

Roll No.

Total No. of Case Study Questions – 3

No. of Printed Pages – 24

Time Allowed – 4 Hours

Maximum Marks – 100

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Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate who has not opted for Hindi Medium, his/her answers in Hindi will not be valued.

The Question Paper comprises **three** case study questions. The candidates are required to answer any **two** case study questions out of **three**.

Answers in respect of Multiple Choice Questions are to be indicated in capital letters i.e., A or B or C or D as the case may be.

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1. Mr. Sharp was appointed as whole time member of the Competition Commission of India in 2015 and is presently a whole time member. Before joining Competition Commission of India, during 2000-2014, he was acting as a trustee of several charitable trusts. For his contribution towards the society, he was awarded several times by the State Government. Prior to that during 1995-1999, he was acting as a managing director of 'Poor' Ltd., a Public Limited Company engaged in the commercial real estate and was overall in-charge of finance and sales function. During 2005, based on

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complaints filed by foreign investors, investigation into the affairs of the company was initiated by the SFIO and CBI. The Report of CBI and SFIO issued in October 2017 has revealed that affairs of the company were not managed in the interest of the company during 1998-2005 and has resulted into financial loss of ₹ 400 Cr to the shareholders and the Government. Considering the outcome of the report, Central Government has issued an order of expulsion of Mr. Sharp from the post of whole time member of the Competition Commission of India with immediate effect. He is in double mind to challenge the order keeping in view the grounds for disqualification and the fact that enactment of the Competition Act, 2002 is to provide an establishment of a Commission with certain objectives or join back 'Poor' Ltd. 'Poor' Ltd. has been a party to a proceeding before the Commission on the following issues :

- (a) Whether a person who is purchasing goods for resale can also be considered as a consumer ?
- (b) Whether all agreements which causes or is likely to cause an appreciable adverse effect on competition in India, entered into in contravention shall be void ?
- (c) Whether the Commission also has powers to enquire into the acts taking place outside India ?

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'Poor', Ltd., now is in default in repayment of mainly on account of the General slowdown in construction activities resulting in low capacity utilization and inadequate cash generation for timely repayment of dues to all concerned. Repeated follow-up by the Financial Institutions with the corporate debtor, 'Poor' Ltd., for submitting its specific plan of action for repayment of dues did not evoke any meaningful response. Therefore, after a joint lenders' meeting, all the financial creditors unanimously decided to apply under the provisions of the Insolvency and Bankruptcy Code, 2016 to the National Company Law Tribunal (NCLT) for starting the process of insolvency resolution in respect of corporate debtor, 'Poor' Ltd'. Financial Creditors filed an application before NCLT which was admitted by NCLT on 20th May, 2018 and orders issued for commencement of a moratorium period of 180 days, appointment of Mr. Ram, an Interim Resolution Professional and for his making a public announcement inviting claims from all concerned. With the advent of the public announcement the following creditors were identified :

- (1) Financial debts owed to unsecured creditors (D1) – ₹ 10 crores.
- (2) Workmen's dues for the period of 24 months preceding the liquidation commencement date (D2) – ₹ 30 crores.
- (3) Debts owed to a secured creditor who has relinquished his security (D3) – ₹ 60 crores.

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(4) Debts owed to the Central Government (D4) – ₹ 34 Crores.

(5) Debts owed to a secured creditor for an amount unpaid following the enforcement of security interest (D5) – ₹ 52 Crores.

Mr. Ram who has been appointed as Interim Resolution Professional wants to know the functional responsibilities of Insolvency Professional Agency (IPA).

Mr. Ram, in the last financial year, has given some legal opinions on financial matters to 'Poor' Ltd. and has charged fees.

Smart was the statutory auditor of the corporate debtor. Mr. Sharp is the whole time member of the Competition Commission of India and has been identified as a relative of Mr. Dull, present Managing Director of 'Poor' Ltd.

Mr. Dull is not dear on the provisions of Insolvency and Bankruptcy Code, 2016(IBC) and requested Company Secretary to advise him on the vital objectives which are intended to be achieved with the Code and also whether the initiation of insolvency resolution process can be done by creditors only or by debtor also.

Mr. Dull also wants to know the specified procedure and term of appointment of an IRP. In case, 'Poor' Ltd. approach NCLT before the financial creditors and decide to appoint Mr. Ram as Interim Resolution Professional, advise Mr. Ram on the consent to be provided by him as required by regulations.

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Answer the following questions :

- (1.1) Mr. Ram who has been appointed as the resolution professional can 2
take the following actions without the approval of the Committee of
Creditors :
(A) Undertake transactions with Mr. Sharp.
(B) Make changes in the appointment of Smart, the statutory
auditor.
(C) File applications for avoidance of preferential or undervalued
transactions.
(D) Record any change in the ownership interest of 'Poor' Ltd.
- (1.2) The Adjudicating Authority has by an order declared moratorium 2
period on the 'Poor' Ltd. Vide the moratorium order, the following
shall not be prohibited :
(A) the action to foreclose security interest created by the
corporate debtor in respect of its property.
(B) the institution of arbitration proceedings.
(C) the recovery of any property by an owner or lessor where such
property is occupied by or in the possession of the corporate
debtor.
(D) The supply of raw material essential for construction of
commercial real estate from its suppliers.

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- (1.3) The NCLT rejected the resolution plan for want of compliance with the Insolvency and Bankruptcy Code, accordingly the proceeds from the sale of liquidation shall be distributed in the following order of priority : 2
- (A) D2 – D1 – D3 – D4 & D5 (ranked equally).
 - (B) D2 & D5 (ranked equally) – D3 – D1 – D4.
 - (C) D2 & D5 (ranked equally) – D1 – D3 – D4.
 - (D) D3 & D2 (ranked equally) – D1 – D5 & D4 (ranked equally).
- (1.4) The NCLT rejected the resolution plan for want of compliance with the Insolvency and Bankruptcy Code and proceeded to initiate liquidation proceedings. During the course of liquidation, it was found that 'Poor' Ltd. had gifted some valuable assets of the Company to another friendly company Soft Ltd. on 20th April, 2016 and D1 (unsecured financial creditors) reported the transaction to the National Company Law Tribunal by way of an application. The National Company Law Tribunal may pass an order : 2
- (A) Rejecting the application of D1.
 - (B) Requiring the Insolvency and Bankruptcy Board to initiate disciplinary proceedings against the liquidator.
 - (C) Require any person to pay sums in respect of benefits received by such person to the liquidator.
 - (D) Require any person to submit relevant documents of transaction to Insolvency and Bankruptcy board.

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(1.5) The management of the affairs of 'Poor' Ltd., the corporate debtor undergoing corporate insolvency resolution process vests in the _____ **2**

- (A) Mr. Ram, Interim Resolution Professional
- (B) Board of Directors
- (C) Committee of Creditors
- (D) Insolvency and Bankruptcy Board of India

(1.6) Mr. Sharp cannot be removed from the Competition Commission of India by the Central Government, if he : **2**

- (A) has engaged at any time, in any paid employment.
- (B) has become physically or mentally incapable of acting as a member.
- (C) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude.
- (D) is, or at any time has been, adjudged as an insolvent.

(1.7) Mr. Sharp shall not for a period of _____ years from the date on which cease to hold office in the Competition Commission of India, accept any employment in, or be connected with the management or administration of, any enterprise which has been a party to a proceeding before the Competition Commission of India. **2**

- (A) 1
- (B) 2
- (C) 3
- (D) None of the above

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- (1.8) 'Agreement' under the Competition Act, 2002 includes any arrangement or understanding or action in concert : 2
- (A) if it is in writing only.
 - (B) if it is enforceable by legal proceedings only.
 - (C) if it is in writing and enforceable by legal proceedings only.
 - (D) If it is whether or not, in formal or writing or whether or not enforceable by legal proceedings.
- (1.9) Any agreement under the Competition Act, 2002 shall be presumed to have an appreciable adverse effect on competition, which : 2
- (A) directly or indirectly determines purchase or sale prices.
 - (B) limits or controls production, supply, markets, technical development, investment or provision of services.
 - (C) directly or indirectly results in bid rigging or collusive bidding.
 - (D) All of the above
- (1.10) If Central Government issues expulsion order to Mr. Sharp, the order : 2
- (A) is valid from the date of his joining the Commission.
 - (B) is not valid but cannot be challenged.
 - (C) is not valid and can be challenged.
 - (D) is valid on the basis of outcome of the report from the date of receipt of the order.

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(1.11) Answer the following based on the facts given in the question with reference to the provisions of the Insolvency and Bankruptcy Code, 2016 (Code) :

- | | |
|---|---|
| (A) Advise Mr. Dull on vital objectives which are intended to be achieved with the Code. | 2 |
| (B) Advise Mr. Ram on the functional responsibilities of Insolvency Professional Agencies (IPA). | 2 |
| (C) Advise Mr. Ram on the independence with the Corporate Debtor. | 2 |
| (D) Advise 'Poor' Ltd. whether the initiation of insolvency resolution process can be done by creditor only or by corporate debtor also. | 2 |
| (E) Interim Resolution Professional is to be appointed by following the specified procedure and for a specific term. Examine and advise Mr. Ram on the consent to be provided by him in Form 2 as required by the relevant rules. | 7 |

(1.12) Answer the following under the provisions of the Competition Act, 2002 :

- | | |
|---|---|
| (A) Enactment of the Competition Act, 2002 is to provide for an establishment of a Commission with objectives. Advise Mr. Sharp for taking decision whether to challenge the order of the Supreme Court ? | 3 |
| (B) A person who is purchasing goods for resale can also be considered as a 'Consumer'. Examine and advise 'Poor' Ltd. | 3 |

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- (C) All agreements which causes or is likely to cause an appreciable adverse effect on competition in India, entered into in contravention shall be void. Examine and advise 'Poor' Ltd.. 5
- (D) Advise 'Poor' Ltd. whether the Commission also has power to enquire into the acts taking place outside India. 4
2. Mr. Cute had given an application to the state authorities for purchase of land for farming and agricultural use. This application was made by him through his company M/s Hip Hop Farms Ltd. (HHFL). HHFL was initially incorporated in 2003 with two shareholders Mr. A and Mr. B. Through an executed share transfer deed, shares of this company were transferred to Mr. Cute and his wife Mrs. Pretty. Consequent to transfer of shares, first directors were also replaced with new directors i.e. Mr. D, Mrs. E and Mr. Sharp. Mr. D and Mrs. E are parents of Mrs. Pretty.
- To enable HHFL to purchase the said piece of land, Mr. Cute, had given unsecured loan amounting to ₹ 11 Crore to HHFL. Since the subject piece of land was an agricultural land, during the time of representation, Mr. Sharp declared himself an agriculturist. Accordingly, the additional collector allowed the purchase of the land on condition that it would be used for farming within two years.
- During the year 2010, Ms. F (sister of Mrs. Pretty) was appointed as director of HHFL in place of Mr. Sharp.

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HHFL was preparing financial statements on a regular basis and was compliant in filing various documents with the Registrar of Companies. Financial Statements for the year ended on 31st March, 2018 and previous years did not show any income from farm activities or agricultural activities. Instead, the said piece of land was developed by HHFL and constructed a palatial bungalow with swimming pool and a dedicated space to facilitate landing and parking fixed wing aircrafts.

Mr. Cute had separately obtained a loan for his personal use from a Non-Banking Finance Company amounting to ₹ 65 Crore. The said loan was secured by the mortgage created on the property owned by HHFL. Mr. Cute defaulted on payment of last few installments and tried persuading bank to restructure the covenants of the loan agreement. Bank officials did not agree to his request and decided to take action against him and the said mortgaged property.

This particular case came under the scanner of the authorities when the Collector of the region claimed that this particular property along with other 110 properties have allegedly flouted other applicable regulations prevailing in the State. Due to this matter, the case was forwarded to the Income Tax department. Acting proactively on the matter, the Income Tax department had issued an attachment notice under the Prohibition of Benami Property Transaction Act, 1988 to HHFL for provisionally attaching the property and filed a report before an adjudication authority to confirm the attachment.

Mr. Cute had engaged a lawyer to prepare a reply in response to the notice received. His lawyer had advised that maximum penalty for contravention, if any would be 10% of the cost of the property. Further, he has stated that in the worst case situation, attachment in no case under the provisions of the Prevention of Benami Property Transactions Act, 1988 exceed 3 months.

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Mr. Cute after knowing the provisions, had instructed the lawyer to furnish a fabricated reply in response to the notice and include a point as to why notice has been issued to him. The said notice should have been issued to HHFL only.

After the legal proceedings were completed, the order was passed by the adjudicating authorities. After, perusing the order, Mr. Cute identified certain errors and misplaced facts, and asked his lawyer to discuss the same with the authorities. However, his lawyer forgot the matter due to other cases in hand. When he was reminded again after almost 11 months, he responded that the matter is time barred.

Besides the said piece of land on which bungalow and swimming pool were constructed, there were other seven pieces of non-agricultural land just adjacent to the land. Survey numbers of the same were 112/1, 112/2, 112/3, 112/4, 112/5, 112/6 and 112/7.

Mr. D and his family were quite affluent and generally they were seen in lavish social gatherings apart from managing their real estate development business. During a family function in 2012, they made a fixed deposit amounting to ₹ 10 crore in the name of Mrs. Pretty which was a gift for her.

Mrs. Pretty on maturity of the said deposit, transferred the amount in the name of Mr. Cute for his personal use. During 2015, the said amount was used by Mr. Cute to buy a piece of land bearing survey number 112/1 in the name of Mrs. Pretty. Owner as per the land records was Mrs. Pretty and payment for the said land bearing survey number 112/1 was made by Mr. Cute.

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Mr. D was the owner of land bearing survey numbers 112/2, 112/3, 112/4, 112/5, 112/6 and 112/7. During the third quarter of financial year 2017-18, he developed and launched a new residential-cum-commercial project on the said pieces of land after seeking registration under the Real Estate (Regulation and Development) Act, 2016 (RERA). For the said project. Ms. F was acting as an authorized agent for marketing. When the commercial launch was organized, it was announced by Ms. F that the project is available at an attractive rate of ₹ 8,800 per square feet and the units are very spacious since they admeasure 1500 square feet built-up with total 100 units.

Also, marketing brochure contains following features included in the project :

- (1) Italian marble in the kitchen
- (2) 5 Star rated Air Conditioners
- (3) 3 Star rated Geysers
- (4) French Windows of reputed brand
- (5) Elevators of top brands
- (6) Open parking slot at a nominal price of ₹ 11,000
- (7) Massive multi-level kids play area
- (8) Ducts attached to each flat
- (9) Comprehensive insurance for the project

Marketing brochure mentioned that builder provides warranty of 5 years of the products with additional free 1year warranty.

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It was informed in the marketing material that the project would be completed in a time frame of 5 years. One of the allottee complained about Ms. F for project's registration to which she replied that project is already registered and since she is daughter of the promoter, she is not required to take the separate registration, only outsiders are required to take registration under RERA. Ms. F receives facilitation fees from the company owning the project.

Mr. Bhakt was one of the allottee who bought flat number 205 in Tower 1 of the project after several rounds of meeting with Ms. F. It was told to him that a Ganesh Temple would be constructed as a part of the project in the eastern side of Podium 2.

During the course of the project, an intimation along with a certificate from engineer was sent to all the allottees that due to a technical objection received from fire department, temple will have to be shifted from Podium 2 to Podium 3.

When this fact came in the knowledge of Mr. Bhakt, he consulted his lawyer who advised to file a complaint against the builder with the authorities. Also, he mentioned in the complaint that he bought flat through Ms. F who was not registered under RERA and reported several defects in the features contained in the marketing brochure.

Just before the completion of the project, the promoter got an offer to sell the entire project to an American builder at an attractive price. The acquirer informed the promoter that since it is the deal between us and I have never defaulted on the delivery in projects in last 50 years there is practically no use of seeking approval of allottees. There were several rounds of discussions between the promoter and the acquirer; however, the deal did not go through due to difference in valuation.

The project was completed on time and the invitation was sent to all the allottees to take physical possession of their respective units. After staying for about 8 months in the flat number 406 in Tower 4, Mr. Sultan informed builder that he is facing serious issues with the quality of MCB provided and there is a potential risk of short circuit which could lead to massive losses to the building as a whole. On investigation by an independent electrician appointed by Mr. Sultan, it was found that lining of electricity wire was done along with water pipe lines and due to internal damage, problem is arising. However, the promoter was harping on the fact that the issue is in the MCB and not in the wirings. The investigation done by electrician was confirmed by other electricians who surveyed a few other flats.

Further, Mr. Sultan complained that the grass given by the builder in the flower bed area was of sub-standard quality and needs replacement.

Answer the following Questions :

(2.1) Who is Benamidar in the above case as per Prevention of Benami Property Transactions Act, 1988 ? 2

(A) HHFL.

(B) Mr. D.

(C) Mr. E.

(D) All of the above

(2.2) Whether is it a requirement under Prevention of Benami Property Transactions Act, 1988 that Benamidar shall be aware that property is registered in his / her name to categorize a transaction as Benami ? 2

(A) Yes, it is necessary.

(B) No, it is not necessary.

(C) Can't say.

(D) None of the above

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- (2.3) Under Prevention of Benami Property Transactions Act, 1988, 2
property which has been declared as Benami can be confiscated by
which authority ?
(A) The President of India.
(B) State Government.
(C) Central Government.
(D) None of the above
- (2.4) In a scenario where authorities conclude that the subject property is 2
hit by the provisions of the Prevention of Benami Property
Transactions Act, 1988, what could be the quantum of penalty ?
(A) 25% of the cost of the property.
(B) 10% of the fair market value of the property.
(C) 10% of the cost of the property.
(D) 25% of the fair market value of the property.
- (2.5) Under Prevention of Benami Property Transactions Act, 1988, notice 2
for initiating action shall be submitted by following means ?
(A) By Post. (B) By way of summons.
(C) By e-mail. (D) Either (A) or (B)
- (2.6) As per the provisions of RERA, which of following are treated as 2
part of common area ?
(A) Kids play area.
(B) Duct attached to the units.
(C) Balcony attached to the living room.
(D) All of the above

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- (2.7) Under RERA, 20% of the flat cost cannot be accepted unless : **2**
- (A) Property is registered.
 - (B) Marketing brochure mentioned terms of payment.
 - (C) 20% project is completed.
 - (D) All of the above
- (2.8) Under RERA, provision related to 5 years warranty is applicable to **2**
- following :
- (A) Chipped beam in the kitchen.
 - (B) Loose tiles in the washrooms.
 - (C) Leakage in the internal pipe lines.
 - (D) All of the above
- (2.9) Under RERA, when all documents in connection with insurance shall **2**
- be handed over by the promoter to the allottees ?
- (A) On receipt of final payment / installment.
 - (B) On receipt of occupancy certificate.
 - (C) On receipt of NOC from fire department.
 - (D) On formation of society.
- (2.10) On completion of the project and after receipt of occupancy **2**
- certificate, when can an allottee take physical possession of the flat ?
- (A) Within two months.
 - (B) Within three months.
 - (C) Within six months.
 - (D) None of the above

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(2.11) Explain the following in light of the provisions of the Prevention of Benami Property Transactions Act, 1988 :

- (A) Owner of the land as per land records shall make payment for the land standing in his / her name. Examine the correctness of the statement. 3
- (B) Whether action proposed by the officials of the bank is defensible ? Advise officials of the bank. 3
- (C) Examine legal ramifications of the instructions made by Mr. Cute to his lawyer and advice by his lawyer in the matter. 6
- (D) Mr. Cute has approached you after hearing response from his lawyer after 1 month. Please advise him. 3

(2.12) Explain the following in light of the Provisions of the Real Estate (Regulation and Development) Act, 2016 (RERA) :

- (A) Mr. Bhakt has approached you to confirm advice given by his lawyer. Kindly assist Mr. Bhakt on the points mentioned by the lawyer. 9
- (B) Promoter of the project has appointed you to advise on the issue raised by Mr. Sultan. 4
- (C) Examine legal validity of the proposal given by the American builder. 2

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3. Mr. Inder and Mr. Sunder are promoter directors of India Exports Limited 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 its 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 of '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.

Mr. Victor, son of Mr. Sunder, having Indian origin and resident of USA desires to acquire two immovable properties in India comprising a residential flat in Noida and a farm house on the outskirts of Delhi. Further, Mr. Sunder has won lottery and want to remit the amount to his son Mr. Victor in USA for buying immovable property in USA under joint ownership of 50% with Mr. Sunder. Mr. Sunder also wants to remit money to meet his obligation of 50% in the above immovable property.

The balance of the money received through Hawala was used by the company to part finance the residential flat in Noida purchased by Mr. Victor.

The Adjudicating Authority appointed under the Prevention of Money Laundering Act, 2002 issued an order attaching the flat alleged to be involved in scheduled offence of money laundering. The company decides to challenge the action of the Adjudicating Authority.

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In the meantime, Mr. Sunder requested the Chief Financial Officer to examine the following issues under the Prevention of Money Laundering Act, 2002 :

- (a) Process of money laundering
- (b) Multiple method of money laundering
- (c) The connection between 'proceeds of crime' and 'criminal activity'
- (d) The request from a contracting state for investigation.
- (e) The powers of the authority under the Act to survey

Answer the following questions:

- (3.1) Which of these is not a permissible capital account transactions ? 2
- (A) Investment by person resident in India in Foreign Securities.
 - (B) Foreign currency loans raised in India and abroad by a person resident in India.
 - (C) Export, Import and holding of currency/currency notes.
 - (D) Trading in transferable development rights.
- (3.2) Mr. Prabhat can retain the honorarium earned by him on deputation to the extent of US \$: 2
- (A) 3000
 - (B) 2000
 - (C) 1000
 - (D) Nil
- (3.3) The residential status of Ms. Lilly for the current financial year under FEMA would be : 2
- (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.

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- (3.4) The time limit within which the appeal can be lodged against the decision of the Adjudicating Authority by India Export Limited : **2**
- (A) Within 30 days from receipt of order.
 - (B) Within 60 days from receipt of order.
 - (C) Within 45 days from receipt of order.
 - (D) Within 90 days from receipt of order.
- (3.5) Mr. Victor can acquire the following properties by following the steps as mentioned in the provisions of the Foreign Exchange Management Act, 1999 : **2**
- (A) a farm house in outskirts of Delhi, only.
 - (B) both farm house in the outskirts of Delhi and a flat in Noida.
 - (C) a flat in Noida, only.
 - (D) None of above
- (3.6) Section 2 of the Prevention of Money Laundering Act, 2002 defines the term 'scheduled offence', which accordingly means : **2**
- (A) the offences specified under Part A of the Schedule.
 - (B) the offences specified under Part B of the Schedule if the total value involved in such offences is thirty lakh rupees or more.
 - (C) the offences specified under Part C of the Schedule.
 - (D) All of the above
- (3.7) Whoever commits offence of Money Laundering shall be punishable with : **2**
- (A) imprisonment only.
 - (B) fine only.
 - (C) imprisonment or fine.
 - (D) imprisonment and fine.

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- (3.8) Money Laundering is a single process however, its cycle can be broken down into following three distinct stages : 2
- (A) Integration, Layering and Placement.
 - (B) Layering, Placement and Integration.
 - (C) Placement, Layering and Integration.
 - (D) Placement, Integration and Layering.
- (3.9) Where an order of confiscation has been made under the provisions of section 58B of the Prevention of Money Laundering Act, 2002, in respect of any property of a person, all rights and title in such property shall vest absolutely in the _____ free from all encumbrances. 2
- (A) Central Government
 - (B) Supreme Court
 - (C) President of India
 - (D) None of the above
- (3.10) The offences under the Prevention of Money Laundering Act, 2002 shall be : 2
- (A) cognizable and bailable.
 - (B) non-cognizable and non-bailable.
 - (C) cognizable and non-bailable.
 - (D) non-cognizable and bailable.
- (3.11) 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
 - (B) The drawal of foreign exchange is prohibited for certain current account transactions. Examine and advise Mr. Sunder whether he can remit the amount of lottery won by him to Mr. Victor in USA. 2

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| (C) | The Act restricts acquisition or transfer of immovable property outside India by a person resident in India. Examine and advise Mr. Sunder whether he can remit amount to buy immovable property in USA. | 2 |
| (D) | The amount representing full export value shall be realized within time limit permitted under the Act. Explain and advise India Export Ltd. the relevant provisions for realization of export value and its timeline. | 4 |
| (E) | The realized foreign exchange is to be surrendered within the period specified under the Act. Examine and advise India Export Ltd.. | 2 |
| (F) | The realization and repatriation in certain cases enjoy exemption. Examine and advise India Export Ltd.. | 3 |
- (3.12) Examine and advise Mr. Sunder on the following with reference to the provisions of the Prevention of Money Laundering Act, 2002 (PMLA) :
- | | | |
|-----|---|---|
| (A) | Money Laundering is a process. | 3 |
| (B) | There are multiple methods of money laundering. | 3 |
| (C) | The 'proceeds of crime' and 'criminal activity' have connection. | 2 |
| (D) | The request from a contracting state can be accepted for investigation. | 3 |
| (E) | The Authority under the Act can make survey only based on the material in his possession. | 4 |