors of India Exports Limited (another Subsidiary of Kanzra Kysco), having registered office in Jammu, is engaged in the export of software products to various countries in the world. One of the customer in U.S. to whom the company exported certain products failed to pay the amount due for these exports resulting into non-repatriation of amount to India. The Adjudicating Authority on coming to know about this, levied a penalty on the company under the provisions of the Foreign Exchange Management Act, 1999. The Company has sought advice on the followings:

- (a) Relevant provisions for realization of export amount and its timeline.
- (b) Timeline to surrender the realized foreign exchange under the Act.
- (c) Cases where realization and repatriation enjoy exemption.

Later, the company settled the amount for 50% with the customer and the amount was transferred through Hawala to India. The money so received was partly used by the company to part finance it's office building in Mumbai. During search in the premises of Hawala businessman, some documentary evidence was captured by the search officer and based on which, the Adjudicating Authority appointed under the Prevention

of Money Laundering Act, 2002 issued an order attaching the office of the company alleged to be involved in scheduled offence of money laundering Mr. Prabhat, one of the employee was sent to Japan to develop a software program on deputation for 2 years. He earned a sum of US\$ 3000 as a honorarium.

Ms. Lilly, the daughter of Mr. Inder is an air hostess with the British Airways and flies for 12 days in a month and thereafter takes a break for 18 days. During the break, she accommodated at 'base', which is normally the city, outside India where the airways are headquartered. However, for security considerations, she was based on Mumbai, during the current financial year and was accommodated at Mumbai for more than 182 days.

Multiple Choice Questions

(2 x 5 = 10 Marks)

1. The residential status of Ms. Lilly for the current financial year under FEMA would be:
 - (a) Non-Resident irrespective of her citizenship.
 - (b) Resident irrespective of her citizenship.
 - (c) Non-Resident since she is British citizen.
 - (d) Resident though she is British citizen.
2. Mr. Prabhat can retain the honorarium earned by him on deputation to the extent of US \$:
 - (a) 3000
 - (b) 2000
 - (c) 1000
 - (d) Nil
3. Which of the following as per the Competition Act, 2002 refers to any agreement to sell goods on condition that the prices to be charged on the resale by the purchaser shall be the prices stipulated by the seller unless its clearly stated that the prices lower than those prices may be charged?
 - (a) exclusive distribution agreement
 - (b) exclusive supply agreement
 - (c) resale price maintenance
 - (d) tie-in arrangement

4. Abuse of dominance by a dominant enterprise arises_____.
- (a) if the enterprise imposes unfair or discriminatory condition in purchase or sale of goods or service
 - (b) if the enterprise imposes condition to grow business
 - (c) if the enterprise makes a sizeable profit in its activities
 - (d) if the enterprise is a price leader
5. Two Enterprises _____.
- (a) can be in a dominant position at the same time
 - (b) cannot be in a dominant position at the same time
 - (c) can be dominant only if they merge
 - (d) can be dominant only if one acquires the other

Descriptive Questions

(Total 15 Marks)

Q.1 As Legal Advisor of Kanzra Kysco India Private Limited, advise the Chairman of your Company, who is seeking your advice, regarding threshold of combination as prescribed under Competition Act, 2002.

(5 Marks)

Q.2 Merger notice under Section 6(2) of the Competition Act, 2002 has been received by Competition Commission of India. Assuming yourself as the Chairman of Competition Commission of India, state the factors that need to be considered while determining the above combination whether such merger is likely or not likely to have an appreciable adverse effect on competition in India?

(5 Marks)

Q.3 Answer the following with reference to the provisions of the Foreign Exchange Management Act, 1999 (FEMA):

- (a) The FEMA extends to the whole of India. Examine and advise India Export Ltd. as they have registered office in Jammu. (2 Marks)
- (b) The realized foreign exchange is to be surrendered within the period specified under the Act. Examine and advise India Export Ltd. (2 Mark)
- (c) The realization and repatriation in certain cases enjoy exemption. Examine and advise India Export Ltd. (1 Mark)

Case Study 5

ABC Limited is a company engaged in the business of cement exports and it is also specialized in the area of Enterprise Resource Planning (ERP) implementation offering their services to domestic and overseas customers.

Enforcement Directorate under Foreign Exchange Management Act (FEMA) carried out the investigation against the ABC Limited. The investigation also centered around the details of the Promoters and their shareholdings; how many subsidiaries companies were formed by the appellants in India and abroad for doing business; details of the share transactions between the promoters of the Company and Non-Resident Indian(NRI) and the details of loans raised by the ABC Limited for their business purpose etc.

The investigation carried out by Enforcement Directorate has clearly made out a case against ABC Limited of violation of Section 8 and Section 42 of Foreign Exchange Management Act as well as Foreign Exchange Management (Realization, Repatriation and Surrender of Foreign Exchange) Regulations, 2015.

A complaint has been made by the Enforcement Directorate before Special Director. Special Director allowed the complaint and held that ABC Limited has contravened the provisions of FEMA as prayed in the complaint and accordingly imposed a penalty of ₹ 5 crores on the Company.

ABC Limited felt aggrieved by the aforementioned order of Special Director and contemplates to file an appeal.

ABC Ltd has Subsidiary M/s Jooly Private Limited is a company incorporated on 01.01.2005 under the provisions of Companies Act, 1956, having its registered office at Mumbai. The Authorised Share Capital of the company is ₹ 100, 00, 00,000/- and Paid up Share Capital of the company is ₹ 99, 00, 00,000/-.

M/s Jemmy Private Limited (Operational Creditor) is a company incorporated on 01.01.2006 under the provisions of Companies Act, 1956 having its registered office at Kolkata.

M/s Jooly Private Limited approached M/s Jemmy Private Limited for purchase of inputs for his production. It was specifically agreed that upon procuring the inputs by

M/s Jooly Private Limited and raising of invoices by M/s Jemmy Private Limited, the entire payment for such invoices shall be made in a timely manner. As per the arrangement, the M/s Jooly Private Limited placed various purchase orders for supply of inputs. M/s Jemmy Private Limited supplied the goods as per the orders placed by M/s Jooly Private Limited and raised invoices against the said supply.

The invoices were duly acknowledged by M/s Jooly Private Limited and an amount as part payments were also made. But thereafter, inspite of various requests made and reminders sent by M/s Jemmy Private Limited, the M/s Jooly Private Limited had neither responded nor repaid the remaining claim.

On failure to pay the outstanding dues by the M/s Jooly Private Limited, the M/s Jemmy Private Limited sent a demand notice dated 01.01.2019 under Section 8 of the Insolvency and Bankruptcy Code, 2016 to the respondent asking them to make the entire outstanding payments of ₹ 10,00,000/- (Rupees Ten Lakhs), failing which the M/s Jemmy Private Limited shall initiate the Corporate Insolvency Resolution process against the M/s Jooly Private Limited.

Despite the demand notice, the M/s Jooly Private Limited did not pay the amount demanded, neither raised any notice of dispute nor replied to the said notice. As a next action M/s Jemmy Private Limited filed an application before National Company Law Tribunal (NCLT), seeking to unfold the process of Corporate Insolvency Resolution Process (CIRP).

Multiple Choice Questions

(2 x 5 = 10 Marks)

- Which of the following is a capital account transaction under Foreign Exchange Management Act, 1999?
 - Investment in shares of company in India.
 - Payment of export commission.
 - Payment towards consultancy services.
 - None of the above
- Mr. X is deputed to India by his company to develop a strategic software for a period of five years from 1st January, 2015. He is paid salary to his Indian bank account. On 1st May, 2017 he wants to remit his entire salaries ended till 30 th April, 2017 to his home country USA. Mr. X can _.

- (a) remit the salary after payment of applicable taxes and contribution to applicable social security schemes
- (b) cannot remit any amount as salary is credited to his bank account in India
- (c) remit gross salary before taxes and can make payment of taxes at the year end
- (d) remit salary only upon completion of assignment after payment of taxes and filing of Income tax return
3. Mr. X migrated to UK 20 year ago. He later on acquired UK citizenship. He inherited 50 acres of agricultural land in Maharashtra which has an inbuilt Farm House. Mr. Kale intends to gift or sell this property to his only son who has UK citizenship, but settled in India. Mr. X — .
- (a) can gift this property to his son but cannot sale it
- (b) can neither gift nor sale this property to his son
- (c) can sale this property to his son but cannot gift it
- (d) can do both, gift as well as sale this property to his son
4. In the above situation what is the earliest date upto which M/s. Jemmy Private Limited can file an application to NCLT?
- (a) 01.01.2019 (b) 11.01.2019
- (c) 15.01.2019 (d) 20.01.2019
5. Which of the following are not functions of Insolvency Professional Agencies (IPAs)?
- (a) Monitoring, Inspecting and Investigating members.
- (b) Recommending Insolvency Professionals to Committee of Creditors.
- (c) Drafting detailed standards and code of conduct for insolvency professionals.
- (d) Addressing grievances, hearing complaints and taking suitable action.

Descriptive Questions

(Total 15 Marks)

- Q.1 (a)** Who can make application before the Adjudicating Authority on behalf of Operational Creditor and where to file such application to initiate the Corporate Insolvency process in the given case and also state the documents needs to be attached with such application under Insolvency and Bankruptcy Code, 2016. (3 Marks)

(b) Who can appoint Interim Resolution Professional in case Resolution Professional is not appointed by the Operational Creditor? State the moratorium as envisaged under the provisions of Section 14(1) to (4) of the Insolvency and Bankruptcy Code, 2016 in relation to the Corporate Debtor.

(3 Marks)

Q.2 As in the above case as ABC Ltd is under Investigation, state the procedure of Adjudication and Appeal under Foreign Exchange Management Act, 1999.

(3 Marks)

Q.3 (a) State the Duty of persons to realise foreign exchange due and Manner of Repatriation as well as Period for surrender of realised foreign exchange under Foreign Exchange Management (Realization, Repatriation and Surrender of Foreign Exchange) Regulations, 2015.

(4 Marks)

(b) Consequence of contravention of provisions of Foreign Exchange Management Act, 1999 and Rules and Regulation made thereunder by a company.

(2 Marks)