1. (a) Mr. X, a Financial creditor filed an application against corporate debtor (defaulter) for the initiation of insolvency process before the NCLT on 1st of July, 2018. NCLT admitted the application on satisfaction that default has occurred and the application is complete from all the compliances, through an order passed on 10th of July, 2018. As per the Insolvency and Bankruptcy Code, 2016, state the initiation date for the corporate insolvency resolution process and the insolvency commencement date. Also calculate time period for the completion of the Insolvency Resolution Process by the NCLT. (5 Marks)

(b) A meeting of members of DEF Limited was convened under the orders of the Court for the purpose of considering a scheme of compromise and arrangement. The meeting was attended by 300 members holding 10,00,000 shares. 120 members holding 7,00,000 shares in the aggregate voted for the scheme. 140 members holding 2,00,000 shares in aggregate voted against the scheme. 40 members holding 1,00,000 shares abstained from voting. Examine with reference to the relevant provisions of the Companies Act, 2013 whether the scheme was approved by the requisite majority? (5 Marks)

(c) Radha, who resides in India, planned on the birthday of his brother to give the Gift, a golden bracelet. Since his brother lived in UK and was a resident outside India, so she went to an expert for an advise on the requirement of making a gift exported from India to his brother in UK. Referring to the provisions of the Foreign Exchange Management Act, 1999, examine the requirement to be complied with for the export of gift to his brother. (5 Marks)

(d) Nida Ltd. is engaged in the business of manufacturing garments. However, due to a slump in the market it is not carrying on any business for a period of two immediately preceding financial years (i.e. 2016-17 & 2017-18). Now, on 1st July, 2018, the Registrar of Companies on seeing his records is the opinion that the name of the company must be rightfully be struck from the Register of companies. Advise the Registrar whether he can do so? (5 Marks)

2. (a) As per SEBI (ICDR) Regulations, 2009, what are the conditions for-

   (i) Offering specified securities at differential prices, (8 Marks)

   (ii) Preferential issue of specified securities by a listed issuer. (8 Marks)

(b) Mr. Doubtful was appointed as Managing Director of Carefree Industries Ltd. for a period of five years with effect from 1.4.2013 on a salary of Rs. 12 lakhs per annum with other perquisites. The Board of directors of the company on coming to know of certain questionable transactions, terminated the services of the Managing Director from 1.3.2016. Mr. Doubtful termed his removal as illegal and claimed compensation from the company. Meanwhile the company paid a sum of Rs. 5 lakhs on ad hoc basis to Mr. Doubtful pending settlement of his dues. Discuss whether:

   (i) The company is bound to pay compensation to Mr. Doubtful and, if so, how much. (8 Marks)

   (ii) The company can recover the amount of Rs. 5 lakhs paid on the ground that Mr. Doubtful is not entitled to any compensation, because he is guiding of corrupt practice. (8 Marks)
3. (a) State the legal position in the given situations:
   (i) Can Mr. Khan appointed as an Independent Director in the Board of a company, be appointed in its subsidiary or its holding or its associate company.
(ii) Mr. D, proposes his candidature as a director in X Ltd. along with the deposit of 1 lac rupees. Later Mr. D failed to be appointed but received 30% of total votes. Mr. D asked X Ltd. to refund the deposit but the company denied to pay as he failed to be elected.

   (8 Marks)

(b) PQR Limited is an unlisted Public company having paid up share capital of Rs. 80 crores during the preceding financial year 2016-17. The turnover of the company was Rs. 110 crores for the same period. Referring to the provisions of the Companies Act, 2013, answer the following:
   (i) Is it mandatory for the above company to appoint an internal auditor for the financial year 2017-18?
(ii) What are the qualifications of the Internal Auditor?

   (8 Marks)

4. (a) (i) Cliche Clicks LLP is a member of the Delhi Stock Exchange. It has proposed to buy and sell shares of Nikonn Limited on its own account and on the behalf of investors. They have approached you to guide them, if they can do so in the light of the provisions of Securities Contract (Regulation) Act, 1956.

   (4 Marks)

(ii) Mr. Raman, an investor is not satisfied with the dealings of his stock broker who is registered with Delhi Stock Exchange. Mr. Raman approaches you to guide him regarding the avenues available to him for making a complaint against the stock broker under Securities and Exchange Board of India Act, 1992 and also the grounds on which such complaint can be made. You are required to briefly explain the answer to his queries.

   (4 Marks)

(b) A group of shareholders consisting of 25 members decide to file a petition before the Tribunal for relief against oppression and mismanagement by the Board of Directors of M/s Fly By Night Operators Ltd. The company has a total of 300 members and the group of 25 members holds one –tenth of the total paid –up share capital accounting for one-fifteenth of the issued share capital. The main grievance of the group is the due to mismanagement by the board of directors, the company is incurring losses and the company has not declared any dividends even when profits were available in the past years for declaration of dividend. In the light of the provisions of the Companies Act, 2013, advise the group of shareholders regarding the success of (i) getting the petition admitted and (ii) obtaining relief from the Tribunal.

   (8 Marks)

5. (a) (i) 17th Board meeting of Jai Entertainment Ltd. was held at its registered office situated at B-17, Industrial Area, Suncity. While discussing the matter of appointment of Mr. Kaabil as Managing Director of the company, certain defamatory remarks were made by Mr. X, one of the directors. The draft minutes submitted by the Company Secretary also incorporated the indecent remarks of Mr. X. The chairman wants to remove those undesirable remarks from the minutes. Can he do so?

(ii) Draft the minutes of above referred meeting containing the matter regarding appointment of Managing Director in addition to the usual items.

   (8 Marks)
(b) A Public Company has been declaring dividend at the rate of 20% on equity shares during the last 3 years. The Company has not made adequate profits during the year ended 31st March, 2018, but it has got adequate reserves which can be utilized for maintaining the rate of dividend at 20%. Advise the Company as to how it should go about if it wants to declare dividend at the rate of 20% for the year 2017-18 as per the provisions of the Companies Act, 2013.  

(8 Marks)

6. (a) Winding up proceedings has been commenced by the tribunal against DEF Limited, a government company (Central Government is a member). Even after completion of one year from the date of commencement of winding up proceedings, it has not possible to conclude the same. The liquidator is of the opinion that the statement shall be filled with tribunal and registrar only.

Validate the opinion made by the liquidator and penalty can be imposed on the liquidator for contravention of the provision as per Companies Act, 2013.

What will be your answer if the DEF Limited is a non-government company?  

(8 Marks)

(b) (i) The Board of Directors of Vishwakarma Electronics Limited consists of Mr. Ghanshyam, Mr. Hyder (Directors) and Mr. Indersen (Managing Director). The company has also employed a full time Secretary.

The Profit and Loss Account and Balance Sheet of the company were signed by Mr. Ghanshyam and Mr. Hyder. Examine whether the authentication of financial statements of the company was in accordance with the provisions of the Companies Act, 2013?  

(5 Marks)

(ii) 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?  

(3 Marks)

7. Attempt any four:

(a) A resolution applicant submits a resolution plan to the resolution professional. After examination of resolution plan, the resolution professional without convening a meeting of the committee of creditors, submitted the resolution plan to the Adjudicating Authority. State the validity of the act of the resolution professional under the Insolvency and Bankruptcy Code, 2016.  

(4 Marks)

(b) What are the circumstances in which an inspector appointed under section 210 of the Companies Act, 2013, can investigate into affairs of related companies also?  

(4 Marks)

(c) Explain the usefulness of following terms in interpreting / construing a statute:

(i) Preamble  

(ii) Use of Foreign Decisions  

(4 Marks)

(d) XLR Bank Limited is not managing its affairs properly. Employees as well as depositors of the bank have complained to the Central Government from time to time about such mismanagement and requested the Central Government to acquire the undertaking of the Banking Company. Explain the powers of the Central Government in this regard under the Banking Regulation Act, 1949.  

(4 Marks)

(e) When will the provisions of insolvency and liquidation of corporate persons be applicable on a corporate person?  

(4 Marks)