

PGDM, Batch 2014 -16  
Business Laws  
Subject Code DM 302  
Batch 2014 -16  
Trimester III; End Term Examination

Time allowed: 2.5 Hours

Maximum marks: 50

Roll No. \_\_\_\_\_

**Instruction:** Students are required to write their Roll No. on every page of the question paper; writing anything except the Roll No. will be treated as **Unfair Means**. In case of rough work please use answer sheet

**Section A: Please attempt any three out of the following five questions (5 marks each)**

- 1) Discuss the Prevention of Money Laundering Act, 2002 and the related penalty.
- 2) Discuss briefly the composition, powers and functions of the District Forum, State Forum and National Forum.
- 3) What are the measures initiated to speed up environmental clearance of the linear projects?
- 4) What are the roles of independent directors as per the new company law?
- 5) How do you rank India in terms of ease of doing business?

**Section B: Please attempt any two out of the three given questions: (10 marks each)**

- 1.) Can Basmati rice be protected under the Geographical Indications of Goods Act, 1999? Discuss the issue with specific reference to: Trademarks Act, Copyright Act and Trade Secrets and Undisclosed Information.
- 2.) How do you look at the new Company Act, 2013 as compared to the Company Act, 1956 in the background of a number of corporate frauds taken place in recent years? Do you agree with government's claim that regulatory authorities are better equipped today to contain corporate frauds?
- 3.) Do you think that Land Acquisition Act, 2013 is a major hurdle against implementation of industrial projects? Do you agree with the government's initiatives to overcome these hurdles? Would you like to suggest alternative approach?

**Section : C**

**Case Study**

**(15 marks)**

Give your answers for the following case.

3) The enforcement directorate (ED) has slapped a show-cause notice on Emaar MGF Land, a joint venture between Dubai's Emaar Properties and India's MGF Development, for violation of the Foreign Exchange Management Act to the tune of 8,600 crore.

In an investigation under FEMA, the government department noticed that funds were received by this company and four of its subsidiaries from Dubai, Cyprus, Mauritius and other foreign countries under the foreign direct investment scheme of the Reserve Bank of India since April 2005.

The FDI scheme of RBI has given a facility to Indian companies under the automatic route to receive funds from outside the country for a number of business activities including for construction development projects.

In this facility, the company, Emaar MGF Land Ltd and its subsidiaries, had to disclose the purpose for which foreign direct investment was received, from within the list of permitted activities by the RBI.

While this company and its subsidiaries disclosed the use of foreign direct investment in construction development projects, they later utilised the overseas funds in the purchase of agricultural land in India.

The company has "thus utilised the overseas funds in the business neither disclosed to RBI nor permitted in the FDI scheme of RBI," said a statement by the directorate of enforcement.

Investigation under FEMA, it said, has revealed that foreign investments received by the companies were utilised in the purchase of agricultural land through various methods either directly or through other associated companies by diverting overseas funds to them.

The directorate of enforcement has found Emaar MGF Land Ltd and its four subsidiaries in contravention of section 6(3)(b) of FEMA 99 for the total amount of 8,600 crore and a show cause notice has been issued under FEMA.

A spokesman for Emaar MGF said: "We have not received any communication from government authorities and hence we are not in a position to comment."

- i) With regards to the above case, discuss the reason for the Enforcement Directorate issuing a show-cause notice to Emaar MGF; and
- ii) Explain the major provisions of FEMA.