

MOCK TEST PAPER 1
FINAL (OLD) GROUP I
PAPER 4: CORPORATE AND ALLIED LAWS

Time: 3 Hrs.

(Marks 100)

Division A: Multiple Choice Questions

Case scenario 1

Mr. Sameer, holding 15% shares of Towe Ltd., an unlisted company, since 30th September 2019, is unpaid to the extent of Rs. 10 lakhs, filed a petition with Tribunal on 5th April, 2020, for winding up of Towe Ltd. and a copy of the same was filed with Registrar of Companies (ROC).

The ROC submitted his views to the National Company Law Tribunal (NCLT) on 18th May, 2020. The ROC mentioned in his views that it was just and equitable that Towe Ltd. should be wound up, on analyzing the information available with him with respect to the affairs of Towe Ltd.

The Tribunal appointed provisional liquidator, Mr. Raj, on 20th May, 2020, without giving, notice of the same as well as without affording opportunity for making representations, to the company. Mr. Raj is registered as an insolvency professional under the Insolvency and Bankruptcy Code, 2016 and he filed the declaration with respect to his independence to the Tribunal on 25th May, 2020.

Tribunal passed its order for winding up of Towe Ltd. on 16th June, 2020 and the provisional liquidator, Mr. Raj was appointed as the Company Liquidator. The Tribunal directed Mr. Sameer to deposit an amount of Rs. 1 lakh as security for costs as a precondition to issue directions to Towe Ltd.

The intimation thereof, of passing such order was sent to Mr. Raj as well as to the Registrar of Companies, by the tribunal. The ROC on receipt of such order from tribunal made an endorsement to that effect in his records relating to Towe Ltd. and also made a notification in the Official Gazette that such order of winding up has been made by the tribunal.

Mr. Raj calculated that the outstanding liabilities and debts of Towe Ltd. which amounted to Rs. 70 lakhs and the expenses of winding up were estimated at Rs. 3 lakhs.

Towe Ltd. has at present 8 members which are holding shares unpaid to the extent of Rs. 40 lakhs, in total.

Following were the past members of the company:-

- (1) Mr. Kishan ceased to be member on 23rd March, 2019, from whom Towe Ltd. had unpaid calls on shares amounting to Rs. 8 lakhs. At the time when, Mr. Kishan ceased to be a member, the outstanding liabilities of the company were only Rs. 5 lakhs.
- (2) Mr. Dhawan ceased to be member on 28th May, 2019, from whom Towe Ltd. had unpaid calls on shares amounting to Rs. 16 lakhs. At the time when, Mr. Dhawan ceased to be a member, the outstanding liabilities of the company were only Rs. 13 lakhs.
- (3) Mr. Tanmay who ceased to be member on 17th June, 2019, was having unpaid calls on shares of Towe Ltd. amounting to Rs. 15 lakhs. At the time when, Mr. Tanmay ceased to be a member, the outstanding liabilities of the company were only Rs. 10 lakhs.

Towe Ltd. created a floating charge, as agreed, on the stock of the company on 23rd August, 2019, to secure a current account with Munim Bank which was in debit by Rs. 12 lakhs from 1st May, 2019 and thereafter the bank also advanced Rs. 15 lakhs on 1st September, 2019, for meeting the operating expenses of the company.

Munim Bank charged Rs. 1,18,500 as interest for financial year ended on 31st March, 2020, by debiting the said current account of Towe Ltd. on the total amount of Rs. 27 lakhs (Rs.12 lakhs + Rs. 15 lakhs) as Towe Ltd. remained solvent during the financial year 2019-20.

Multiple Choice Questions (5 questions of 2 Marks each): Total 10 Marks

1. Whether Mr. Sameer was eligible to file petition for winding up against Towe Ltd.?
 - (a) No, as he is not holding fully paid up shares of Towe Ltd.
 - (b) No, as he is not holding shares for 12 months or more prior to presenting such petition for winding up.
 - (c) Yes, as he is a holding not less than 10% of the shares of Towe Ltd.
 - (d) Yes, as he is holding shares for 6 months or more prior to presenting such petition for winding up.
2. What was the last date available with ROC to submit his views to NCLT on the petition filed by Mr. Sameer and with the NCLT to pass order for winding up, respectively?
 - (a) 5th June, 2020 and 5th July, 2020 respectively.
 - (b) 4th June, 2020 and 4th July, 2020 respectively.
 - (c) 5th May, 2020 and 5th July, 2020 respectively.
 - (d) 5th May, 2020 and 4th July, 2020 respectively.
3. Whether the act of tribunal can be considered valid for not giving notice of appointment of provisional liquidator, Mr. Raj as well as opportunity for making representations to Towe Ltd.?
 - (a) Partially invalid, as giving notice of appointment of provisional liquidator, Mr. Raj, is mandatorily for the tribunal. However, whether to afford opportunity to Towe Ltd. for making representations is upon the sole discretion of the tribunal.
 - (b) Valid, if in the opinion of the tribunal, there were some special reasons, whether recorded in writing or not, for not giving notice as well as opportunity for making representations, if any, to Towe Ltd.
 - (c) Valid, if in the opinion of the tribunal, there were some special reasons, recorded in writing, for not giving notice as well as opportunity for making representations, if any, to Towe Ltd.
 - (d) Not valid, as giving notice of appointment of provisional liquidator, Mr. Raj as well as opportunity for making representations, to Towe Ltd., is mandatorily required to be given by the tribunal.
4. How much amount, Mr. Kishan, Mr. Dhawan and Mr. Tanmay, would be liable to pay as a contributory, if in case tribunal calls past members to satisfy the contributions?
 - (a) Mr. Kishan shall not be liable to pay any amount, Mr. Dhawan and Mr. Tanmay shall be liable to pay Rs. 16 lakhs and Rs. 10 lakhs, respectively.
 - (b) Mr. Kishan, Mr. Dhawan and Mr. Tanmay shall be liable to pay Rs.5 lakhs, Rs. 13 lakhs and Rs. 10 lakhs, respectively.
 - (c) Mr. Kishan shall not be liable to pay any amount, Mr. Dhawan and Mr. Tanmay shall be liable to pay Rs. 13 lakhs and Rs. 10 lakhs, respectively.
 - (d) Mr. Kishan and Mr. Dhawan shall not be liable to pay any amount and Mr. Tanmay shall be liable to pay Rs. 10 lakhs.
5. How much amount of floating charge created on the stocks of Towe Ltd. shall be valid and how much of interest shall be allowed if no other rate is notified by the Central Government, other than the rate of interest prescribed in the Act?
 - (a) Rs. 27 lakhs and Rs. 1,18,500, respectively.
 - (b) Rs. 15 lakhs and Rs. 98,750, respectively.
 - (c) Rs. 27 lakhs and Rs. 98,750, respectively.
 - (d) Rs. 12 lakhs and Rs. 1,18,500, respectively.

Case scenario 2

Hibiscus Powergear Limited (HPL), an unlisted company, is “One Stop Shop” for all the custom built electrical switchboards, battery chargers and bus ducts. It manufactures comprehensive range of products from small industrial distribution boards to the large state-of-the-art intelligent motor and power control centers. The Registered Office of the company is located in Belthangadi and two manufacturing plants are situated at Dabaspeta Industrial Area near Bengaluru.

HPL has been incurring huge losses for the last three years. There were accumulated losses to the extent of Rs. 19 Crores as on 31.03.2019. The Board of Directors had been evaluating all the possible options to bring the company back on the track. One of the options considered was Corporate Debt Restructuring (CDR) with the creditors, through Compromise.

Following data was extracted from the latest Audited Financial Statements of HPL as on 31.03.2019:

S. No.	Particulars	Amount (Rs. in Crores)
1.	<u>Secured Creditors</u>	
	(a) 8% Debentures (Secured by creating Charge on Freehold Property)	20.00
	(b) Accrued Interest on 8% Debentures	
	(c) Cash Credit (availed from National Commercial Bank against hypothecation of stocks and book debts)	1.60
		15.00
2.	<u>Unsecured Creditors</u>	
	1. Loans from Directors @ 8% p.a.	30.00
	2. Trade Payables	18.00
	3. Other creditors	0.40
Total Outstanding Debt payable by HPL		85.00

Consequently, a Scheme of Corporate Debt Restructuring was consented by 78% of the secured creditors and all other stake holders. Brief outlines of the Scheme are given below:

- 8% Debenture-holders were to take over the Freehold Property at the current valuation of Rs. 12 Crores (book value Rs. 8 Crores) in part payment of their dues and to provide additional Rs.10 Crores @ 9% p.a. secured by a floating charge on the assets of HPL. Interest accrued on Debentures was to be paid immediately.
- National Commercial Bank agreed to reduce interest rate from 11% p.a. to 8% p.a. on Cash Credit till next one year. It also in-principle agreed to provide Rs. 3 Crores as non-fund based limits for a period of two years.
- Directors were to waive off all the outstanding interest payable to them upto 31.3.2019 and also had no objection if interest rate on their loans was reduced to 6% p.a.
- Suppliers and other creditors consented to waiving off their debts to the extent of all the amounts outstanding for a period beyond 2 years as on 31.03.2019. In essence, HPL was required to pay only for the last 2 years to the suppliers and other creditors.
- Patents and goodwill were to be written off to the extent of Rs. 0.50 Crores. Value of obsolete items in the inventory was quantified to Rs. 0.80 Crores and was to be written off.
- Bad debts identified to the extent of Rs. 0.75 Crores were to be written off.
- Remaining Freehold property worth Rs. 15 Crores was revalued at Rs. 23 crores.

After the above exercise, an application for the Compromise was filed by HPL with the jurisdictional National Company Law Tribunal (in short 'Tribunal') and made the necessary disclosures by filing an Affidavit. The disclosures contained all the material facts in respect of HPL, a copy of the Scheme of Corporate Debt Structuring as consented to by the creditors, methodology on the basis of which creditors had been identified, creditors' responsibility statement in the prescribed form, safeguards for the protection of other secured and unsecured creditors, Auditor's Report, Valuation Report, etc.

After hearing the Application, the Tribunal gave necessary directions in respect of conducting of the meeting of the creditors, fixed the date and place of the meeting, gave directions for the appointment of the Chairperson and scrutinizer, fixed the quorum, stated the procedure to be followed at the meeting including methodology of voting which could be either in person or by proxy or by postal ballot or by voting through electronic means, the time within which the Chairperson was required to report the result of the meeting to the Tribunal, etc.

To ensure transparency that may facilitate all the stakeholders to take proper decisions, extensive disclosures were made by HPL along with the Notice for the Meeting and then the company, as per the directions of the Tribunal, sent Notices to all the creditors and to all those who were entitled to receive it. Further, it was also sent to all the relevant Regulators seeking their representations. In addition, the Notice was advertised in English in Times of India and in the local Kannada Newspaper Udayavani in Kannada language. The company also published the Notice on its website.

It is worth noting that United Belts Private Limited (UBPL), supplying some of the components to HPL, had raised objections to the proposed Scheme of Compromise after receiving the Notice. As on 31.03.2019, HPL was required to pay Rs. 0.80 Crores to UBPL for the supply of various components.

The Meeting was duly convened and the majority representing 78% of the value of creditors agreed to the Scheme of Compromise. The Tribunal provided for the protection of minority creditors and by an Order sanctioned the Scheme of Compromise relating to Corporate Debt Structuring (CDR), after considering the Certificate issued by the Auditor of HPL. The order of the Tribunal was filed with the Registrar by HPL within the specified period of the receipt of the order.

However, in the due course of time, HPL faced many practical hurdles in the implementation of the Scheme of Compromise sanctioned by the Tribunal.

Multiple Choice Questions (MCQs) (2 Marks each)

6. The case scenario states that an Application for Compromise was filed by HPL with the jurisdictional National Company Law Tribunal (NCLT) along with all the necessary documents including Auditor's Report. From the following options, choose the one which the auditor must include in the Auditor's Report when the Application for Compromise relates to the Scheme of Corporate Debt Restructuring (CDR):
 - (a) That all the Fixed Assets of HPL have been properly revalued by the Registered Valuer for the purpose of Compromise and the Valuation Report being submitted to the Tribunal is true and correct;
 - (b) That the total value of creditors shown in the financial statements of HPL as on 31.03.2019 is true and correct and there are no material discrepancies.
 - (c) That the fund requirements of HPL after the corporate debt restructuring as approved shall conform to the liquidity test, based upon the estimates provided to the auditor by the Board of HPL.
 - (d) That all the contents of the Application and other documents submitted to the Tribunal are true and correct to the best of his knowledge and belief and reflect a true and fair position of HPL as on the date of submission of Application to the Tribunal.
7. According to the case scenario, with a view to ensure transparency that might facilitate all the stakeholders to take proper decisions, extensive disclosures were made by HPL along with the Notice for the Meeting and the notices were sent to all the creditors and all those who were entitled to receive

- it. As regards the adoption of the Compromise, the Notice needs to provide that the persons to whom the notice is sent may vote in the meeting either themselves or through proxies or by postal ballot:
- (a) Within 21 days from the date of receipt of such Notice.
 - (b) Within one month from the date of receipt of such Notice.
 - (c) Within 14 days from the date of receipt of such Notice.
 - (d) Within 7 days from the date of receipt of such Notice.
8. It is stated in the case scenario that United Belts Private Limited (UBPL), supplying some of the components to HPL, had raised objections to the proposed Scheme of Compromise. For raising any objection to the Scheme of Compromise, the value of UBPL as trade creditor in the books of HPL must be:
- (a) Not less than 5% of the total outstanding debt as per the audited financial statements as on 31.03.2019 of HPL.
 - (b) Not less than 10% of the total outstanding debt as per the audited financial statements as on 31.03.2019 of HPL.
 - (c) Not less than Rs. 1 Crore as per the audited financial statements as on 31.03.2019 of HPL.
 - (d) Not less than 25% of the total outstanding debt as per the audited financial statements as on 31.03.2019 of HPL.
9. The Notice was also sent to all the relevant Regulators seeking their representations which was to be made within the specified period from the date of receipt of such notice. From the following options, choose the one which specifies the correct time period for making representations:
- (a) Representation needs to be made within 10 days from the date of receipt of notice.
 - (b) Representation needs to be made within 15 days from the date of receipt of notice.
 - (c) Representation needs to be made within 30 days from the date of receipt of notice.
 - (d) Representation needs to be made within 45 days from the date of receipt of notice.
10. According to the case scenario, the Tribunal while providing for the protection of minority creditors, sanctioned by an order the Scheme of Compromise relating to Corporate Debt Structuring (CDR), after considering the Certificate issued by the Auditor of HPL. The Auditor's Certificate at the Sanctioning stage shall be to the effect that:
- (a) HPL has duly followed all the procedure required for the Compromise as required under the Companies Act 2013 and the relevant Rules thereunder.
 - (b) All the documents submitted by HPL to the Tribunal for the purpose of Compromise are true and correct and the Auditors have duly verified them.
 - (c) The accounting treatment, if any, proposed in the Scheme of Compromise by HPL is in conformity with the prescribed accounting standards.
 - (d) The Auditors have reasonable grounds to believe that HPL will continue its business as a going concern after the implementation of Compromise.
11. In order to make Robotics Toys Private Limited as its subsidiary, Golden Rays Robots Limited raised its investment in Robotics Toys from 40% to 60% of its paid-up capital. From the options given below, choose the one which correctly indicates as to when the Robotics Toys shall be considered the undertaking of Golden Rays Robots Limited.
- (a) In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 10% of its 'net worth' calculated as per the audited balance sheet of the preceding

year or the Robotics Toys must have contributed in generation of 10% of the total income of Golden Rays during the previous Financial Year.

- (b) In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 20% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 20% of the total income of Golden Rays during the previous Financial Year.
- (c) In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 25% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 25% of the total income of Golden Rays during the previous Financial Year.
- (d) In order that Robotics Toys is considered as one of its undertaking, Golden Rays is required to invest more than 30% of its 'net worth' calculated as per the audited balance sheet of the preceding year or the Robotics Toys must have contributed in generation of 30% of the total income of Golden Rays during the previous Financial Year. **(2 Marks)**

12. A Limited, an Indian company holds a commercial plot in Chennai, India. It intends to sell the same. M/s Super Seller is a real estate broker with Head Office in the USA. M/s Super Seller is appointed to find buyers for the land. A company M/s Glory Inc., based out of USA is identified as a buyer. M/s Glory Inc., is controlled from India and is hence a Person Resident in India under FEMA provisions. M/s Glory Inc., agrees to buy the land for USD 6,00,000 (assume 1 USD = Rs.70). M/s Super Seller is to be paid commission at the rate of 7% of the sale proceeds. The commission is to be paid to the H.O of M/s Super Seller in USA. Decide, in light of the relevant provisions of FEMA, 1999, which of the following is correct (Ignoring TDS implications arising under The Income Tax Act, 1961):

- (a) Prior permission is not required for remittance of commission upto USD 25,000. For balance commission of USD 17,000, permission of RBI is to be sought by A Limited.
- (b) Prior permission is not required for remittance of commission upto USD 30,000. For balance commission of USD 12,000, permission of RBI is to be sought by A Limited.
- (c) Prior permission is not at all required for remittance of the entire commission.
- (d) Prior permission is required to be taken from the Reserve Bank of India for the entire amount of commission. **(2 Marks)**

13. Mr. Romil was appointed as an IRP during the Corporate Insolvency Resolution Process on 3rd of March, 2019. He can make a Public announcement -

- (a) latest by 6th March 2019
- (b) latest by 7th March 2019
- (c) latest by 10th March 2019
- (d) latest by 14th March 2019 **(1 Mark)**

14. Shivdeep submitted his claim as an operational creditor to the liquidator of Chiranjeevi Food Products Limited, a company under liquidation. If Shivdeep wants to alter his claim, state the time period within which he can do so after its submission.

- (a) Five days
- (b) Ten days
- (c) Fourteen days
- (d) Fifteen Days **(1 Mark)**

15. Suppose SEBI has constituted its board as per requirements of section 4 of SEBI Act, 1992 with 3 whole time members under Section 4(1)(d) of the SEBI Act, 1992, but one of them resigned and to refill his post, it took 1 month. Examine acts done in between the vacancy period, as per SEBI Act, 1992.
- All acts become void ab-initio as per section 8 of the SEBI Act, 1992.
 - Only financial acts are void ab initio as per section 8 of the SEBI Act, 1992.
 - All acts are valid as per section 8 of the SEBI Act, 1992.
 - All acts should be rectified after composition of proper board as per section 8 of the SEBI Act, 1992. **(2 Mark)**
16. Mr. Ram gave two of his friends' cash amount of two lakh each in case of dire necessity for their business purposes. Later at the time of return, he asked both of them, in lieu of the same, to buy his product via credit card and online transfers in installments through next couple of months' time for which he issued bills to adjust the amount in his account books.
- Does this payment system through credit card and online transfer mode are covered under Money Laundering Act?
- No, payment are made through credit cards & online transfers hence all the transaction are genuine
 - Yes, money laundering transactions done via credit card and online payments comes under the Prevention of Money Act
 - No, it is not money laundering as none of Mr. Ram friends are benefiting from this transaction.
 - No, because the transactions are not done with shell companies. **(2 Marks)**

Division B: Descriptive questions (70 Marks)

1. (a) Mr. Ramakant, the non-independent director of Superb Industries Limited (SIL) is planning to go abroad for 4 months for resolving of some family issues related to her daughter. The Board of Directors of SIL proposed to appoint Mr. Subh as an alternate director in the company in place of Mr. Ramakant.
- Following were the legal issues in the given situation:
- Mr. Subh does not satisfy the eligibility criteria to become independent director of SIL as given under section 149(6) of the Companies Act, 2013.
 - Mr. Ramakant returned to India within 2 months before the scheduled arrival.
 - Mr. Subh (in addition to Mr. Ramakant), to be included in the "total number of directors" used for calculating rotational directors under section 152(6).
- Examine in the given scenario, the aforementioned legal issues in the light of the Companies Act, 2013. **(8 Marks)**
- (b) Mr. Ram and Mr. Mohan were appointed as the Whole-Time Director and Managing Director respectively in Gopi Industries Limited (GIL). Raja Limited, a holding company of GIL, was willing to appoint Mr. Ram as its Whole-Time Director and Mr. Mohan as Managing Director. Enumerate the legal provision as regards the holding of office by KMPs and decide on the eligibility of Mr. Ram and Mr. Mohan in Raja Limited as its managerial personnel in terms of the Companies Act, 2013. What if the office of Mr. Ram is vacated due to his sudden resignation given 1st September 2020? **(6 Marks)**
2. (a) Doomed Limited wanted to reduce the rank of Mr. happy (the Chief Operations Officer of the company) during the pendency of investigation being conducted on the company on the order of the Tribunal as per the provisions of the Act. Doomed Ltd. made an application to Tribunal regarding the reduction of the rank of Mr. happy on 2nd May, 2020 and received objection of the

Tribunal on 29th May, 2020. What course of action/ remedy is available to Doomed Ltd. and to Mr. happy as per the provisions of the Companies Act, 2013? **(8 Marks)**

- (b) 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 -
- a. Option in securities
 - b. Spot delivery contracts
 - c. Derivative
- (6 Marks)**

3. (a) Insincere Limited on 22nd May, 2020 mortgaged one of the freehold land of the company in the favor of the bank, from which Mr. Daman, a director of the company had taken housing loan for his residential purpose. Insincere Ltd. had been running in losses and was unable to honor the liabilities due towards the other creditors. As the Board of Directors of the company was aware of the financial crisis faced by the Insincere Ltd. and of creation of a mortgage in order to give preference to Mr. Daman over other creditors. On 23rd September, 2020 some creditors of the company filed a petition for the winding up before Tribunal. It passed an order for the winding up of the company on 5th November, 2020. Discussion on the nature of the transaction of mortgage created with bank in the given circumstances in the light of the Companies Act, 2013. **(8 Marks)**

- (b) What is an overseas direct investment? Differentiate between Automatic Route and Approval Route for direct investment? **(6 Marks)**

4. (a) Defaulter Limited, an unlisted company registered in India with total assets amounting to Rs. 3 crore and turnover of Rs. 50 lakh as per financial statement immediately preceding the financial year was facing financial crisis. The financial creditors of the firm wanted to file a petition for initiating the insolvency resolution process with the Adjudicating Authority. The financial creditors want an early recovery of their dues. In view of the above position, state whether insolvency process can be initiated under fast track process under the IBC and maximum period for the completion of process? **(8 Marks)**

- (b) Perpetual Limited is an Asset Reconstruction Company (ARC) under the SARFAESI Act, 2002. During the financial year 2020-2021, Mr. Param one of the director of the company in urgent need of money transferred 10% of his shareholding to Mr. Shariff (another director of the company) which increased Mr. Shariff's shareholding to 20%. Perpetual Ltd. also appointed Mr. Vikram as CEO for managing the overall operations and resources of a company. However, for the said purposes, Perpetual Limited did not take approval of the Reserve Bank of India. RBI cancelled the certificate of registration granted to Perpetual Limited. Perpetual Ltd. contended that decision of RBI is inappropriate as transfer of shareholding and appointment of CEO is not a substantial change in management. Discussion on the validity of decision of the RBI in the light of the applicable Law.

(6 Marks)

5. (a) (i) Draft a specimen resolution of approval of Directors' report of the financial year 2020-2021.

(4 Marks)

- (ii) Earth Developers Private Limited, a Bengaluru based company and regular in filing its annual return as well as financial statements, is having four directors but so far, no Managing Director has been appointed. Due to the manifold increase in the construction work undertaken by the company in the last two years, it is urgently felt that a Managing Director needs to be appointed. Accordingly, Mr. Pranav is appointed as MD by the Board of Directors at its meeting specifying the terms and conditions including monthly remuneration payable to him.

Enumerate on the requirement and validity of an appointment of Mr. Pranav in the given scenario in the context of relevant law? **(4 Marks)**

- (b) In the case, the Director, on the basis of information in his possession, has reason to believe that Mr. X, is in possession of proceeds of crime involved in money-laundering. He authorised Mr. Y, officer subordinate to him to seize property found as a result of such search. Mr. Y seized the said property on 10.2.2020. He filed an application requesting for retention of such property seized before Adjudicating Authority. Enumerate the law as regards the retention of the seized property and Compute the time period for retention of such seized property by Mr. Y. **(6 Marks)**
6. (a) Delegare Limited, incorporated in Singapore desires to establish a place of business at Mumbai. You being a practicing Chartered Accountant have been appointed by the company as a liaison officer, for compliance of legal formalities on behalf of the company. Examining the provisions of the Companies Act, 2013, state the documents you are required to furnish on behalf of the company, on the establishment of a place of business at Mumbai. **(4 Marks)**
- (b) Ever Lasting Ltd. went into liquidation. XYZ Bank Ltd. the secured creditor, decided to realize its security interest by informing liquidator of such security interest and identify assets subject to which such security interest has to be realized. Liquidator denied the XYZ Bank Ltd. to enforce its security interest as said secured creditor is not a part of Committee of creditors. Throw a light on the stated situation and examine on the validity of the stand taken by the Liquidator. **(4 Marks)**
- (c) State on the nature of liability caused on an offence committed under the Prevention of Money Laundering Act, 2002. **(3 Marks)**
- (d) The Competition Commission of India has received a complaint that ABC Ltd. has been abusing its dominant position in the food processing industry. Explain briefly the factors that will be considered by the Commissions to ascertain whether ABC Ltd. company enjoys a dominant position in the industry. **(3 Marks)**