


Name: Enrolment No:	
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UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2023

Course: Financial and Systemic Fraud (Hons 3)

Semester: VII

Program: B.A. LL.B. (Hons.) (Criminal Law), BBA LL.B. (Hons.) and B. Com. LL.B. (Hons.) (Energy Law/Constitution Law/ Criminal Law/ Corporate Law/International Trade and Investment Law/ Taxation Law/Cyber Law/Intellectual Property Rights)

Time: 03 hrs.

Course Code: CLCL 4006

Max. Marks: 100

Instructions:

SECTION A
(5Qx2M=10Marks)

S. No.	Statement of question	Marks	CO
Q 1	What is wire card fraud?	2	CO1
Q 2	Explain wrongful trading?	2	CO1
Q 3	What is the concept of chit fund?	2	CO1
Q 4	How does corporate insolvency fraud take place?	2	CO1
Q 5	Describe breach of trust under criminal law for corporate fraud?	2	CO1

SECTION B
(4Qx5M= 20 Marks)

S. No.	Statement of question	Marks	CO
Q 6	Elucidate the correlation of occupational crimes and organizational crimes and whether they could be considered as White-collar crime.	5	CO2
Q 7	Analyze of Gain Bitcoin Scam through cryptocurrency in India?	5	CO2
Q 8	Fraud is deceit in grants and conveyances of land, bargains and sale of goods etc. to the damage of another person, which may be either by the suppression of the truth or suggestion of a falsehood. Elucidate the statement.	5	CO2
Q 9	Sameer who is a salesman sell's a used car as a salesman, where Sameer assures the naive customer that the car is being used in past only for 5 years since it manufactured. The said WagonR which is used car was still in good conditions and just have been drown for 15,000 KM in past 5	5	CO2

	years. In reality, Sameer knows that the car is being used for 50,000 KM and car body parts need to be replaced as those are worn out due to its 50,000 KM usage and it has some issues in its functioning too. Still, he sells his naïve customer the worn-out car, which had been used for 50,000 KM. What kind of fraud is committed by Sameer and what are the elements required for such kind of crime.		
SECTION-C (2Qx10M=20 Marks)			
	Statement of question		
Q 10	Expound the conception of Corruption and fraud that had existed since antiquity, fraud and corruption can be defined in several ways, depending on the contexts. Defend this state with the help of legal provisions taken against corruption in India and who is the regulatory body to curb corruption in India.	10	CO3
Q 11	Raj and sons were a firm that was in the business of manufacturing customized furniture and household items utilized in the home. They have a huge business and to look after the business they appointed a manager who works for a firm and look into all the affairs of Raj and sons. The was Manager empowered with certain powers to take the decisions in the benefit of the business and for the same purpose was allowed for buying the goods for the firms, entering into the contract and make payments to the employees and enter into financial transactions from time to time in the name of the firm. The Manager used to order the material and goods from specific vendor who was supplying the goods and material to firm for past 10 years which of specific quality and quantity. Manager changed the vendor enter into the contract with the vendor who provided goods at cheaper rates to the firm. The new vendor agreed with the Manager that if he gives him the contract of the firm, the manager will be giving him 40 % of profit from the contract. The goods supplied by new vendor was not of specific quality but was of inferior quality due to which the business of firm was affected, and the reputation of the firm was damaged. Firms' sales went down, and customers started complaining about the quality of their appliances. Explain the liability of the Manager and the new vendor. Remedies applicable to Raj and sons against Manager and vendor.	10	CO3
SECTION-D (2Qx25M=50 Marks)			
	Statement of question		
Q 12	A company named Vedanta Motors Solution was a registered company in 1995 with the ROC under the Companies Act, 1956. They were established well in the motors and spare parts of every vehicle in India and provided good reputation in market in India. As they were doing business well and established themselves in this sector, they were listed on the Stock Market in 2009. They expanded their business in various		CO4

	<p>cities by opening branches in Delhi, Ahmedabad, Chennai, Bangalore and Mumbai was their head office. They were doing their business pretty good in all these branches till 2021. In the branches of Chennai, Bangalore and Ahmedabad the companies CFO and CEO with the CA of the companies started transferring the monies in their own name showing that money as a loss in the ledgers since 2018. In 2021 through a Government Audit this fraud was flagged and was brought to the notice of the BOD. The BOD also got involved in such fraud and the BOD started oppressing the shareholders and their grievances were not heard. Through the RTI application the information pertaining to the companies functioning was asked which showed that the company is running in losses since 2018, whereas there was mismanagement done by the CFO and CEO with the CA and later in 2021 BOD also joined them by transferring the funds of companies in their personal names. A complaint was filed by the one of the shareholder and insider to the ROC about such oppression and Mismanagement to the ROC. After the complaint was filed ROC investigated the matter and found that there was serious fraud committed by the companies' members. Based on the above facts answer the following questions?</p> <p>In the given circumstance, explain what can be done by the ROC for such serious fraud committed by companies' internal members under the present Companies Act, 2013. (10 marks)</p> <p>Clarify the procedure and application of legal provisions in this situation against all employees involved in serious fraud against the company by application of Companies provisions, whistle blower Act and role of MCA with apt applicable section. (15 marks)</p>	25	
Q 13	<p>Mr. Ganeshan who was into multiple business of manufacturing, service providing and supplying of various products in India. He had a set business for 10 years. While expanding the business Mr. Ganeshan took loans from different banks which he did not pay but also took more loans to pay the previous loans. In this way he took loan from almost 15 banks by his influence and political connection. Down fall of the business started of Mr. Ganeshan in 2017 wherein he was not able to pay to the creditors and also to the banks. Due to the huge debts Mr. Ganeshan absconded to the United Kingdom and started leaving a lavish life there since 2018. In India, he had committed around 14000 crore scams giving an economic set-back to the country and huge burden on those 15 banks from whom he had taken the load. Mr. Ganeshan was involved in various corporate frauds, tax evasion, corruption, money laundering etc. When Mr. Ganeshan absconded to United Kingdom the regulatory bodies wanted him to extradite him in India and charge him against various laws for the illegal activities he had done. When Mr. Ganeshan absconded to United Kingdom, India wanted to extradite him, but we did not have extradition treaty with United Kingdom, so post his absconding in 2020 India framed the Fugitive Economic Offenders Act. Under this</p>	25	CO4

	<p>legislation all economic offender who absconded from India could be tried. In the light of above problem answer the following-</p> <ol style="list-style-type: none"> i. Critically analyse the applicable laws that could be charge against Mr. Ganeshan in India? (10 Marks) ii. Can the Fugitive Economic Offenders Act, 2020 could be applied to Mr. Ganeshan retrospectively based on which provisions and could he be extradited and charged in India. (10 Marks) iii. Justify the resembling case that has happened in India. (5 Marks) <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> a. Elucidate the steps taken by RBI, SEBI and PMLA, 2002 for combating with Anti Money Laundering and Combating of Financing of Terrorism as per FATF recommendation given by United Nation that are incorporated in Indian legal system. Explain the changes brought under the PMLA through the amendments for combating Money laundering and curbing down frauds done in banking sector, capital market and financial market. (15 Marks) b. Is there any link between money laundering and black money and what are the steps taken by the government to deal with the dual issues of money laundering and black money explain the same through cases and illustrations with applicable provisions. (10 Marks) 	<p>25</p>	
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