

*Roll No. ....*

*Time allowed : 3 hours*

*Maximum marks : 100*

*Total number of questions : 6*

*Total number of printed pages : 8*

*NOTE : Answer ALL Questions.*

### **PART-I**

1. Global Traders Ltd., an Indian importing company based in Delhi, enters into a contract with Asia Tech Electronics, a South Korean exporter, for the import of electronic components worth USD 500,000. Since the two companies are engaging in business for the first time and are unfamiliar with each other, Asia Tech Electronics insists on a secure mode of payment to mitigate the risk of non-payment after dispatching the goods.

To address this concern, Global Traders Ltd. approaches Secure Bank India to issue a Letter of Credit (LC) in favor of Asia Tech Electronics. Secure Bank India issues an irrevocable, confirmed, standby revolving LC, naming Korea Trust Bank, located in Seoul, as the advising and confirming bank. The LC specifies that payment will be made upon submission of the following documents :

- A bill of lading evidencing shipment of the goods from Seoul to Mumbai.
- Commercial invoice specifying the details of the goods shipped.
- Insurance certificate covering the shipped goods.
- Certificate of origin confirming that the goods are manufactured in South Korea.

Asia Tech Electronics ships the goods and submits the required documents to Korea Trust Bank. However, upon inspection, Korea Trust Bank notices that the insurance certificate submitted only covers 80% of the shipment value, whereas the LC required insurance coverage for 100% of the shipment value. Additionally, the bill of lading is dated two days after the last permissible shipment date mentioned in the LC.

In view of the above facts, answer the following questions :

- (a) What type of Letter of Credit has been issued by Secure Bank India in this case ? Explain the characteristics that lead to your conclusion.
- (b) If Asia Tech Electronics wants to correct the discrepancies and ensure payment, what possible actions can it take? What role does the confirming bank play in such situations?
- (c) Suppose Korea Trust Bank refuses payment due to the discrepancies, but Secure Bank India agrees to honor the LC despite them, discuss whether Secure Bank India is obligated to pay Asia Tech Electronics under the terms of the LC.
- (d) Explain the advantages of using a Letter of Credit in international trade for both the importer (Global Traders Ltd.) and the exporter (Asia Tech Electronics) in this scenario.
- (e) Draft a letter of credit on the above problem.

*(5 marks each)*

2. Rahul, a resident of NCR, has decided to purchase a residential flat in a newly developed real estate project. He has selected a property in Gurugram, developed by a reputed builder, ELF Builders Ltd. After several rounds of negotiations, both parties have agreed on the terms and Rahul is now in the process of finalizing the sale deed for the transfer of property. Rahul consults his lawyer, Aarti Singh, to ensure that the sale deed, as well as all related documents, are drafted in accordance with the law and protect his interests. Aarti Singh explains him the laws relating to drafting and conveyancing, which are critical in real estate transactions. She explains that proper drafting and conveyancing not only ensure the legality

: 3 :

of the transaction but also minimize future disputes. She reviews the sale deed, pointing out key areas where special attention is needed, including the description of the property, the parties involved, and the specific terms of the transfer.

In view of the above information, answer the questions given below :

- (a) What is the legal significance of drafting a sale deed in real estate transactions and what clauses should be included in it ?
- (b) What do you understand by the process of conveyancing of property transactions and what steps are involved in it ?
- (c) What is the importance of stamp duty and registration of transfer of property and how do they impact the validity of the sale deed ?

(5 marks each)

3. (a) Ashok Verma, a 30-year old businessman, was arrested on March 1, 2024, in Delhi under Section 420 (Cheating) and Section 406 (Criminal Breach of Trust) of the Indian Penal Code, 1860. The complaint was filed by a business associate, alleging that Ashok fraudulently took ₹ 10 lakhs for a joint business venture and failed to return the amount despite repeated assurances.

After spending seven days in judicial custody, Ashok applied for bail before the Sessions Court. The court granted bail on March 8, 2024, with the condition that he furnishes a bail bond of ₹ 50,000 with one surety of the same amount. The court also directed him to cooperate with the investigation and not leave the city without prior permission.

In view of the above facts, answer the questions given below :

- (i) Prepare a specimen bail bond that Ashok is required to submit before the court.
- (ii) In view of the above problem, what are the key points to be kept in mind before drafting of an affidavit in evidence ?

(2+3=5 marks)

- (b) XYZ Constructions Private Ltd., a reputed infrastructure company, has been awarded a contract by the National Highway Authority of India (NHAI) for the construction of a six-lane highway. As per the contract terms, XYZ Constructions is required to provide a Performance Bank Guarantee (PBG) amounting to ₹ 10 crore in favor of NHAI to ensure fulfilment of its contractual obligations.

The contract states that the Performance Bank Guarantee :

- Must be issued by a scheduled bank in India.
- Should remain valid for 36 months from the date of issue, with a claim period of 6 months beyond the expiry date.
- Should be irrevocable and unconditional.
- Should be encashed on-demand by NHAI without requiring any justification.

Being a Company Secretary, draft a Sample Bank Guarantee.

(5 marks)

- (c) ABC Corporation, a leading entity in the industry, had long relied on General Power of Attorney (GPA) to facilitate smooth operations across various legal and administrative matters. The company entrusted designated attorneys-in-fact with the authority to act on its behalf, ensuring efficiency in transactions, legal representations, and critical decision-making processes. However, over a period of time, certain gaps in oversight and governance began to emerge, bringing unforeseen risks and challenges to light. Define General Power Attorney (GPA) and Draft a GPA for ABC Corporation.

(1+4=5 marks)

*Attempt all parts of either Q. No. 4 or Q. No. 4A*

4. (a) What are the different types of endorsements under the Negotiable Instruments Act, 1881 and how do they impact the transferability of negotiable instruments ?
- (b) Differentiate between a Distribution Agreement, a Franchise Agreement, and a Dealer Agreement, highlighting their key features, legal implications, and commercial significance.
- (c) Critically examine the significance of declaratory decrees under the Specific Relief Act, 1963. How do they contribute to preventive justice and what are their limitations in the Indian legal system ?

(5 marks each)

*OR (Alternative question to Q. No. 4)*

- 4.A. A, a minor, is the sole owner of a property inherited from his father. He decides to mortgage the property to B, a moneylender, to secure a loan of ₹ 50,000. At the time of the transaction, B is aware that A is a minor but still proceeds with the mortgage deed. After receiving a portion of the loan amount, A refuses to pay back the loan and files a suit claiming that the contract is void as he is a minor.

B argues that since A has benefited from the transaction, he must either return the money received or the contract should be specifically enforced against him. He further contends that A's guardian has ratified the contract, making it binding.

Based upon the case study, answer the following questions :

- (a) Critically analyze the competency of parties in contract law, using the problem as a case study. How does the Indian Contract Act, 1872, address the validity of agreements involving minors ?

(5 marks)

- (b) Examine the legal and equitable considerations governing the enforceability of a minor's contract. Under what circumstances can specific performance be sought in such cases.

(5 marks)

- (c) Assess the significance of knowledge of age in contractual dealings. What legal doctrines and precedents apply when one party knowingly enters into a contract with a minor ? Would the legal position change if B was unaware of A's age, and how does this impact the principle of void contracts ?

(5 marks)

### PART-II

5. A company, XYZ Ltd., is involved in a commercial dispute with its minority shareholders regarding alleged mismanagement and oppression. The minority shareholders filed a petition before the National Company Law Tribunal (NCLT), seeking various interim reliefs. The Tribunal, after hearing the parties, passed an interlocutory order restraining the company's board from passing any major financial resolutions without prior approval.

XYZ Ltd. contends that the order is unjust and seeks to challenge it before the National Company Law Appellate Tribunal (NCLAT). However, the respondents argue that the order is purely interlocutory and not subject to appeal.

Meanwhile XYZ Ltd. also files a revision petition before the High Court under its supervisory jurisdiction, claiming that the NCLT exceeded its jurisdiction. The respondents counter that the power of revision cannot be exercised in this case since an alternative remedy exists.

Additionally, XYZ Ltd. argues that even if the appeal is not maintainable, the revision petition should be treated as an appeal in the interest of justice. The respondents dispute this claim, citing procedural limitations.

Furthermore, as the main dispute progresses, the case reaches the trial stage where questions arise regarding the admissibility of certain evidence and the role of the Tribunal in assessing disputed facts.

Answer the following questions :

- (a) Whether the order passed by the NCLT qualifies as an interlocutory order and if it is appealable.
- (b) The extent of powers of revision under relevant laws and whether the High Court can exercise its jurisdiction in this case.
- (c) Illustrate the procedural aspects and stages for Filing an Appeal Before NCLAT Against the Orders of NCLT.

(5 marks each)

*Attempt all parts of either Q. No. 6 or Q No. 6A*

6. Ravi Mehta, a prominent investor in the Indian securities market, has been accused of violating the Securities and Exchange Board of India (SEBI) regulations. SEBI found that he had indulged in insider trading by accessing unpublished price-sensitive information regarding a merger between two listed companies and making profits from the illegal trade. This activity was discovered when SEBI analyzed his trading patterns and found unusual transactions in shares of the two companies just before the merger announcement.

SEBI initiated an investigation under Section 11B of the Securities and Exchange Board of India Act, 1992, along with relevant provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. After completing the investigation, SEBI issued a show-cause notice to Ravi Mehta, alleging that he had violated regulations by trading based on State Industrial Corporation.

Ravi Mehta, realizing the potential consequences of the charges, including penalties, suspension, and even a ban on trading in the securities market, opts to resolve the matter through settlement proceedings under the SEBI (Settlement Proceedings) Regulations, 2018. He expresses his intention to settle the matter without admitting or denying the charges but is willing to pay a settlement amount and adhere to specific conditions set by SEBI.

The Settlement Officer of SEBI reviews Ravi Mehta's application for settlement under the SEBI (Settlement Proceedings) Regulations, 2018, which offers the opportunity for an expedited resolution of matters involving violations of securities laws, subject to payment of a settlement amount, and without further legal proceedings.

In view of the above facts, answer the following questions :

- (a) What is the scope of the SEBI (Settlement Proceedings) Regulations, 2018, and how do they apply to Ravi Mehta's case ?
- (b) What is the process for initiating settlement proceedings under SEBI (Settlement Proceedings) Regulations, 2018 ?
- (c) What are the factors to be considered by SEBI to arrive at the settlement terms under the SEBI (Settlement Proceedings) Regulations, 2018 ?

(5 marks each)

**OR (Alternative question to Q. No. 6)**

- 6.A**
- (a) Explain the concept of Writ Petitions under the Indian Constitution. Compare and contrast the writ jurisdiction of the Supreme Court under Article 32 and the High Courts under Article 226 with respect to their nature, scope, suspension, territorial jurisdiction, and discretionary powers.
  - (b) What is the procedure for the endorsement and scrutiny of a petition, appeal, application, or document under Rule 28 of the NCLT Rules ?
  - (c) What are the additional functions and duties of the Registrar under rule 26 of the Appellate tribunal ?

(5 marks each)

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