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**LAST DAY REVISION: LDR NOTES**

**CA FINAL LAW**

**CA FINAL LAW:**

**ICAI MCQ Summary**

**TIME & NUMERICAL LIMITS**

- 1<sup>st</sup> time Detailed **Strategy** for Revision
- **ABC & Trend** Analysis
- **Last day revision** strategy & **Schedule**
- Some important tips to **Increase MARKS**
- Tips to **attempt Paper**
- ICAI **MCQ Summary** - One Liner
- **TIME & NUMERICAL Limits**

**By: CA Hemant Somani | AIR 46**

## MUST WATCH LECTURE FREELY AVAILABLE ON YOUTUBE

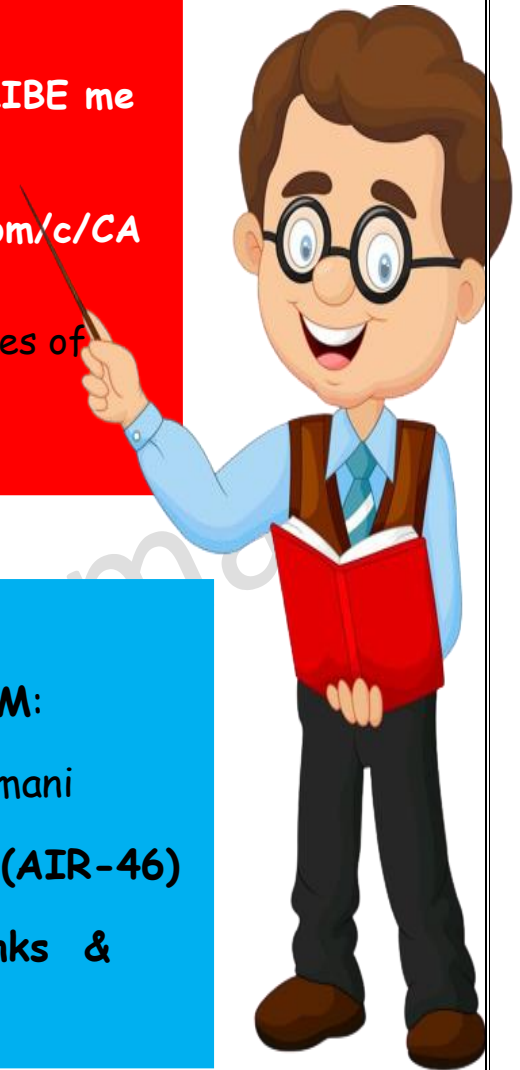


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**CA HEMANT SOMANI (AIR-46)**

For **Free Notes, Qn Banks & Guidance**

### A Motivation CUM Story

I always needed a single digit rank in CA Final, But **Luck** factor was not in my favor, just **before 15 days of my exams**, me & my family got **infected by COVID**, and last 15 days are equivalent to 3 months, But I didn't loosed hope and gave exam at that time also, During exams also I was suffering from many post COVID symptoms .....

And Finally, I Secured AIR 46 (Not single digit),

I just want to convey that while doing your preparation, "**Always Aim for the BEST & Prepare for the Worst scenario**"



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# 1<sup>st</sup> time REVISION STRATEGY

Law needs **Comprehensive coverage**, As ICAI is frame New & Deep questions everytime + MCQ's are very Deep

## Need to cover following things :

- ✓ **ICAI SM or Other author book (Comprehensive one, not Summary only)**
    - Munish Bhandari sir **Main Book** is good – But **don't refer there questions** (as Qns are not as per ICAI, they have modified language as well as Crux of Answer)
  - ✓ ICAI Has given many **examples** below provisions, try to read all, as sometime ICAI Frame comprehensive qn or MCQ's from them
  - ✓ Good **question Bank**  
Must ensure that solutions are **strictly as per ICAI**, teacher/author didn't modified answers in qn bank & Covers following things:
    - ICAI RTP/MTP/Past papers of New syllabus
    - Important question of old syllabus
    - ICAI Study Mat
  - ✓ **MCQ Booklet** by ICAI
- 
- **Don't do ratta-fication of whole law**, try to understand it, Do ratta-fication of only those points which were asked in exams/RTP/MTP or economic law  
**[As law is more about understanding & framing good answer]**
  - **Start marking & filtering Questions** from 1<sup>st</sup> revision only
  - Do **RTP/MTP & Past papers** which are not covered in your question bank (i.e Released subsequently)
  - Prepare **Concepts & Formula register** (It must also includes Steps of solving important questions, silly mistakes you are making, Trick Points)
  - **For Hard/Lengthy Concept/Provision**, Prepare Chart/ Explain that concept in brief in your own language (In same book which you referring) , so that it will be easy to revise next time
  - Do Some **important qns** of every chap **by Hand**, It will **not be possible to do all the questions by hand**.....so do only Top/Important questions by hand + MTP's for remaining just do audit of them
  - **No Need to read Full question each time**, write some explanation of that question in your own language in **Crux**, So that next time you revise that **crux only**, along with key words
  - Must **Consolidate all time limit, Numerical limit, Int, penalty etc Limits**, as they are very much confusing, it requires for comprehensive as well as MCQ questions

- **Section no.** Don't have marks
- You Can watch **revision videos of any faculty before going to bed**, as reading theory sometime is boring & you need to be in regular touch with theory subjects.
- **Must Watch my ICAI Marking pattern Video.....**You need to prepare Working note similar to ICAI & For Total Income question...explain each adjustment just below that adjustment.

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## ABC & Trend Analysis:

ABC	Topic	May 18	Nov 18	May 19	Nov 19	Nov 20	Jan 21	Jul 21	Dec 21	Nov 22	Total
A	Appointment and Qualifications of Directors	12	20	16	16	10	4	8	8	4	98
A	Meetings of Board and its Powers	20		10	6	6	14	10	4	8	78
A	Appointment & Remuneration of Managerial Personnel		12			10	8	4	10	10	54
A	Inspection, Inquiry and Investigation	7	12		4		4	4	4	4	39
A	Compromises, Arrangements and Amalgamations	8		4	4	8		4	4	4	36
A	SEBI Act, 1992 and SEBI (LODR) Regulations		6	4	4	4	4	4	8	8	42
A	Prevention of Money Laundering Act, 2002	6	6	9	9	9	9	6	9	6	69
A	Foreign Contribution (Regulation) Act, 2010	6	6	6	6	3	3	6	3		39
A	IBC 2016	10	10	9	9	9	9	9	9	9	83
B	Companies Incorporated outside India	2	10		8		8	4	4		36
B	Companies Incorporated outside India	2	10		8		8	4	4		36
B	Miscellaneous Provisions	8		8	4	8	4		4	16	52
B	National Company Law Tribunal & Appellate Tribunal	8	8				4		4		24
B	Foreign Exchange Management Act, 1999	6	6			3	3	3	6	9	36
C	Prevention of Oppression and Mismanagement		3	4			4				11
C	Winding up	6		8	4	4		4	4	4	34
C	Compounding of Offences, Adjudication and Special Courts	2	2			4		8			16
C	Corporate Secretarial Practice										0
C	Arbitration and Conciliation Act, 1996	3	3			3	3	3		3	18
Excluded	SCRA (Excluded from syllabus )	15	9	4	4	4	4	4			44
Excluded	SARFAESI Act, 2002 (Excluded from syllabus)	5	5	6	6	3	3	3			31

**Disclaimer:** I never recommend to follow ABC Analysis (Especially in MCQ Subjects), As ICAI/examiner never do any analysis before setting paper....they set paper on fully Ad-Hoc basis..

*Further ICAI Generally asks MCQ's from "C" Category chapters only...so automatically it becomes "A" Category*

However due to students demand I am just sharing ABC Analysis based on Past exam weightage & lengthiness of chapter,

But before this, **Must understand new meaning of ABC Analysis**.....

**"A" Category** : Khoon me daalna h (Must run into your blood vein)

**"B" Category** : Important chapters, Need good attention

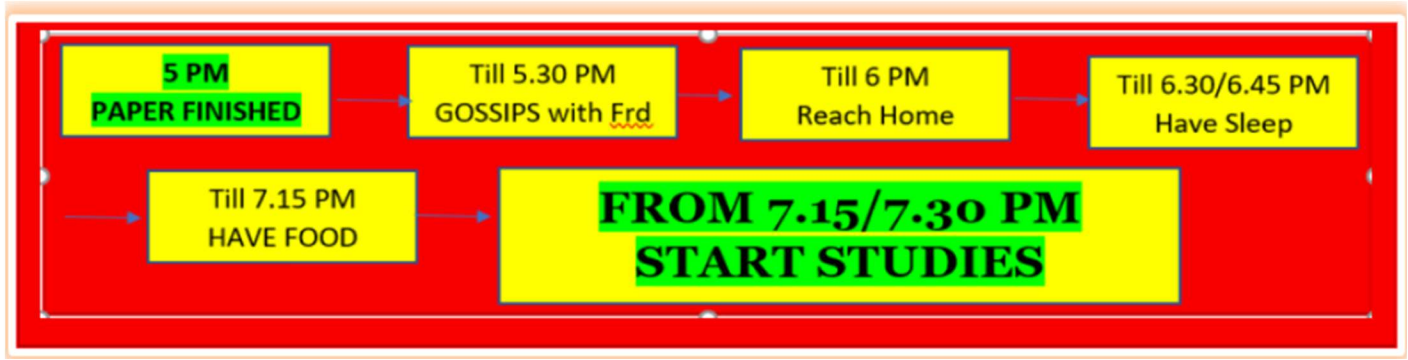
**"C" Category** : Read & Understand them for MCQ Purpose & Do All important questions of them

(Don't skip it completely)

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# Last day revision strategy & Tips

## 1) Revision Sequence For 1.5 day revision:



<u>Sequence</u>	<u>Time to allot :</u>
1. Appointment & Qualification of Directors	<b>2 hr 15 min</b>
2. Meeting of board & its Power	<b>2 hr 30 min</b>
3. Appointment & remuneration of managerial remuneration	<b>1 hr 10 min</b>
4. Inspection, Inquiry & Investigation	<b>1 hr</b>
5. Compromise, arrangements & amalgamation	<b>45 min</b>
6. Prevention of oppression & mismngt	<b>40 min</b>
7. Registered valuers	<b>6 min</b>
8. Removal of names of companies from registrar	<b>15 min</b>
9. Winding up	<b>50 min</b>
10. Companies incorporated outside India	<b>25 min</b>
11. Govt. Companies	<b>5 min</b>
12. NCLT	<b>6 min</b>
13. Miscellaneous provision of Co. act (Including 30 min for NIDHI co.)	<b>45 min</b>
14. Corporate secretarial practice	<b>7 min</b>
15. FCRA	<b>50 min</b>
16. Arbitration & Conciliation	<b>40 min</b>
17. SEBI LODR	<b>45 min</b>
18. SEBI	<b>55 min</b>
19. PMLA	<b>45 min</b>
20. FEMA	<b>2 hr 10 min</b>
21. IBC	<b>1 hr 25 min</b>

- RTP/MTP of Current attempt & previous (selected question) = **30 min**
- ICAI MCQ Booklet (Selected MCQ's) = **50 min**



- **Now Before going to exam center:**

Revise all time limits & numerical limits = **2 hr**  
Section list = **20 min**

**TOTAL : 3 hr 40 Min**

**APPROX TOTAL NO. OF HRS. = 23 Hrs**

**2) Some important tips to INCREASE MARKS:**

**TIPS FOR LDR:**

1. **NEVER** pickup **ANY NEW TOPIC or BOOK** which you didn't read earlier
2. Take **6 hrs sleep & Small-Small gaps** (5-10 Min snaps) between your study
3. After exam, **Don't discuss paper** with your friends or don't watch its solution video on youtube until all exams are over
4. When you reached home after giving exams, **Take 30-40 min sleep**
  
5. Don't do any question by hand while revising syllabus in 1.5 days
6. Do only selected question in 1.5 day revision & from now mark the important/hard adjustment in each question, so that you don't have to do whole question completely, just do hard/important point
  
7. Don't skip Non-Important sections, ICAI is asking very deep MCQ's, Don't remember whole section, Just read it for MCQ purpose
8. Must revise all time & numerical limits before going to exam center
9. Don't learn Exact 100% answer of ICAI, you need to remember only **HEAD POINTS & KEY WORDS** in paragraph (For description you can use your own language, But must use **KEY WORDS**)
10. Never go to exams by doing question bank only, Nowadays ICAI is asking deep MCQ's and Case scenario's from "C" category topic, So cover all the topics,  
Yes I know its not possible to do Ratta-fication of 100% audit, so do ratta-fication of Qn bank only, but Read and understand whole module deeply to solve MCQ's & Case scenario .
11. If answer have 15 points, Read all the 15 points very carefully (For MCQ purpose), But learn only 6-8 points, Because ICAI generally ask 1 qn for 6 marks only
12. Always present answer in Points rather than in paragraph

## Tips to Attempt Paper:

- 1) **Don't read Qn 1** in reading time as its compulsory
- 2) Read the questions in **Reverse order** (From Qn 6 to Q1)
- 3) Attempt those question first in which you are highly confident
- 4) **Section no. don't have any marks**, Don't quote any wrong section no., otherwise examiner will cut whole answer
- 5) Give **proper space** in your answer sheet so that later you can make any changes you want.
- 6) **Circle** the important calculation/ answers
- 7) **Don't cut any answer** until you have solved it again correctly (a simple cross is sufficient to cut any Qn).
- 8) Don't learn Exact 100% answer of ICAI, you need to remember only **HEAD POINTS & KEY WORDS** in paragraph (For description you can use your own language, But must use KEY WORDS)
- 9) **Don't make any lines, table etc.** , they do not contain any marks
- 10) Always start new question and new part of same question from **new page**

### MY SUGGESTION TO WRITE COMPANIES ACT ANSWER (FORMAT OF ANSWER):

1. Explain Section of Companies act
2. Co-relate the above section with given case (ANALYSIS & GIVEN CASE)
3. CONCLUSION

# ICAI MCQ BOOKLET SUMMARY - ONE LINER:

ICAI MCQ No.	Summary
1	Following class of companies shall appoint <b>at least one woman director</b> : 1. every <b>listed company</b> , 2. every other public company having- - <b>paid-up share capital of Rs. 100 crores or more</b> or - <b>turnover of Rs. 300 crores or more.</b>
2	<b>First Director:</b> Where the AoA does not mention anything related to first directors, the subscribers to MOA (who are individuals only) will become first director
3	<b>Casual vacancy of a woman director</b> shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or 3 months from the date of such vacancy whichever is later
4	Notice for <b>small shareholder director</b> is valid when served by Lower of: - 1000 SSH or - 1/10th SSH
5	A director is not empowered to appoint an <b>alternate director</b> for him (Power to appoint alternate director vests with Board and needs empowerment via AOA. The <b>original director has no power to appoint</b> alternate director.)
6	<b>Resignation of director is effective from</b> – date on which notice is received by co. or date specified in notice (if any) whichever is LATER. (not from the date mentioned in letter)
7	Person is <b>disqualified to be Independent director</b> u/s 149(6): Employee/Proprietor/Partner in (CY + Last 3 FY) in a - Legal/Consulting Firm having transaction with CASH of $\geq 10\%$ of Gross T/O
8	For appointment an <b>additional director</b> , authorisation in AoA is a MANDATORY
9	A <b>private company that is subsidiary of public company</b> shall be deemed as Public company only.
10	<b>Limit of 15 directors</b> as per sec 149 is <b>not applicable to Sec 8 and Govt Co.</b> , provided compliance of Sec 92 and 137
11	As per sec 199, Where a co. is required to <b>re-state its FS due to fraud or noncompliance</b> with the prov. of this Act, co. <b>shall recover</b> from past/present MD/WTD/Manager or CEO (not NED/ID), who during such period for which FS is re-stated <b>received remuneration, in excess</b> of what would have been payable to him as per re-stated FS.
12	MD is entrusted with substantial power so MD, Can Sign FS, But Can-not draw cheque/share certificate
13	For appointment of a person who has attained age of 70 years (WT-KMP) – Pass SR.
14	As per Sec 196, no re-appointment shall be made earlier than one year before the expiry of the MD/WTD or Manager's term
15	The <b>remuneration payable to any one MD/WTD or manager shall not exceed</b> : - <b>5%</b> of the net profits and if there is more than one such director, - remuneration shall not exceed <b>10%</b> of the net profits to all such MD/WTD or manager taken together
16	To become a <b>Resident Director</b> , total period shall not be less than <b>182 days in CURRENT FY (not PY)</b>
17	Mr. Abhishek can proceed with the offer of Whole-time Director at M&N Limited while also continuing as Chief Financial Officer (CFO) since M&N Limited is a subsidiary of F&I Limited
18	As per Sec 196, no re-appointment shall be made earlier than one year before the expiry of the MD/WTD or Manager's term
19	However, Reappointment period of 1 year u/s 196(2) is not applicable to CFO) & For KMP, board can appoint KMP for any period they seem fit.
20	As per section 203 - Vacancy in office of whole time KMP, to be filled by BoD within 6m of vacancy

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21	A company, other than a Govt. company and a Co. which has been in existence for more than 3 FY, may contribute any amount directly or indirectly to any political party
22	As per Section 174, where <b>interested director</b> $\geq$ <b>2/3rd of total strength</b> of directors, quorum shall be higher of: <ul style="list-style-type: none"> <li>- No. of non-interested director present at such meeting</li> <li>- 2 directors.</li> </ul>
23	As per section 188, Where Min 90% of members in NUMBER are relatives of promoters or are related party, are not precluded from voting on resolutions for approving any RPT
24	<b>For loan or investments</b> by Co., BM UR is required(ie 100% approval from attended directors)
25	The <b>draft minutes</b> of the meeting shall be circulated among all the directors <b>within 15 days</b> of the meeting
26	As per Section 177, <b>Omnibus approval</b> can only be given for <b>Related Party Transactions</b> , Omnibus approval shall be valid for <b>1 year</b> for similar type of transaction (Require fresh approval after expiry of 1 year)
27	The <b>casual vacancy</b> created due to the death of a director needs to be filled by the BoD , There is no specified time limit for filling casual vacancy u/s 161(4). Law only mentions that such vacancy is to be filled by the BoD at a BoD meeting and such appointment shall be subsequently approved by members in the immediate next GM
28	As per <b>Sec 239, books of amalgamated</b> company shall not be disposed off without prior approval of <b>CG</b>
29	As per section 173, every company shall hold the <b>first BoD meeting within 30 days</b> of the date of incorp. and thereafter hold a <b>min. no. of 4 BoD</b> meetings every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board.
30	As per Section 181, the contribution that can be made without prior approval of shareholders is – 5% of average net profit of last 3 FY. In this case, the max limit would be – $(210+180-30)/3 * 5\% =$ Rs. 6 lakhs.
31	Following class of companies shall appoint <b>at least one woman director</b> : <ol style="list-style-type: none"> <li>1. every <b>listed company</b>,</li> <li>2. every other public company having- <ul style="list-style-type: none"> <li>- <b>paid-up share capital of Rs. 100 crores or more</b> or</li> <li>- <b>turnover of Rs. 300 crores or more.</b></li> </ul> </li> </ol>
32	As per Sec 174, <b>quorum</b> in a meeting is higher of <ol style="list-style-type: none"> <li>(a) 1/3rd of total strength or</li> <li>(b) 2 directors. In this case, total no. of directors is 10.</li> </ol> <p>Therefore, quorum is met when at least 4 directors attend the meeting. At 2PM, 4directors are available – Mr. D, E, G and H and hence, the quorum is met</p>
33	No. of <b>board meeting in case of Small company</b> , at least 1 BoD meeting is held in each half of a CY + Min Gap should be 90 days
34	company which has been in existence for less than 3 FY, cannot contribute any amount towards political contribution
35	below <b>ALL</b> indicates the reason for such inspection by the concerned Registrar of Companies: <ul style="list-style-type: none"> <li>- Since no information or explanation was furnished by co.</li> <li>- Since Registrar of Companies, on an examination of the documents furnished by Sunder Cosmetics Limited, was of the opinion that the information or explanation furnished by the company was inadequate</li> <li>- Since Registrar of Companies was satisfied on a scrutiny of the documents furnished by Sunder Cosmetics Limited, that an unsatisfactory state of affairs existed in the company and the information or documents so furnished did not disclose a full and fair statement of the information required</li> </ul>
36	As per Section <b>206</b> , Where the <b>CG is of the opinion, that it is necessary to investigate</b> into the affairs of a co: <ol style="list-style-type: none"> <li>(a) on receipt of report u/s 208.</li> <li>(b) intimation of a SR passed by co. that affairs ought to be investigated; or</li> <li>(c) public interest,</li> </ol> <p>it <b>may</b> order an investigation. <b>Not mandatory</b></p>
37	for imposition of restriction on securities, application u/s 222 shall be made <b>to NCLT (not CG)</b>
38	As per Sec 223, If any Company is liable to be wound up under this Act and it appears to the CG from any such report u/s 223 that it is expedient so to do ,the CG may cause to be presented to the Tribunal:

	(a) a petition for WUP of the co/BC on the ground that it is just and equitable that it should be wound up; or (b) an application under section 241; or (c) both.				
39	As per Sec 206, where such info. relates to any past period, the officers who had been in the employment of the co. for such period, if so called upon by the <b>Registrar</b> through a written notice, shall also furnish such information or explanation to the best of their knowledge.				
40	Where the CG is of the opinion, that it is necessary to investigate into the affairs of a company by the SFIO, inter-alia, on intimation of a SR passed by a co. that its affairs are required to be investigated, it may, by order, assign the investigation to SFIO.				
41	As per Sec 206, where such info. relates to any past period, the officers who had been in the employment of the co. for such period, if so called upon by the <b>Registrar</b> through a written notice, shall also furnish such information or explanation to the best of their knowledge.				
42	As per Section 209, search and seizure can be undertaken by RoC only after prior approval of the <b>special court</b>  <b>Seizure of books by RoC:</b> <table border="1" data-bbox="337 688 1495 814"> <tr> <td>Upon info in his possession or someone complaint about the Co.(u/s 209):</td> <td>Require Order from Special Court</td> </tr> <tr> <td>In the course of Investigation(u/s 220):</td> <td>No Approval</td> </tr> </table>	Upon info in his possession or someone complaint about the Co.(u/s 209):	Require Order from Special Court	In the course of Investigation(u/s 220):	No Approval
Upon info in his possession or someone complaint about the Co.(u/s 209):	Require Order from Special Court				
In the course of Investigation(u/s 220):	No Approval				
43	To investigate the affairs of sub sy co. <b>CG approval</b> is required u/s 219				
44	The shareholders of a company, after passing a special resolution at the General Meeting, have a right to make an application to the Central Government for conducting an investigation into the affairs of the company under Section 210 of the Companies Act, 2013				
45	As per Sec 218 – A Co. cannot reduce the rank of employee during the period when investigation is continuing without seeking approval of the NCLT. Application to be disposed by NCLT in 30 days				
46	As per Sec 208, the inspector's report shall be <b>submitted to CG</b> . It may include recommendation for further investigation supported with reasons therefor				
47	A Ltd. was amalgamated into AB Ltd. The latter company AB Ltd. had held 100% shares in AC Ltd. Both AB Ltd. and AC Ltd. held 10,000 shares in A Ltd. before the amalgamation took place. A Ltd. had total 1,00,000 issued shares before amalgamation and 70,000 shares therein were held by B Ltd. which also later became shareholder of AB Ltd. under amalgamation. But the shareholders apart from B Ltd. (and excluding AB Ltd. and AC Ltd.) holding 10,000 shares did not become shareholders in the new AB Ltd. Assuming all other conditions for amalgamation in the 'nature of merger' are fulfilled, would this be:  One of the condition is that, 90% SH of Transferor Co. become SH of Transferee Co. To Calculate 90% exclude the shares held by transferee and transferee's sub sy co : 90% of 80000(100000-10000AB-10000AC)=72000 which is more than 70000. 90% criteria not fulfilled.  So its Amalgamation in the nature of Purchase(Not Merger)				
48	B. Real Estate Developers Limited was demerged to B. Reality Constructions and Developers Limited and B, it's a <b>Partial demerger</b>				
49	In a scheme of compromise or arrangement (Sec 230) : sectoral regular shall make representations within <b>30 days</b> of receipt of such notice				
50	For Scheme of Compromise or Arrangement, <b>Both</b> below requirement need to be fulfill: - shall be approved by more than 50% majority in number of members or class of members or creditors or class of creditors, as the case may be, who are present and voting at the meeting. - be approved by more than 75% majority in value of members or class of members or creditors or class of creditors, as the case may be, who are present and voting at the meeting				
51	Purchase of share by minority, sum received by the transferor co. shall be disbursed to the entitled shareholders <b>within 60 days</b> of such receipt (via Separate bank account)				
52	In Compromise and Arrangement-No Creditors Meeting is required, If 90% of Creditors in value confirms to it.				
53	The scheme of compromise submitted by Neon ColorPrints Limited to the jurisdictional National Company				

	Law Tribunal (NCLT) is not to be considered as approved by the shareholders.
54	The Central Government shall file an application before the National Company Law Tribunal (NCLT) stating its objections.
55	Mergers for companies u/s 233 (i.e., <b>Fast track merger</b> ) is <b>optional</b> in nature and not mandatory.
56	As per sec 232, Every co. in relation to which the order u/s 232 is made shall cause a certified copy of order to be filed with RoC for registration within 30 days of receipt the order
57	<ul style="list-style-type: none"> <li>To calculate majority in number and 75% of value u/s 230 : Only members who VOTED shall be taken into consideration. Eg. 100 members and 20 didn't vote, then calculate majority and 75% of 80 members.</li> <li>(compromise/arrangement shall be approved by majority of person representing 3/4th in value agree to the SCA [Present and voting])</li> </ul>
58	Failure to declare <b>dividend</b> does <b>not</b> amount to <b>oppression</b>
59	<p><b>Majority SH, passed SR to alter the AOA and empower BOD to transfer the shares of any shareholder who competes with the business</b> of the company (<b>Both</b> below option are correct):</p> <ul style="list-style-type: none"> <li>- Alteration of AOA is <b>valid</b>, Not oppression, since the Articles are being altered after following the due process of law</li> <li>- Alteration of AOA is valid, Not oppression, since the Articles are being altered in the interest of the company</li> </ul>
60	<ul style="list-style-type: none"> <li>As per <b>sec 244, application</b> shall be made, in case of a company having a share capital, not less than <ul style="list-style-type: none"> <li>- 100 members or</li> <li>- 1/10th of the total number of its members,</li> </ul> </li> </ul> <p>whichever is less, or</p> <ul style="list-style-type: none"> <li>- members holding <b>not less than 1/10th</b> of the <b>issued share capital</b> of the company</li> </ul>
61	<i>Refer above MCQ</i>
62	The <b>legal heir is entitled to file a petition under Section 241</b> (If any person is not eligible to apply u/s 244. But after his death, his legal heir can make an application to Tribunal)
63	<b>company fails to comply with order</b> of NCLT : Fine – Rs. 1 lakh to Rs. 25 lakhs
64	A majority shareholder of company, representing himself as MD of the company although not formally appointed as MD is <b>not an act of oppression</b>
65	foreign company shall, <b>within 30 days</b> of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority
66	<p><b>Penalty to foreign co.</b> for failure to deliver docs within time period (Sec 392):</p> <ul style="list-style-type: none"> <li>- Rs. 1 Lakh to Rs. 3 Lakh      <b>AND</b></li> <li>- Rs. 50,000/day for continuing offence</li> </ul>
67	Radix Healthcare (out of India company) has online presence in India, <b>not a foreign company</b> as it has no place of business established in India. (ICAI Answer seems to be incorrect)
68	For <b>declaration u/s 380 i.e. none of the director</b> /authorised representative is debarred from formation of co :Declaration from ALL the DIRETORS and <b>AUTHORISED REPRESENTATIVE (Not Secretary)</b>
69	A company incorporated in India cannot be considered as a <b>foreign company</b> merely because it is a wholly owned subsidiary of a Foreign Company.
70	<b>Foreign company</b> have to file FS within <b>6 months</b> from the close of the FY
71	<p>If a <b>Foreign Co.</b> is incorporated for more than 2 years even then it is required to mention following in the <b>prospectus</b>:</p> <ul style="list-style-type: none"> <li>- Date and Signature on prospectus</li> <li>- Date and country of Incorp</li> <li>- If co. has PPOB in India then its address</li> <li>- Matters specified u/s 26</li> </ul>
72	<b>Dormant Co.</b> , : Not filed FS or Annual Return for 2 consecutive years
73	<b>Dormant Co.</b> , : Not filed FS or Annual Return for 2 consecutive years
74	An employee is not competent to file complaint before special court for illegal issue or transfer of securities: Only person authorised by SEBI is Empowerd
75	penalty for <b>not vacating the office of directorship</b> even after attracting disqualification - Fine Rs. 1,00,000 to Rs 5,00,000
76	NCLT is empowered to refer, <b>suo motu</b> , any matter proceedings to the Mediation and Conciliation Panel

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77	As per section 439, every offence is non-compoundable and Non-cognizable offence except 212(6) <ul style="list-style-type: none"> <li>If in any punishment there is 'AND' between Imprisonment and fine: It will be a Non Compoundable Offence. Since it is non compoundable it shall also be a Non Cognizable Offence</li> </ul>
78	If NCLT has passed an order with consent of ALL the parties then no party can make an appeal for such order to NCLAT
79	Tribunal within 2 YEARS amend its order for mistakes apparent from record (suo motu or on application)
80	Under IBC, an appeal against the order passed by NCLT, shall be filed within a period of 30 days from the date of order
81	If the company defaults in filing its FS or Annual Returns for immediately preceding <b>5 consecutive FYs</b> , the Tribunal may order its winding up on a petition filed by the Registrar
82	As per sec 177. Vigil mechanism is applicable to – <ol style="list-style-type: none"> <li>listed company</li> <li>company having accepted deposits from the public</li> <li>companies which have borrowed money from banks and public financial institutions in excess of Rs 50 crores , as per latest FS.</li> </ol>
83	If any member of the audit team passes the info of the co. to its friends or relatives before this info came in to public domain then it is a case of Insider Trading u/s 15G:the penalty would be Min. Rs 10 lacs but which may extend to Rs. 25 crores or 3x of profits made out of insider trading, whichever is higher
84	Any alteration of security (Alteration in rate of bond) shall be intimated to RSE at least 11 days prior to change (excluding date of intimation and the date of BoD meeting)
85	<ul style="list-style-type: none"> <li>Under Schedule III of FEMA, if amount exceeds the limit as specified: Then permission of RBI is required for the ENTIRE amount (not only for the excess amount)</li> <li>Prior approval of RBI is required when ACTUAL REMITTENCE exceeds \$2.5L : Don't Consider Estimated Expenditure</li> </ul>
86	As per Sch II (transactions that require approval of CG), <ul style="list-style-type: none"> <li>Remittance of prize money / sponsorship of sports activity abroad by a person other than International/National/State Level sports bodies, if the amt. involved &gt; US\$ 100,000 – Ministry of Human Resource Development.</li> </ul>
87	It is mandatory to obtain prior permission of Reserve Bank of India (RBI) for remittance of entire commission of USD 42,000
88	An NR requested his indian resident brother to make payments on his behalf to mutual fund in India : Not permitted as it amounts to payment for credit of NR
89	Permissible amount of foreign exchange that can be remitted by Mohita Periodicals and Mags Publications Limited for obtaining consultancy services from an entity based in France without prior approval of RBI is US\$ 1,000,000.
90	If any person's stay in India in PY doesn't EXCEED 182 days, he will be treated as PRI if he comes in India for 3 purposes (Consequently, any branch etc. outside India owned or controlled by him shall be treated as PRI.)
91	<u>Easy</u>
92	Limit of \$ 250,000 under LRS is to be seen per Financial Year (Not to be seen per Calendar Year or from the date of last money sent)
93	Money laundering transactions executed through credit cards and online transfers come under the Prevention of Money Laundering Act, 2002
94	A donation in kind by a foreign citizen to a resident Indian shall be excluded definition of 'foreign contribution', from the if the market value, in India, of such article, on the date of such gift, is not more than ` 1,00,000.
95	If any of the party of arbitration agreement dies then such agreement would not come to an end : Such agreement shall remain enforceable by or against legal representative of the deceased
96	suit cannot be by the Magistrate Court since the jurisdiction of the said Court is ousted because of existence of a valid arbitration agreement.
97	<b>No application under IBC against Bank</b> , FI etc can be made: Because Financial Service Providers are excluded from Corporate Debtor definition (However, CG has notified that it may be initiated against NBFC having total asset of >= Rs. 500 crores)
98	Under Fast Track Insolvency, only ONE TIME extension can be granted upto 45 Days
99	For liquidation order u/s 33 of IBC: Min 66% of Voting Power of FC is required

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100	Shivdeep can alter his claim within 14 days of its submission to the liquidator of Chiranjeevi Food Products Limited.
101	Foreign Co. is required to submit various documents to RoC ( <b>New Delhi</b> ) (Not to - RoC having jurisdiction over companies' Principal Place of Business)
102	As per section 173(3), <b>notice of the meeting is to be served to all the directors</b> (additional, alternate, interested). It is to be served <b>even to a director who has expressed inability to attend the meeting</b>
103	As per Sec 165, no person shall hold office of director (incl. alt. director) in more than 20 companies at the same time. Provided that, max no. of public co. in which a person can be director shall not exceed 10. For reckoning limit of 20 cos., directorship in dormant company shall NOT be included.
104	total 1400 shareholders having ` 1,10,00,000, only paid-up 1100 shareholders share capital holding shares of worth ` 90,00,000 attended the meeting on the appointed date. Of these, 600 shareholders with shareholding of ` 68,00,000 voted in favour of the scheme whereas remaining 500 shareholders voted for disapproval.  <b><u>The scheme of compromise shall be taken as approved.</u></b>
105	In order calling of that the Tribunal may dispense with a meeting of the creditors, it is required that creditors having value of minimum 90% must agree and confirm to the scheme of compromise.
106	<b>Even after giving intimation for attending BM through VC</b> , a director may attend the future meetings in person : if he gives intimation to attend the BM in person sufficiently in advance
107	Rule 15 read with Sec 168(1)- <b>If a co. has already filed DIR 12, a foreign director</b> of such co. resigning from office may authorise in writing: <ul style="list-style-type: none"> <li>- A practising CA/CS/CMA, OR</li> <li>- Any other Resident Director of co. to sign DIR 11 &amp; file the same on his behalf intimating the reason for his resignation.</li> </ul>
108	Roopali is one of the directors in Superfast Vehicles Limited. She gave a written notice dated 10th June, 2021 in the specified Form disclosing her shareholding interest in Vixen Traders (Pvt.) Limited and caused its disclosure at the Board Meeting held immediately thereafter on 17th June, 2021. From which of the given dates, eight years are to be counted for preserving her 'notice of disclosure of interest':  <b><u>From the end of the Financial Year 2021-22.</u></b>



## MCQ Summary – Case Study Based MCQ's:

*(For Below integrated MCQ;s Summary Credit Goes To Mr. Niket Sharma, One student shared me this on telegram, Niket Please DM me for removal if you want me to remove this from PDF)*

1	1.1	In case of Govt Co. (defaulted u/s 92 and 137) want to appoint directors more than 15	Requires GM-SR
2	1.3	Appointment of Whole Time CS is mandatory for both Public Co. and Pvt Co.	
3	2.5	Investigation u/s 210 may be ordered by CG and shall be done by	Inspector(Not SFIO/Court/NCLT)
4	3.4	If at any time afterwards, BoD comes to know that any director's appointment is not valid then	Board resolution is valid for its dismissal and no SR/OR is required. Director will make good the losses ,if any.
5	4.2	In case of merger etc, payment to SH who opt out to the transferee co.	Shall not be less than as specified by SEBI(Not RoC/Reg Valuer)
6	4.3	If merger etc scheme has mentioned an Appointed Date then such scheme shall be valid from such date	Not the date of registration with RoC
7	4.6	In case of merger etc, books of old co. can be disposed only after obtaining approval of	CG (Not NCLT)
8	7.4	If a co.'s name have 'India' and wants to change it to 'British India'	Not Allowed (No Authorised Capital requirement to be fulfilled)
9	7.5	If excess remuneration has been paid to any director then co. can not waive the recovery	unless GM SR has been passed within 2 years  (u/s 197(10)) and Bank /PFI approval before GM SR(if required)
10	8.2	All persons to whom notice u/s 230(3) is sent may vote	Within 1 month from receipt of notice
11	9.3	If co. wants to buy back its equity shares and AoA of the co. didn't contain any clause for buy back	Co. is required to alter its AoA(Authorisation by AoA is mandatory).
12	9.4	If ques only provides no. of Non Independent Director(ID) and asked how many min. ID can be there in the Audit Committee	Audit Committee requires majority of ID then just add 1 (one) in the no. of non ID becoz only then there would be majority of ID in Audit Committee.
13	9.5	Post Buy Back, co. is required to maintain Debt Equity ratio to 2:1	
14	10.3	Non Constitution of: -Audit Committee -Vigil Mechanism -NRC -Stakeholders Relationship Committee	Penalty:u/s178(8) Co. - Rs. 5 Lakh Officer - Rs. 1 Lakh
15	10.4	Requirement of Stakeholders Relationship Committee:	Min 1,000 Security holder(Shareholders/Deb holders etc.)
16	11.1	Non Compliance of Notice u/s 206 : Penalty	Co. and Officer Rs. 1 Lakh + Rs. 500/day
17	12.2	Obtaining Dorman Status ----- RoC certificate of Dormant Status ----- Annual Audited Return of Dormant Co. --- Obtaining Status of Active Co. -----	MSC 1 (with Fee and GM SR) MSC 2 MSC 3 (within 30 days end of FY) MSC 4 (with Fee)

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		RoC Certificate of Active Co.	MSC 5
18	12.3	Directors in Dormant Co.(same as normal)	Public Co. 3 Pvt Co.2 OPC1
19	12.4	RoC shall initiate the proceeding to strike off the name of Dormant Co.	If it remains Dormant for 5 Consecutive years from date of RoC certificate.
20	13.1	Body Corporate / Trust can not become the member in NIDHI	
21	13.2	A Minor can not become the member of NIDHI.	But NIDHI can accept the deposit in the name of minor from a person who is the legal guardian as well as member of NIDHI.
22	13.3	Director's term in NIDHI is 10 consecutive years with 2 years cooling period.	
23	13.4	Auditor's term in NIDHI is 5 (Incl.) or 2 terms of 5 (Firm) consecutive years with 2 years cooling period.	
24	13.5	NIDHI can not accept investment from PROI as it is prohibited under FEMA.	
25	14.3	Vacation u/s 167(1)(b) attracts when director absents himself from all BM during a period of 12 months(Not last PY)	If co.'s all BM in last year held during May to March and director didn't attend any BM then he is not required to vacate the office bcoz he is absent for only 11 months.
26	14.4	If co. advances a loan to anybody then check requirement given u/s 186(2)	SR is required if loan (earlier and proposed) is exceeding HIGHER of:  -60% of PUC & Free Reserve & S/Premium -100% of Free Reserve & S/Premium
27	14.5	If any director purchased anything from the co. and wants to make part payment as deferred payment the such deferred payment can not be treated as borrowing to the director	As per notification for sec 180(1)(b)
28	15.3	Small Shareholder director requirement (Also requires 14 days meeting notice)	LOWER  -1000 Small Shareholders -1/10 of Small Shareholder
29	15.6	For calculation of quorum for BM	All the directors shall be taken into consideration which are there just before the meeting ie.  Directors at the start of the yr +Directors appointed before the meeting (-) Directors left/resigned/died due to covid before the meeting
30	16.3	As per sec 234, even Foreign LLP can be amalgamated to an Indian Co.	
31	16.5	U/s 230 aggrieved party may make an application to NCLT for any grievance only if	Com. and Arrangement is in the nature of TAKEOVER of UNLISTED Companies

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32	17.3	U/s 230 approval is required of	-Majority in number AND - EQUAL MORE 3/4 of value
33	18.3	NCLT order u/s 232 is required to be submitted to RoC	Within 30 days of RECEIPT
34	20.3	If under Compromise Arrangement, a wholly owner subsy is transferred or merged with its parent then parent is not required to pay any consideration.	Because purchaser itself is the member of targeted co. then to whom parent will pay consideration when parent is the only member of the acquiree.
35	21.4	Appointed date is the effective date of Compromise and Arrangement.	
36	21.5	U/s 230 sectoral regulators are required to make representation	Within 30 days of RECEIPT of notice
37	23.3	Calculate Max amount that can be paid to an ED:  * Remuneration as per Eff. Cap -----  * Dearness Allowance -----  * HRA-----  * Contribution to annuity fund ----  * Reimbursement of tax-----  * Remuneration due to Prof. qualif.  * Sitting Fee	Max Amount would include: (Y-Yes, N-No)  <b>Y-Remuneration</b> as per Eff. Cap i.e. Basic Remuneration  <b>N-Dearness</b> Allowance bcoz not included in Sub Part IV of Schedule V, would be included in Basic Remuneration  <b>N-HRA</b> bcoz not included in Sub Part IV of Schedule V, would be included in Basic Remuneration  <b>Y Contribution</b> to annuity fund bcoz included in Sub Part IV of Schedule V, could be paid over and above the Basic Remuneration  <b>Y Reimbursement</b> of tax it is nothing but the reimbursement so it has nothing to do with the remuneration, so would not be included in the Basic  <b>Y Remuneration</b> due to Prof. qualif. bcoz sec 197(4) allows it over and above the Basic  <b>N Sitting Fee</b> bcoz it has nothing to do with the remuneration. It can be paid to any director.
38	23.4	Board Resolution is required for removal of ED	

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39	23.5	If co. denies inspection or does not maintain contract or memorandum with MD/WTD	Penalty u/s 190(3): -Co. Rs. 25,000 -Officer Rs. 5,000
40	24.1	Import of Machine on deferred payment would be a Current Account Txn	Due to short term credit facility in ordinary course of business
41	24.2	Person can bring ANY amount in India from Nepal/Bhutan but upto Rs. 100 notes.	Eg: he may bring in Rs. 20 notes or 50 notes etc
42	26.4	Within 60 days of appointment of MD/WTD/Mgr/CEO/CFO/CS, return is required to be filed with RoC	MR 1 (as per proviso to 196(4))
43	27.1	We will not take shareholding held by Govt. co. to check whether any co. is Govt. co. or not.	Only holding of CG/SG to be seen to check 51% condition.
44	27.2	A PROI(as per FEMA) can not become a Registered Valuer.	
45	28.3	Co. can not pay compensation to ED u/s 202 if winding up has been commenced within 12 months of leaving of ED.	
46	28.4	Co./Prov Liquidator shall file declaration of conflict of interest within 7 days of date of appointment to NCLT.	
47	30.1	If co. wants to make an Investment in equity shares of a co. or give any Loan/Guarantee/Security	BM UR is required u/s 186(5). And if LGSI exceeds 60%/100% then GM SR is required.
48	31.1	Sending the notice of BM is permitted only by (Sec 173(3))	-Hand delivery -Post -Electronics means Even if not written in AOA about any of them)
49	31.3	For calculation of average profit u/s 181	Also take loss, if incurred during 3 PFY, which will reduce the average profits.
50	32.2	In compromise and arrangement, the persons to whom the notice is sent may vote on the scheme of compromise or arrangement	By, -Themselves or -Through proxies or - Postal ballot.
51	33.1	For registration as Registered Valuer(RV) , Non-refundable application fee would be :	-Individual Rs. 5,000 (Form-A)  -Firm/Co. Rs. 10,000 (Form-B)
52	33.2	After rejection of registration of RV	-Authority shall communicate the reason within 45 days of receipt of application  -The application shall submit an explanation for acceptance of his application within 15 days of receipt of communication.
53	33.3	Sec. 247, RV shall be appointed by	-Audit Committee -BoD(in absence of AC)
54	33.4	If penalty u/s 271J has been confirmed by the ITAT on RV then he would become eligible to be a RV	when 5 years have been elapsed after levy of

55	34.2	Even 1 member can file as application for oppression or mismanagement	if he holds 1/10th of the issued share capital
56	34.4	If any director is terminated by NCLT u/s 242 then he cannot become director of the co.	For a period of 5 years from the date of the order of NCLT without the leave of NCLT
57	35	<u>In case of Nidhi co.:</u> - Minimum number of Members (Rule 8)  -Ratio of Net Owned Funds to Deposits (Rule5)  -Min. shares to be allotted to each deposit holder(Rule 7)-----  -Max rate of interest on loan to its members (Rule 16)-----	-200 Members  -Not more than 1:20  -Min. 10 Eq. shares or shares equivalent to Rs. 100  -Highest rate of interest offered by Nidhi on deposits + 7.5%
58	36.1	In case of Foreign Co., the signboard of its name and country should only be in	English and Local language of the city or state where such foreign co. has its office (local language would not be Hindi if office is in Tamil or Marathi region )
59	36.2	<b>Foreign co. is required to file:</b> -Documents after its incorporation -Annual Return	-Within 30 days (FC-1) -Within 60 days (FC-4)
60	37	<u>In case of Nidhi co.</u>  -Minimum paid up equity share capital (Rule 4)-----  - Max dividend without approval of RD (Rule 18)  -Max rental from locker facilities to its members (Rule 6) ----- -Amount to be transferred to G/Res. at the time of dividend (Rule 18) -	-Rs. 5,00,000  -25% of paid up share capital  -20% of gross income of Nidhi  -Equal amount of dividend ie 100% of dividend
61	38.1	For calculation of Rotational directors u/s 152(6), Total no. of directors shall not include	-Independent Director/Small SH Director -Director appointed by Proportional Representation (Sec 163) - Nominee Director(Excl. Nominee Director of Non Fin. Institution)  <i>Additional Director shall be included but he will be a Non Rotational Director</i>
62	38.2	In case of change in info, eg. Change in residential address of the director	Form DIR-6 is to be filed with RoC
63	39.1	If one person is already an MD in a co. and other co. is desirous to appoint the same person as MD in his co. then it is possible only if	All the directors attending the meeting must consent for him (BM-UR)
64	39.4	Applicability of Secretarial Audit (Sec 204)	-Listed Co. -Public Co.  :: Paid up share capital >=50 Cr. :: Turnover >=250 Cr.

			<p>:: Borrowing from Bank/PFI <math>\geq 100</math> Cr.</p> <p>-All co.-Borrowing from Bank/PFI <math>\geq 100</math> Cr.</p>
65	40	<p>In case of Nidhi co.</p> <ul style="list-style-type: none"> <li>-Minimum shares to Saving/RD A/c—</li> <li>- Cooling period of Directors (Rule 17)</li>   <li>-Max rate of interest offered by Nidhi on FD/RD (Rule 13)</li>   <li>-Some conditions for opening the branch (Rule 10)</li> </ul>	<ul style="list-style-type: none"> <li>-1 Eq share of Rs. 10</li> <li>-2 years after term of 10 consecutive years</li>   <li>-Max rate prescribed by RBI which the NBFC can pay on its public deposits</li>   <li>-Only if it has earned PAT continuously during the 3 PFY.</li>   <li>IF Nidhi proposes to open <math>&gt;3</math> branches within/any branch outside the district, it requires prior permission of RD and an intimation to registrar within 30 days of opening the branch.</li> </ul>

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# TIME & NUMERICAL LIMITS:

## ➤ Director's Chapters

Sec	Particular	Limit
149	Company to have BOD	<ul style="list-style-type: none"> <li>- <b>Minimum</b> – Public (3), Private (2) and OPC (1)</li> <li>- <b>Max</b> - 15 directors (To appoint more than 15 directors, pass SR) [N.A. to Govt co and Section 8 companies provided compliance with Sec 92 (AR) and 137(F.S.)]</li> </ul>
149(1) + Rule 3	Mandatory appointment of woman director	<ul style="list-style-type: none"> <li>(i) Listed companies</li> <li>(ii) Public companies having paid up share capital <math>\geq</math> <b>100 crore</b></li> <li>(iii) Public companies having turnover <math>\geq</math> <b>300 crore</b></li> </ul> <p>Vacancy of women director the earliest not later than immediate next board meeting or 3 m from date of vacancy WIL</p>
149(3)	One resident director	All companies: Atleast 1 Director who stays in India for not less than 182 days during the FY
149(4)	Independent directors (listed co.)	<p>Listed public companies</p> <p><b>Legal requirement:</b> Independent directors <math>\geq</math> <b>1/3rd</b> of total number of directors</p>
149(4) + Rule 4	Independent directors (other co.)	<p><b>Applicability: Following unlisted public co. to have at least 2 I.D.:</b></p> <ul style="list-style-type: none"> <li>(i) Public companies having paid up capital <math>\geq</math> <b>10 crore</b></li> <li>(ii) Public companies having turnover <math>\geq</math> <b>100 crore</b></li> <li>(iii) Public companies having aggregate of O/S loans, debentures and deposits <math>&gt;</math> <b>50 crore</b>.</li> </ul> <p><b>Non-applicability:</b></p> <p>The following classes of unlisted public companies shall not be required to have any independent director:</p> <ul style="list-style-type: none"> <li>(a) A joint venture</li> <li>(b) A wholly owned subsidiary</li> <li>(c) A dormant company as defined under section 455 of the Act.</li> </ul> <p><b>Legal requirement:</b> Independent directors <math>\geq</math> <b>2</b></p> <p>Not required to appoint I.D. if ceases to fulfil conditions (PUSC, T/O, O/S) for <b>3 consecutive years</b></p>
	<b>I.D Disqualified:</b>	<ul style="list-style-type: none"> <li>• no pecuniary relationship other than Remuneration not exceeding <b>10% of his total income during 2 preceding F.Y/Current F.Y</b></li> <li>• None of whose relatives: <ol style="list-style-type: none"> <li>1. Holding a security/Interest of face value not exceeding Rs. <b>50 Lakh/ 2% of PUC during 2 preceding F. Ys/ Current F.Y</b></li> <li>2. Indebted to CASH or P/D <math>&gt;</math> <b>50 lakhs - 2 FY + CY</b></li> </ol> </li> </ul>

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		<ol style="list-style-type: none"> <li>3. Given guarantee or provided security for indebtedness of any third person to CASH or P/D &gt;50 lakhs – 2 FY + CY</li> <li>4. Any other pecuniary relationship with CASH &gt;= 2% of his Gross T/O OR Total income (P/D not covered) [in aggregate] <ul style="list-style-type: none"> <li>• Neither himself nor relative: <ol style="list-style-type: none"> <li>1. Is KMP or employee of CASH – Last 3 FY (Exception: Relative can be employee)</li> <li>2. Employee/Proprietor/Partner in o Firm of auditors or CS in practice or Cost auditors of CASH o Legal/Consulting firm having transaction with CASH of &gt;=10% of Gross T/O</li> <li>3. Holds (with relative) &gt;= 2% of Voting power of Co. (Not CASH) □ Is the CEO/Director of NPO that o Receives &gt;= 25% of its receipt from CASH or P/D or o Holds VP &gt;=2% of company</li> </ol> </li> </ul> </li> </ol>
		<ul style="list-style-type: none"> <li>• Term of I.D. – <b>Upto 5 consecutive</b> years (a term of &lt;5 years is possible)</li> <li>• Reappointment – Eligible on passing SR + Disclosure of same in BOD Report</li> <li>• No ID to hold office for more than <b>2 consecutive terms</b></li> <li>• Cooling period – <b>3 years</b>: (shall not be associated with co in any capacity, directly or indirectly)</li> </ul>
150	ID Data Bank & Eligibility test	<p>Every Individual shall pass an online Proficiency Self-assessment test <b>within a period of 3 years</b> from date of inclusion of his name in the data bank:</p> <p>A. as a director/KMP in one more of the following:</p> <ol style="list-style-type: none"> <li>1. listed public Co.</li> <li>2. Unlisted Public Co, having a <b>PUC of &lt;=Rs. 10 Cr</b></li> <li>3. body corporate listed on RSE/ Country which is a member state of Financial Action Task Force on Money Laundering &amp; regulator of Securities Market where member state is member of International Organisation of Securities commissions</li> <li>4. Bodies corporate incorporated O/S India having PUC of <b>US\$ 2 Million/more</b></li> <li>5. Statutory corporations set up by Parliament/State Legislature carrying on commercial activities.</li> </ol>
151	Small shareholdersdirector	<p>Listed companies on appeal by <b>lower</b> of following</p> <ol style="list-style-type: none"> <li>(i) <b>1000</b> small shareholder <b>or</b></li> <li>(ii) <b>10%</b> of total no. of small shareholders.</li> </ol> <ul style="list-style-type: none"> <li>- <b>Listed company MAY</b> have 1 director elected by SSH (<b>NV not more than Rs. 20,000</b>)</li> <li>- Time limit of notice - to be given <b>at least 14 days</b> before meeting</li> <li>- <b>Tenure – 3 consecutive</b> years. Not eligible for reappointment.</li> </ul>



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		<ul style="list-style-type: none"> <li>- Not hold the position of SSD in &gt; <b>2 companies</b> at the same time</li> </ul>
152	<b>2/3</b> of total no. of director of <b>public co.</b> shall retire at every AGM.	<p><b>Total no. of director for calculating rotational director shall include:</b></p> <ul style="list-style-type: none"> <li>(i) Small shareholder director</li> <li>(ii) Additional</li> <li>(iii) Nominee director of company incorporated under companies Act 2013.</li> </ul> <p><b>Not include:</b></p> <ul style="list-style-type: none"> <li>(i) Independent director</li> <li>(ii) Nominee director of fin. Inst. Incorporated under special act.</li> <li>(iii) Alternate director</li> </ul>
152	Following are non-rotational director	Alternate, nominee, small shareholder, additional, casual & independent.
153 to 159	<b>DIN</b>	<ul style="list-style-type: none"> <li>- <b>Max. 3 directors</b> shall be proposed in Form NO. INC-32(SPICe)</li> <li>- CG shall allot DIN <b>within 1 month</b> of receipt of application</li> <li>- If CG finds any defect, Applicant to rectify and resubmit within <b>15 days</b></li> <li>- Every existing director to intimate (Form DIR 3B) DIN to the co.(s) wherein he is a director <b>within 1 month</b> of receipt</li> <li>- Intimation of DIN by co. <b>to ROC: Within 15 days</b> of receipt of intimation</li> <li>- Director intimate <b>changes</b> in DIN to co. <b>within 15 days</b> of such change</li> </ul>
160	<b>Right of Persons other than Retiring Directors</b>	<ul style="list-style-type: none"> <li>- Person shall be eligible for appointment as a director if given a notice in writing before <b>at least 14 days</b> of meeting at Registered office with duly signed. <b>Deposit of Rs. 1,00,000</b></li> <li>- Co. shall inform its members <b>at least 7 days</b> before GM by serving individual notices</li> <li>- Refund of Deposit If person selected gets more than <b>25% of total valid cast</b></li> </ul>
163	<b>Proportional Representation:</b>	<ul style="list-style-type: none"> <li>- Appointment of not less than <b>2/3rd of total dirs.</b> of co</li> <li>- such appointments may be made <b>once in 3 years</b></li> </ul>
164	<b>Disqualifications for Appointment of Director:</b>	<ul style="list-style-type: none"> <li>- convicted by court of an offence (involving moral turpitude or otherwise) + Sentenced to imprisonment for <math>\geq 6</math> months and <b>5 years has not lapsed</b> from expiry of the sentence</li> <li>- If imprisonment for <math>\geq 7</math> years, then <b>not eligible</b> for appointment. (forever disqualified)</li> <li>- convicted of offences dealing with RPT u/s 188 at any time during <b>last preceding 5 years</b></li> </ul>
164(2)		Not be eligible to be re-appointed as director of that co. or appointed in any other co. <b>for a period of 5 years,</b>

		<ul style="list-style-type: none"> <li>- Not filed FS or Annual Returns for continuous period <b>3 FY.</b> b. <b>Failed to repay deposits + Interest</b> (or) redeem debentures on due date + intt. (or)</li> <li>- <b>pay declared dividend</b> AND such failure continues for <b>1 year or more</b></li> </ul>						
165	<b>Limit of directorship:</b>	<p><b>Max 20 companies</b> at a time (max no. of public co. in which a person can be director shall not exceed 10.)</p> <ul style="list-style-type: none"> <li>- For reckoning limit of <b>10 public cos.</b>, those Pvt. co. that are holding/subsy of public co. shall be included.</li> <li>- For reckoning limit of <b>20 cos.</b>, directorship in <b>dormant company shall NOT</b> be included</li> </ul>						
167	<b>Vacation of Office of Director</b>	<ul style="list-style-type: none"> <li>- absents himself from all the meetings of BOD held during <b>12 m with/without seeking</b> leave of absence</li> </ul>						
168	<b>Resignation:</b>	<ul style="list-style-type: none"> <li>- forward copy of resignation along with detailed reason therefor to the ROC within <b>30 days</b> from the date of resignation in Form</li> <li>- Co. to intimate ROC in Form DIR 12 within 30 days</li> <li>- Resignation to be effective from (W.e. Later) : <ul style="list-style-type: none"> <li>• Date on which notice is received by co. or</li> <li>• date specified in notice (if any)</li> </ul> </li> </ul>						
169	<b>Notice for removal of director</b>	<p>Notice shall be given atleast <b>14 days</b> but not <b>3 month before</b> general meeting &amp; to be given by -</p> <p>(i) <b>1%</b> of total voting power or</p> <p>(ii) Holding paid up share capital of <b>5,00,000</b></p>						
171	<b>Member's Right to Inspect</b>	<p>During <b>Business hrs</b></p> <p>Members shall have right to extract copies &amp; provided within <b>30 days</b> free of cost.</p>						
173	<b>Meeting of Board:</b>	<table border="1"> <tr> <td>General Rules:</td> <td> <ul style="list-style-type: none"> <li>- <b>First BOD meeting</b> :within 30 days of date of incorp.</li> <li>- <b>Subsequent BOD meeting</b> – Min. 4 meeting in each calendar year (as per SS-1); max gap between 2 meeting = 120 days [Sec 173(1)]</li> </ul> </td> </tr> <tr> <td>Section 8:</td> <td>At least 1 meeting in <b>every 6 calendar months</b></td> </tr> <tr> <td>OPC (&gt;1 dir.), Small co., Dormant co., Pvt co. (startup and 92 + 137)</td> <td>At least 1 meeting in each half of calendar year and gap is <b>NOT LESS THAN 90 days</b> [Sec 173(5)]</td> </tr> </table> <ul style="list-style-type: none"> <li>- <b>Draft minutes</b> shall be circulated among all directors within 15 days of meeting either in writing or in e-mode as may be decided by the Board</li> <li>- Notice of BOD meeting: given in writing <b>at least 7</b> days before the meeting</li> <li>- Video Conference: Dir. intending to participate via VC/AV means may intimate about such participation</li> </ul>	General Rules:	<ul style="list-style-type: none"> <li>- <b>First BOD meeting</b> :within 30 days of date of incorp.</li> <li>- <b>Subsequent BOD meeting</b> – Min. 4 meeting in each calendar year (as per SS-1); max gap between 2 meeting = 120 days [Sec 173(1)]</li> </ul>	Section 8:	At least 1 meeting in <b>every 6 calendar months</b>	OPC (>1 dir.), Small co., Dormant co., Pvt co. (startup and 92 + 137)	At least 1 meeting in each half of calendar year and gap is <b>NOT LESS THAN 90 days</b> [Sec 173(5)]
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		at the beginning of each calendar year. Such declaration <b>shall be valid for 1 year.</b>
174	<b>Quorum:</b>	<ul style="list-style-type: none"> <li>- Quorum of BOD meeting shall be higher of – <ul style="list-style-type: none"> <li>(a) <b>1/3rd of total strength</b> of directors or</li> <li>(b) <b>2 directors</b></li> </ul> </li> <li>- Where <b>interested director</b> <math>\geq</math> <b>2/3rd</b> of total strength of directors, quorum shall be higher of: (a) No. of <b>non-interested director</b> present at such meeting (b) <b>2 directors</b></li> </ul>
175	<b>Resolution can't be passed by circulation</b>	<b>1/3 of total no. of director demands</b> circulation to be decided at meeting.
177 + Rule 7	<b>Vigil mechanism</b>	<ul style="list-style-type: none"> <li>(i) Listed companies</li> <li>(ii) Any company which accepts deposits from the public</li> <li>(iii) Any company which has borrowed money from banks and public financial institutions <b>&gt; 50 crore</b></li> </ul>
178	<b>Stakeholders relationship committee</b>	Any company having <b>&gt; 1,000</b> shareholders, debenture-holders, deposit-holders and any other security holders.
177	<b>Mandatory constitution of audit committee</b>	<p><b>Applicability:</b></p> <ul style="list-style-type: none"> <li>(i) Listed public companies</li> <li><b>(ii) Public companies having paid up capital <math>\geq</math> 10 crore</b></li> <li><b>(iii) Public companies having turnover <math>\geq</math> 100 crore</b></li> <li>(iv) Public companies having aggregate of outstanding loans, debentures and deposits <b>&gt; 50 crore</b></li> </ul> <p><b>Non-applicability:</b></p> <p>The following classes of unlisted public companies shall not be required to constitute audit committee:</p> <ul style="list-style-type: none"> <li>(a) A joint venture</li> <li>(b) A wholly owned subsidiary</li> <li>(c) A dormant company as defined under section 455 of the Act.</li> </ul> <p><b>Composition of audit committee</b></p> <ul style="list-style-type: none"> <li><b>(i) No. of directors <math>\geq</math> 3</b></li> <li>(ii) Majority: Independent directors</li> <li>(iii) Majority: Ability to read and understand financial statement.</li> </ul>
	<b>Omnibus approval by AC for RPT:</b>	transactions not <b>&gt; Rs. 1 crore</b> per transaction. Validity of OA – Not <b>&gt; 1 FY</b> . Require fresh approval each expiry of such FY
178 + Rule 6	<b>Mandatory constitution of nomination and remuneration committee (NRC)</b>	<p><b>Applicability: (Same as Audit committee)</b></p> <ul style="list-style-type: none"> <li>(i) Listed public companies</li> <li><b>(ii) Public companies having paid up capital <math>\geq</math> 10 crore</b></li> <li><b>(iii) Public companies having turnover <math>\geq</math> 100 crore</b></li> <li>(iv) Public companies having aggregate of outstanding loans, debentures and deposits <b>&gt; 50 crore</b></li> </ul> <p><b>Non-applicability:</b></p>

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	1000 Shareholders, debenture, Deposit holder	The following classes of unlisted public companies shall not be required to constitute audit committee: (a) A joint venture (b) A wholly owned subsidiary (c) A dormant company as defined under section 455 of the Act.  <b>Composition of NRC</b> (i) No. of non executive directors $\geq 3$ (ii) Majority: Independent directors (iii) Chairperson of co. can't chairperson of NRC.										
	<b>Vigil Mechanism</b>	a. Listed co. b. Co. having deposits from public c. Co. having borrowed from bank and PFIs > Rs. 50 crores										
181	<b>Charitable funds:</b>	Prior permission of company in GM (by passing OR) - For contribution in a FY of sum > 5% of Average Net Profit of 3 immediately preceding FY										
182	<b>Political Contributions:</b>	any amount, Co. prohibited from PC – (a) Govt. co and (b) Co. in existence < 3 FY										
184	<b>Disclosure of interest by director</b>	Director (individually or with other directors) holds > 2% of shareholding										
185	<b>Loans to directors</b>	All companies except a private company — (a) in whose share capital no other body corporate has invested any money, (b) if the borrowings of such a company from banks or financial Institutions or any body corporate is < twice of its paid up share capital or 50 crore, whichever is lower, and (c) such a company has not committed any default in repayment of Such borrowings subsisting at the time of making transactions under this section.										
186	<b>Limit on amount of loan/investment</b>	<u>In excess of Higher of</u> - 60% of (PUSC+FR+SP) - 100% of (FR+SP)  If aggregate of loans & invst exceeds the limit, SR in GM require										
188	<b>Ordinary Resoln shall be required where the RPT exceeds below specified limit</b>	<table border="1"> <tr> <td>Sale/purchase/supply of goods/materials, directly or via agent</td> <td><math>\geq 10\%</math> of T/O</td> </tr> <tr> <td>Selling/disposing/buying property of any kind, directly or via agent</td> <td><math>\geq 10\%</math> of NW</td> </tr> <tr> <td>Leasing of property of any kind</td> <td><math>\geq 10\%</math> of T/O</td> </tr> <tr> <td>Availing/rendering of any services, directly or via agent</td> <td><math>\geq 10\%</math> of T/O</td> </tr> <tr> <td>C&amp;A relating to appointment to any office or place of profit in the company, its subsidiary company or associate company</td> <td><math>\geq 10\%</math> of T/O</td> </tr> </table>	Sale/purchase/supply of goods/materials, directly or via agent	$\geq 10\%$ of T/O	Selling/disposing/buying property of any kind, directly or via agent	$\geq 10\%$ of NW	Leasing of property of any kind	$\geq 10\%$ of T/O	Availing/rendering of any services, directly or via agent	$\geq 10\%$ of T/O	C&A relating to appointment to any office or place of profit in the company, its subsidiary company or associate company	$\geq 10\%$ of T/O
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		underwriting the subscription of any securities or derivatives of the company	> 1% of NW															
		<b>Place of profit : Monthly Remuneration exceeds 2.5 Lakh</b>																
196	No co. shall appoint/continue with a MD/WTD/Manager who is:	Below age of <b>21</b> , or Attained age of <b>70*</b> * To appoint person of age > 70 years: o Either pass SR and ES annexed to notice to include justification. o If no SR but votes cast in favour > against (i.e., OR) and CG Shall <b>not be convicted by a court</b> > sentenced for more than 6 m																
	<b>After above appointment:</b>	A return in Form MR-1 to be filed with RoC <b>within 60 days</b> of such appointment																
197	<b>Total managerial remuneration :</b>	<table border="1"> <thead> <tr> <th>Remuneration Payable to:</th> <th>Limit:</th> <th>Above Limit?</th> </tr> </thead> <tbody> <tr> <td>All the directors and Manager</td> <td>11% of Net Profit</td> <td>OR</td> </tr> <tr> <td>One MD/WTD/Manager</td> <td>5% of Net Profit</td> <td>SR</td> </tr> <tr> <td>More than 1 MD/WTD/Mgr</td> <td>10% of Net Profit</td> <td></td> </tr> <tr> <td>Dir. other than MD/WTD: 1. In case there is a MD/WTD/Manager 2. In case there is no MD/WTD/Manager</td> <td>1% of Net Profit 3% of Net Profit</td> <td></td> </tr> </tbody> </table>	Remuneration Payable to:	Limit:	Above Limit?	All the directors and Manager	11% of Net Profit	OR	One MD/WTD/Manager	5% of Net Profit	SR	More than 1 MD/WTD/Mgr	10% of Net Profit		Dir. other than MD/WTD: 1. In case there is a MD/WTD/Manager 2. In case there is no MD/WTD/Manager	1% of Net Profit 3% of Net Profit		
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		receives rem. in excess of limit: refund such excess sums to co. within 2 years or lesser (SR require to waive off) <b>Sitting Fees</b> to Directors shall not exceed Rs. <b>1Lakh/meeting</b>																
<b>Schedule V</b>	<b>NED and Independent Directors (Loss)</b>	<table border="1"> <thead> <tr> <th></th> <th colspan="2">Limit of yearly remuneration payable shall not exceed (in any FY)</th> </tr> <tr> <th>Where the Effective Capital (EC) is:</th> <th>In case of Managerial Person (MP)</th> <th>In case of other directors</th> </tr> </thead> <tbody> <tr> <td>Negative or &lt; Rs. 5 crores</td> <td>60 lakhs</td> <td>12 lakhs</td> </tr> <tr> <td>5 cr. &amp; above but &lt; Rs. 100 crores</td> <td>84 lakhs</td> <td>17 lakhs</td> </tr> <tr> <td>100 cr. &amp; above but &lt; Rs. 250 cr.</td> <td>120 lakhs</td> <td>24 lakhs</td> </tr> </tbody> </table>			Limit of yearly remuneration payable shall not exceed (in any FY)		Where the Effective Capital (EC) is:	In case of Managerial Person (MP)	In case of other directors	Negative or < Rs. 5 crores	60 lakhs	12 lakhs	5 cr. & above but < Rs. 100 crores	84 lakhs	17 lakhs	100 cr. & above but < Rs. 250 cr.	120 lakhs	24 lakhs
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		250 cr. & above	120 lakhs + [0.01% * (EC - 250 cr.)]	24 lakhs + [0.01% * (EC - 250 cr.)]
202	<b>Compensation for loss of office of MD/WTD/Manager:</b>	(i) Shall not exceed the remuneration he would have earned if he would have been remainder of his term or (ii) 3 Years W.e.I <b>Calculation:</b> Avg Remuneration earned during a period of 3 yrs immediately preceding the date on which he ceased to hold office/ held the office of less than 3 year		
203(1) + Rule 8	<b>Mandatory appointment of KMP</b>	(iii) Listed companies (iv) Public companies having paid up share capital $\geq$ <b>10 crore.</b>		
203(1) + Rule 8A	<b>Mandatory appointment of whole-time CS</b>	Every private company having a paid-up share capital $\geq$ <b>10 crore.</b>		
203(1) second pro	<b>Chairman may be appointed as MD/CEO</b>	Public companies having paid up share capital $\geq$ <b>100 crore and turnover <math>\geq</math> 1000 crore</b>  which are engaged in multiple businesses and have appointed CEO for each such business.		
204 + Rule 9	<b>Mandatory secretarial audit</b>	(i) Listed companies (ii) Public companies having paid up capital $\geq$ <b>50 crore</b> (iii) Public companies having turnover $\geq$ <b>250 crore</b> (iv) Every company having outstanding loans or from banks or public financial institutions $\geq$ <b>100 crore.</b>		

### > Inspection, Inquiry & Investigation

213	Investigation into company's affair on application by	<b>Share capital company</b> - lower of following can apply (i) <b>100 member</b> , or (ii) <b>10% of voting power</b> <b>No share capital co. : 1/5 of total no. of member</b>
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- **Sec 209** : Search and Seizure: Period not later than **180 days**, Period not later than 180 days from
- Following person may be released on bail if special court so directs:
  - a. **Age < 16**
  - b. Woman
  - c. Sick or infirm
- **Sec 212**: Guilty person to be arrested by officer not below the rank of Assistant Director of SFIO & inform him of reasons of arrest & fwd copy of order to SFIO in a sealed envelope & person arrested to be taken to Special Court/Judicial Magistrate **within 24 hrs of arrest**
- **Sec 218: Protection of Employees During Investigation:**

:: Co. makes application to NCLT for approval, Approval should be rec within **30 days** (Otherwise deemed approval)

:: In case of objection by NCLT, objection - prefer appeal with NCLAT in 30 days (Final & Binding)

- Inspector to Conduct Investigation into Affairs of Related Companies: Approval of **CG**
- **Freezing of Assets of Company on Inquiry and Investigation:** on complaint made by crs having > **Rs. 1 lakh O/s**, such transfer shall not take place during such period **not > 3 years**

### ➤ Compromises, Arrangements and Amalgamations:

230	<b>Objection to compromise</b>	<ul style="list-style-type: none"> <li>(i) Holding <b>10% or more</b> shareholding</li> <li>(ii) Having outstanding debt <b>5% or more</b> of total outstanding debt.</li> </ul>
233	<b>Fast Track mode of Merger/ Amalgamation</b>	<p>Merger/ amalgamation between:</p> <ul style="list-style-type: none"> <li>a. 2 or more small Co.s</li> <li>b. a holding Co. &amp; its WOS Co. (Its 100% of SC)</li> <li>c. 2 or more start-up Co.s or One/more start up Co. with one/more small Co</li> </ul> <p>If ROC/Liquidator has no objections, communicate to CG <b>within 30 days</b>,</p> <p>Scheme is approved by majority representing <b>9/10th in value</b> in a meeting convened by <b>giving a notice of 21 days</b></p>
235	<b>Shareholders Dissenting:</b>	<p>has been approved by shareholder* &gt; = <b>9/10th of value within 4 months</b>,</p> <p>co. may, <b>within 2m after</b> expiry of <b>said 4m</b>, Give NOTICE to dissenting SH that it desires to acquire his shares,</p> <p>Order of tribunal <b>within 1 m from the date on which</b> notice was given &amp; be entitled to &amp; bound to acquire those shares under scheme/ Contract</p> <p>Sum received, Disbursed to entitled SH within <b>60 days</b></p> <p><b>Application by Dissenting shareholders:</b> Not made an order i.e., on expiry of <b>1 month</b> Transferor Co. shall register the transferee Co. as holder of those shares &amp; <b>within 1m</b> of date of regd. inform the dissenting Sh. holders &amp; receipt of amount/</p>
236	<b>Purchase of minority shareholding</b>	<ul style="list-style-type: none"> <li>- An acquirer becoming holder of &gt; = <b>90%</b> of Issued ESC</li> <li>- Any person becoming 90% majority or holding &gt; = 90% of Issued ESC</li> <li>- Amount to be disbursed to entitled SHs within 60 days</li> <li>- Provided that – Such disbursement <b>shall continue for 1 year</b> if: For some reason, disbursement had <b>not been made within 60 days</b></li> <li>- minority shareholder is dead or ceases to exist, make offer for sale shall continue to be available <b>for 3 years from</b> date of minority acq. by majority</li> <li>- If prior to trf of Acq., sh.holders <b>holding 75% or more minority</b> of eq. sh. <b>Negotiate to a higher price</b> for trf, without disclosing: Pro rata</li> </ul>

239	Preservation of Books and Papers of Amalgamated Companies:	shall <b>not be disposed off</b> w/o prior permission of CG
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- Any scheme of Corp. Debt Restructuring (CDR) consented by **> = 75% of secured creditors** in value shall include :  
Creditors responsibilities stat, safeguards etc.
- At least **30 days prior** to meeting, such **notice**
- Persons mentioned in notice **shall vote** in the meeting either themselves/proxies/postal ballot **within 1 month** from date of receipt
- Majority of person representing **3/4th in value agree**
- Order of Tribunal – File with ROC within **30 days**
- Tribunal may **dispense with calling of meeting of Crs.** and members if **> = 90% of Crs in value agree** and confirm to the SCA by affidavit
- Scheme to clearly indicate an appointed date, deemed to be effective from such date
- Notice inviting objections/suggestion within **30 days**
- If RoC/OL has any objection, communicate to CG **within 30 days**
- Obj./Suggestions received are to be considered in GM of respective cos. and scheme is approved by members at GM holding **> = 90% of total no. of shares**
- **SMA** approved by Crs – **Majority representing 9/10th** in value of respective co. Approval of crs. can be

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## ➤ Prevention of Oppression and Mismanagement

242	Power of Tribunals	Co. to file certified copy of NCLT order with RoC <b>within 30 days of order</b>
243	Consequence of termination or modification of certain agreements	MD/manager/other director whose agreement is so terminated/set aside shall be disqualified to be appointed as MD/mgr./dir for <b>5 years except with the leave of Tribunal</b>
Fraudulent preference	Tribunal can set aside any transaction made during fraudulent preference period.	<p><b>Sec 242 &amp; 243: 3 months</b> before the date of application made for oppression &amp; mismanagement.</p> <p><b>Sec 328 winding up (preference to creditor): 6 months</b> before the date of application made for winding up.</p> <p><b>Sec 329 (transfer of property not in good faith): 1 year</b> before the date of application made for winding up.</p> <p><b>Sec 332 (Creating floating charge): 12 month</b> immediately preceding commencement of winding up</p>
244	Right to apply u/s 241 (oppression)	<p><b>Share capital company</b> - lower of following can apply</p> <ul style="list-style-type: none"> <li>(i) <b>100 member</b>, or</li> <li>(ii) <b>1/10</b> of total member, or</li> <li>(iii) holding <b>1/10</b> of total issued share capital (including preference)</li> </ul> <p><b>No share capital co. : 1/5</b> of total no. of member (share must be <b>fully paid up</b>)</p>
245	Class action	<p><b>(a) Share capital company</b> - lower of following can apply</p> <ul style="list-style-type: none"> <li>(i) <b>100 member</b>, or</li> <li>(ii) <b>5%</b> of total member, or</li> <li>(iii) Holding <b>5%</b> of total issued share capital (<b>unlisted co.</b>)</li> <li>(iv) Holding <b>2%</b> of total issued share capital (<b>listed co.</b>)</li> </ul> <p><b>(b) No share capital co. : 1/5</b> of total no. of member</p> <p><b>(c) Deposit holders</b> of any company fulfilling -</p> <ul style="list-style-type: none"> <li>(i) <b>100</b> deposit holders, or</li> <li>(ii) <b>5%</b> of total deposit holders, or</li> <li>(iii) Holding <b>5%</b> of total deposits</li> </ul>

## ➤ Winding Up:

271	<b>Circumstances in which Co. may be wound up by tribunal:</b>	defaulted in filing with ROC its FS/Annual return for last <b>5 consecutive F.Ys</b>	
272	<b>Petition for winding up</b>	<p>A contributory shall be entitled to present a petition for Winding up of a Co. Contributory in respect of shares were either originally allotted to him &amp; regd. In his name for <b>atleast 6m</b> during 18 m immediately before commencement of winding Up /have devolved</p> <p>Contributory can file application if he fulfil <b>any</b> of the following</p> <p>(i) Held for <b>6 months or</b></p> <p>(ii) Originally allocated to him <b>or</b> Inherited the shares</p>	
273	<b>Power of Tribunal to approve reject application:</b>	within <b>90 days</b>	
274	<b>filing statement of affairs</b>	Within 30 days (+30 in special circumstance)	
275	<b>Company liquidators &amp; their Appointments</b>	Provisional liquidator shall file a <b>declaration within 7 days</b> of appointment disclosing conflict of Interest/ <b>Independence</b>	
285	<b>Settlement of list of Contributories</b>	<p>A person who has been a member (i.e., Ex-member) shall not be liable to contribute:</p> <ul style="list-style-type: none"> <li>- If ceases to be a member for &gt; = 1 year preceding WUP</li> <li>- In respect of debts + liabilities contracted after he ceased to be a member</li> </ul>	
287	<b>Advisory Committee</b>	<p><b>Constitution &lt; = 12 members</b> : Contributories/creditors/other person as NCLT made a direct</p> <p>Conduct of <b>meeting within 30 days</b> from date of order of Winding u</p>	
326	<b>Overriding preferential payments</b>	workmen's dues (excluding payment for death/disability and PF/Gratuity etc) payable for 2 years preceding the WUP shall be paid within 30 days of sale of assets	
327	<b>Preferential payments</b>	<b>Sequence of Payment as per Winding up</b>	<b>Sequence of Payment as per IBC</b>
		1. Workmen's due (2 years) Other workmen dues + Unpaid Realised SC	1. IRP and Liquidation Cost
		2. Cost and expenses of winding up	2. Workmen dues (24m) + Relinquished SC
		3. Equally ranked: <ul style="list-style-type: none"> <li>- CG/SG dues (12m)</li> <li>- Salary (due &lt;4m in last 12m)</li> <li>- Accrued holiday rem.</li> <li>- Contributions under ESI (12m)</li> <li>- Compensation for death/disablement</li> <li>- PF/GF/Other fund to EE</li> </ul>	3. Salary to EE other than workmen(12m)

		- Investigation expense u/s 213,216	
		4. Crs / Debenture holders having floating charge	4. Financial Debts – Unsecured
		5. Unsecured Creditors	5. CG/SG dues (2 yrs) and Unpaid Realised SC
			6. Remaining debts and dues
			7. Preference Shareholders
			8. Equity
329	Transfers not in Good Faith to be void:	<b>within 1 year</b> before presentation of petition for Winding Up shall be void against CL	
332	Effects of floating charge	floating charge on the undertaking or property of the co. <b>created within 12m immediately preceding,</b> charge together with interest on that amount at the <b>rate of 5% p.a.</b>	
352	Company Liquidation Dividend & Undistributed Assets A/c:	dividends payable to any creditor but which had remained <b>unpaid for 6 months</b> after the date on which they were declared/ assets refundable	
356	Power of Tribunal to declare dissolution of company void:	Time within <b>2 years</b> of the date of the dissolution	

### ➤ Foreign Company:

- **Incorp docs to** be submitted by FC to RoC **within 30 days** on estb. of POB in India
- **Annual Return within 60 days** from last day of FY
- Registrar having jurisdiction over New Delhi (ROC)
- Where > 50% of PUSC (equity/pref.) of Foreign co. is held (singly/aggregate) by:
  - a. 1 or more citizen of India
  - b. 1 or more cos. or BC incorporated in India
  - c. a+b, such co. shall comply with provision of this chapter as if it were co. incorp. in India
- Every FC shall, in every **CALENDAR YEAR**, a. Make BS, P&L (Deliver to ROC Within 6m from close of FY)
- **Punishment for Contravention:**

	Foreign Co.	Officer
<b>Fine</b>	Rs. 1 lakh to Rs. 3 lakhs	Rs. 25,000 to Rs. 5 lakhs
<b>Additional Fine</b>	Rs. 50,000/day	-

### ➤ Registered Valuer:

- Not undertake valuation of asset if Interested (direct/indirectly) – During 3 years prior to appointment and 3 years after valuation is conducted
- Not convicted by any court for an offence punishable with jail exceeding 6 months/offence involving moral turpitude & period of 5 years has not elapsed  
If convicted to jail for 7 years or more, he shall not be eligible to be registered.

## ➤ Removal of Name of Company from Register of co:

- **Sec 248: Power of Registrar to remove name of Co. from ROC**
  - Not commence biz <=1 yr of its incorporation
- **Suo Moto removal :**
  - Co. has not been carrying business - **Preceding 2 FY** and has not filed application u/s 455
  - Subscribers to MoA has not paid subscription (undertaken to pay) and declaration to this effect not filed **within 180 days of incorporation** [Sec 10A(1)]
  - Registrar to send Notice of intention to remove name to Co. + All dir. & req. representation **within 30 days**
- **Suo Moto removal :**
  - By SR or obtaining consent of **75% members** in PUSC
- **Section 249: Restriction of making application u/s 248**
  - Application u/s 248 shall not be made if at **any time during last 3 months**, the co. has [PAT and NW] Changed Name or Shifted RO b. Has disposed (for value) of any rights/Property held by it and some other activities prescribed
- **Section 252: Restoration of name of Company**
  - Person aggrieved by order of RoC notifying a co. dissolved - May **appeal to Tribunal within 3 years of date of order**

## ➤ Govt. Company:

- CG shall, within **3m of AGM**, cause Annual Report on working and affair of co. to be prepared

## ➤ Nidhi Company:

- Public co. with min. PUESC of Rs. **10 lakhs**
- No Nidhi shall issue preference shares.
- Every Nidhi shall, within 1 year of date of incorporation, ensure that it has:
  - a) Not less than **200 members**
  - b) NoF of > = Rs. **20 lakhs**
  - c) Unencumbered term deposit of > = **10% of the o/s deposit** and
  - d) NoF to Deposit of not > **1:20**
- Return of Statutory Compliances: Within **90 days** o From close of first FY after incorporation
- may provide **locker facilities** on rent to its members subject to Rental income from such facilities < **20% of gross income** at any point of time during a FY.
- Nidhi shall issue fully PUESH of NV not < Rs. 10 each
- Nidhi to allot each deposit holder **lower of:**
  - :: **At least 10 shares** *or* Shares eq. to **Rs. 100**
  - :: Savings A/C holder and recurring deposit A/C holder to hold at least 1 share of Rs. 10 each
- Membership: Not reduced below 200 at any time
- **Deposits:** FD for min 6m & max 60m. RD for min 12 m & max 60 m. RD relating to mortgage loans, max period of RD shall correspond to repayment period.
- Max Bal. in savings deposits, Interest amt not to exceed Rs. 1 lakh/ROI 2% payable on SB by nationalised banks.
- **Directors:**
  - :: Term – Upto 10 consecutive year
  - :: Re-appointment only after expiry of 2 years from ceasing to be a director
- **Dividend:**
  - :: Not declare dividend > 25%
- **Auditor:**

:: individual as auditor for > 1 term of 5 consecutive years.

:: audit firm as auditor for > 2 term of 5 consecutive years.

:: Reappointment (indv./audit firm) – After expiry of 2 years from completion of term

## ➤ **Miscellaneous:**

### - **Sec 447:**

Amount involved in the fraud	At least Lower of: a. Rs. 10 lakhs b. 1% of T/O	At least Lower of: a. Rs. 10 lakhs b. 1% of T/O	At least Lower of: a. Rs. 10 lakhs b. 1% of T/O
Fraud involves public interest	No	Yes	No
Jail	6m – 10 years	3 years – 10 years	Upto 5 years
And/or	And	And	Or
Fine	Up to 3x amt involved	Up to 3x amt involved	Upto Rs. 50 lakhs or both

- **Dormant company u/s 455** : not filed FS/AR - **Last 2 FY**
- **Mediation and Conciliation Panel**: dispose of the matter in **<= 3 months**

421	Appeal to NCLAT	Appeal to be filed within <b>45 days + 45 days (if sufficient cause)</b> from the date on which order of tribunal made available. <b>Exception: Sec 218</b> (protection to employee, appeal can be filed within <b>30 days</b> & no extension avlb.)
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- **NCLT : Amendment of order** : Within **2 years** from order,
- **disposal by Tribunal and Appellate Tribunal**: **within 3 months (+90 days)**
- **Appeal to SC**: within **60 days (+60 day)**

## ➤ **Sec 435-454A: Compounding of offences, Adjudication & Special Court:**

- Special court: **Single Judge** holding office as Session Judge/Additional Judge in case of offences punishable with Jail **min 2yrs**
- **Sec 436: offences triable by Special Courts:**  
A person accused of, or suspected of commission of an offence,
  - a) Where magistrate is a Judicial Magistrate, for a period **not exceeding 15 days**.
  - b) Where magistrate is a Executive Magistrate, Period **not exceeding 7 days**.

Special Court may try in a summary way any offence under this Act to be punishable not **exceeding 3 years**. Case of Conviction in a summary trial, **no jail exceeding 1 year** shall be passed.

When special court noticed that **Jail is exceeding 1 Year** may have to be passed undesirable to try the case summarily record an order & recall

## ➤ **SOME SPECIAL POINTS FOR MCQ:**

## CA Hemant Somani (AIR-46)

MCQ Points	<ul style="list-style-type: none"><li>(i) BM along with GM can be hold on last date (September 30) for approval of accounts.</li><li>(ii) Application for change in FY can be made by <b>holding, subsidiary &amp; associates</b>.</li><li>(iii) Joint ventures are covered under defination of associates</li><li>(iv) Effective capital <b>not include</b> revaluation reserve &amp; share application money for calculating remuneration limit under <b>section 198</b>.</li><li>(v) Effective capital on <b>last date of previous FY (March 31)</b> is considered for every case</li></ul> <p><b>(Section 180)</b></p> <ul style="list-style-type: none"><li>(vi) <b>Private co.</b> can provide further disqualification u/s 164 but <b>public co.</b> can't.</li><li>(vii) Intereseted director of <b>private co.</b> can vote in both GM &amp; BM.</li><li>(viii) Intereseted director of <b>public co.</b> can vote in both GM &amp; BM.( if transaction not covered under sec 188 than he can vote)</li><li>(ix) Petition of winding up shall be submitted with registrar &amp; tribunal. Registrar submit his view to tribunal within <b>60 days</b> &amp; tribunal gave his decision within <b>90 days</b> of application.</li><li>(x) claim submitted by creditor can be altetred within <b>14 days</b>.</li><li>(xi) MD can sign FS without any approval.</li><li>(xii) Startup ECB automatic route MAMP = <b>3 year</b></li><li>(xiii) Maximum no. of director = 15 (<b>not applicable to govt. co.</b>)</li></ul>
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CA Hemant Somani

## ➤ Let's Summarise some important time lines under Co. Act 2013:

### ➤ 7 days

160	Company if receive notice of candidature, shall send such notice at least 7 days prior to GM
173(3)	Notice of every BM shall be given at least 7 days prior to BM
275	Company liquidator, provisional liquidator shall disclose interest within 7 days of appointment
277	Tribunal shall cause intimation to company liquidator or provisional liquidator of their appointment and to ROC with in 7 days
436	Executive Magistrate may direct custody of 7 days

### ➤ 14 days

	Requisition shall be given atleast 14 days prior to GM
	Candidature shall be atleast 14 days prior to GM
	Company liquidator shall with 14 days of filing statement about sum payable, deposit the amount in Company liquidation dividend and undistributed Assets

### ➤ 15 days

157	Company to inform DIN to ROC
436	Judicial Magistrate direct custody of accused for 15 days

### ➤ 30 days

150	Application for renewal of membership of data bank
152(5)	Consent of Director (DIR-2) be filed with ROC with in 30 days of appointment in e- form DIR 12
164	Where company incurs any disqualification 164(2), shall give notice thereof forthwith to ROC but not later than 30 days
168	Company shall give intimation to ROC about resignation with 30 days from receipt of resignation
168	Director may give reasons of resignation in DIR 11 with in 30 days of resignation to ROC
170	Appointment or change in particulars of director and KMP shall be intimated to ROC with 30 days thereof in DIR -12
219	If no objection has been raised by Tribunal with in 30 days of application, company may remove employee during investigation or proceeding under chapter XVI
219	If company is not satisfied with order of tribunal may prefer an appeal with 30 days to NCLAT
230	30 days time to CG, ROC, SEBI and other authorities to take objection/ give representation with in 30 days of notice
230	Order of tribunal shall be filed with ROC with in 30 days
232	Order of tribunal be filed with ROC with in 30 days
233	30 days time given to OL and ROC to give objection on fast track merger from notice

## CA Hemant Somani (AIR-46)

233	If within 30 days no objection is taken by ROC and OL on notice by transferee company CG may
238	ROC may refuse to register offer/ notice for transferring shares under section 235
242	Order of tribunal be filed with ROC
248	Company or director shall send representation within 30 days from receipt of notice
252	Order of NCLT on appeal be filed with ROC with 30 days
274	Within 30 days + 30 days Company shall file statement of affairs of Company
287	Company liquidator shall convene meeting of creditors and contributory within 30 days of
302	Tribunal shall forward a copy of dissolution order within 30 days to Registrar
356	Where tribunal has ordered dissolution be void, forward copy thereof within 30 days to ROC
379	Intimation to ROC, New Delhi about establishment of place of business in India in form FC-1 and
406	Half yearly return to be filed by Nidhi to ROC
454	If failure in relation with section 92 or 137 is remedied within 30 days of notice , no penalty shall
454	Adjudicating officer shall pass an order where no person was required to appear before

➤ **60 days**

196(4)	Return of appointment of MD, WTD and Manager in MR-1
233	Reference by CG to tribunal to decide the application
235 and 236	Amount shall be disbursed to dissenting shareholders or minority shareholders
272	ROC shall submit his report to tribunal on petition to be wound up by tribunal
279	Application to obtain leave of appeal shall be disposed of within 60 days by Tribunal
281	Company liquidator shall submit his report within 60 days of order
384	Annual return shall be submitted by foreign company within 60 days from the end of FY
423	Appeal to supreme Court within 60+60 days
454	Appeal to RD against decision of adjudicating officer

➤ **90 days**

	Application to CG in form MR-2
	Order by Tribunal on winding up
	NDH -1 be filed with registrar from end of first FY about compliance of statutory requirements
	Payment of penalty on order of Adjudicating officer or RD
	Adjudicating officer shall pass an order where any person appeared before adjudicating officer with 180 days from issue of notice

➤ **180 days**

09	ROC or inspector may keep record so seized upto 180+ 180
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## ➤ SEBI :

- SEBI Board **consists of:**
  - :: A Chairperson (nominated by CG\*)
  - :: 2 members Officers of Ministry
  - :: 1 member from RBI
  - :: 5 members (atleast 3 Whole time) Nominated by CG
  
- **Terms of Office and other Conditions (Sec 5)**
  - (1) **Term** of Office for Chairman & Whole-time members
    - 5 years
    - Eligible for reappointment  
(Not hold office after the age of 65)
  - (2) CG shall have **right to terminate** – CP, 5 members (Appointed by CG)  
Any time before expiry of tenure by:
    - (a) **Notice** >= 3months in writing **OR**
    - (b) 3 months **salary** in lieu thereof
  - (3) **Right to Relinquish** : Chairman & All Other Members : 3m notice to CG
  
- **Power of SEBI to order investigation:**  
Period of custody – **6 months**. May call for it if needed again

Summary of Penalties from 15A to 15HB:		
Sec	Kind of Failure:	Penalty
15A	a. Fails to furnish any document, return or report to the Board or furnishes or files false, incorrect or incomplete information, return, report, books or other documents.  b. Fails to file any return or furnish any information, books or other documents within time specified or who furnishes or files false, incorrect, or incomplete information, return, report, books or other documents.  Fails to maintain books of account or records.	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore.
15B	If any person registered u/s 12 is required by the Act to enter into an <b>agreement with his client</b> , fails to enter into such agreement	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore.
15C	If any <b>listed company</b> or any person who is registered u/s 12, after having been called upon by the Board, to redress the grievances of <b>investors</b> , fails to redress such <b>grievances</b> within the time specified by the Board, such company or intermediary	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore.

## CA Hemant Somani (AIR-46)

15D	If any person, who is: a. required u/s 12 to obtain a CoR for sponsoring or carrying on any CIS, including MF, sponsors or carries on any such activity without obtainingsuch CoR b. registered as a CIS u/s 12 but fails to <ul style="list-style-type: none"> <li>comply with the <b>T&amp;C</b> of CoR</li> <li>to make an application for <b>listing of its schemes</b> as provided for inthe regulations governing such listing</li> <li><b>dispatch unit certificates</b> of any scheme in the manner provided inthe regulation governing such dispatch</li> <li><b>refund the application monies</b> paid by the investors within theperiod specified in the regulations</li> <li><b>Invest money</b> collected by such CIS as per regulations</li> </ul>	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore
15F	If any person, who is registered as a stockbroker under this Act: fails to issue <b>contract notes</b> in the form and manner specified by the stock exchange of which such broker is a member	Rs. 1 lakh up to Rs. 1Crore
15F	fails to <b>deliver any security</b> or fails to make payment of the <b>amount due to the investor</b> as per the regulations	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore
15F	charges an amount of <b>brokerage</b> which is in excess of the brokerage specified in the regulations	Rs. 1 lakh up to 5 times the amount of brokerage charged in excess of the specified brokerage
15G	If any <b>insider</b> who: a. either on his own behalf or on behalf of any other person, <b>deals insecurities</b> of a body corporate <b>listed</b> on any stock exchange on the <b>basis</b> of any <b>unpublished price-sensitive information</b> ; or b. <b>communicates</b> any unpublished price-sensitive information to any person, <b>with or without his request</b> for such information except asrequired in the ordinary course of business or under any law; or c. counsels, or <b>procures for any other person</b> to deal in any securities of any body corporate on the basis of unpublished price-sensitive information	Rs. 10 lakhs up to (Higher of Rs. 25 Crores or 3X amount of profit made)
15H	If any person, who is required under this Act/rules/regulations, <b>fails to</b> : a. <b>disclose</b> the aggregate of his <b>shareholding</b> in the body corporatebefore he acquires any shares of that body corporate; or b. make a <b>public announcement</b> to acquire shares at a minimum price; or c. make a <b>public offer</b> by sending letter of offer to the shareholders of the concerned company; or d. make <b>payment</b> of consideration to the shareholders who sold their sharespursuant to letter of offer	Rs. 10 lakhs up to (Higher of Rs. 25 Crores or 3X amount of profit made)
15HA	If any person indulges in <b>fraudulent and unfair trade practices</b> relatingto securities	Rs. 5 lakhs up to (Higher of Rs. 25 Crores or 3X amount of profit made)

- **Appeals to SAT**

Any person aggrieved by order of Board/AO/IRD/PFRA

-----> SAT -----> SC  
45 (+45 days)

QUESTION OF LAW

60+60 (Sec 15Z)

Dealt with as expeditiously as possible. Endeavour to dispose **within 6m**.

- **Appeal to SC:**

Against order of SAT to SC, only if question of Law. Within 60 days (+60 days)

## ➤ FEMA:

### ➤ Prohibition on draw of Foreign Exchange(SCH I)

Rupee State Credit Route [Exception: 10% invoice Value of export of tea & tobacco]

### ➤ Schedule II :

- **Advt. in foreign print media** by a SG and its PSUs > \$ 10,000 Except where such advt. is for the purposes of **promotion of tourism**, foreign investments and international bidding (**Note: PSUs of CG not covered**)
- Remittance of **prize money / sponsorship** of sports activity abroad by a person other than International/National/Statelevel sports bodies, if the amt. involved > US\$ 100,000

### ➤ Prior approval of RBI:

Particulars	Purpose	Limit
Donation	Donation for: <ol style="list-style-type: none"> <li>creation of <b>Chairs</b> in reputed <b>edu. Inst.</b>,</li> <li>contri to <b>funds</b> (not being an invst. fund)promoted by edu. Inst; and</li> <li>contri to a <b>technical inst./body</b> in the field of activity of the donor co</li> </ol>	> <b>Lower</b> of 1% of Forex Earnings during last 3 FY or \$5Mn
Sale of flats/ plots in India	<b>Commission</b> (per transaction) to agent abroad for <b>sale</b> of residential flats or commercial plots <b>in India</b>	> <b>Higher</b> of \$25,000 or 5% of Inward Remittance
Consultancy per project	Remittance for any <b>consultancy</b> w.r.t Infra projects and	> \$10Mn per project
	For other consultancy procured from <b>o/s India</b>	> \$1 Mn per project
Pre-incorp expense	Remittance as <b>reimbursement</b> of <b>pre-incorporation expense</b>	> <b>Higher</b> of 5% of Investment brought into India or \$100K

### ➤ Time limit for settlement of import payments:

- Remit **within 6m** of date of **shipment** (**except** where payment held as **guarantee** for performance)[For **COVID** – Payment can be done upto 12m if import done before 31<sup>st</sup> July, 2020]
- **Deferred payment** upto **5 yrs**

#### • Delayed payments?

**AD-1** banks may permit due to **financial difficulties** or **dispute** etc. However, **interest** on delayed payment shall only be paid **upto 3 years** from date of **shipment**.

- Extension of time for settlement of import dues: Power of AD-1 to provide extension:

**Upto 6m** at a time (**max 3 years**), Following Condition:

**Extension more than 1 year** from date of remittance > WIL: O/s amount does not exceed \$1m OR 10% of avg import remittances in last 2 F.Ys

**Import of Forex into India:** No declaration to custom required if **aggregate** of Forex in form of **Currency Notes, Bank notes or TC at one time** is < = \$10,000 and/or agg value of foreign **currency notes** (cash portion) at onetime is < = \$5,000 or equivalent

**Import of India Currency & notes:**

1. A **PRI** who had gone o/s India (except N&B) on temporary visit may bring Indian currency **upto Rs. 25,000**
2. A **person** may bring from **N&B**, Indian currency notes **for any amount** in denominations upto Rs.100

- Limit on guarantee in case of import of service:

Where the service importer is:	No guarantee exceeding the below amount shall be issued:
Other than Public Sector co. / Dept of CG or SG	\$500,000
Public Sector co. / Dept of CG or SG	\$100,000 (w/o prior approval of MoF)

- **Realisation & Repatriatin of foreign Exchange:** # To RBI by AD # Foreign Currency upto \$ 2000 & N limit for Foreign coins

➤ **ECB:**

Minimum Average Maturity Period (MAMP)	<ul style="list-style-type: none"> <li>• MAMP = 3 years</li> <li>• <b>Call/Put options</b> on ECB <b>not</b> to be exercised <b>prior</b> to completion of MAMP</li> <li>• For specified cases, separate MAMP:</li> </ul>												
	<table border="1"> <thead> <tr> <th>Category</th> <th>MAMP (in yrs)</th> </tr> </thead> <tbody> <tr> <td>ECB raised by <b>mfg. co.</b> &lt; \$50 Mn per FY</td> <td>1</td> </tr> <tr> <td>ECB raised from <b>foreign eq. holder</b> for WCP, GCP or repayment of Rupee loans</td> <td>5</td> </tr> <tr> <td>ECB raised for: (i) WCP or GCP (ii) <b>on-lending</b> by NBFCs for WCP or GCP</td> <td>10</td> </tr> <tr> <td>ECB raised for: i. <u>repayment</u> of <b>Rupee</b> loans availed domestically for capex ii. <u>on-lending</u> by <b>NBFCs</b> for capex</td> <td>7</td> </tr> <tr> <td>ECB raised for: (i) <u>repayment</u> of domestic Re. loans availed for purpose <b>other than capex</b> (ii) <u>on-lending</u> by NBFCs for other than capex</td> <td>10</td> </tr> </tbody> </table>	Category	MAMP (in yrs)	ECB raised by <b>mfg. co.</b> < \$50 Mn per FY	1	ECB raised from <b>foreign eq. holder</b> for WCP, GCP or repayment of Rupee loans	5	ECB raised for: (i) WCP or GCP (ii) <b>on-lending</b> by NBFCs for WCP or GCP	10	ECB raised for: i. <u>repayment</u> of <b>Rupee</b> loans availed domestically for capex ii. <u>on-lending</u> by <b>NBFCs</b> for capex	7	ECB raised for: (i) <u>repayment</u> of domestic Re. loans availed for purpose <b>other than capex</b> (ii) <u>on-lending</u> by NBFCs for other than capex	10
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For (b) to (e) above, ECB cannot be raised from foreign branches / subsidiaries of Indian banks													
All-in-cost ceiling per annum	Benchmark rate + 500 bps spread. (i.e., 5% spread)												
Other costs	<b>Prepayment charge/ Penal interest</b> , if any, for breach of covenants, <b>not &gt; 2 %</b> over and above the contracted rate of interest on the o/s principal amount and will be <b>outside the all-in-cost ceiling</b> .												
Limit:	<p><b>Limit and leverage:</b></p> <ul style="list-style-type: none"> <li>• All eligible borrowers can <b>raise ECB up to \$750 Mn</b> or equivalent per FY under the <b>automatic route</b>.</li> <li>• In case of FCY ECB raised from direct foreign eq. holder, <b>ECB liability-equity ratio</b> for ECB</li> </ul>												

	raised under the <b>automatic route</b> cannot exceed 7:1. [Ratio N.A. if o/s ECB (total incl. proposed) < \$5Mn]
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➤ **ODI by Resident Individuals:**

1. **Automatic route:** IP is permitted to investment/undertake FinCom in overseas JV/WOS within presc.limits

**Prior approval of RBI not required** if **total** FinCom is:

1. Upto \$1 Bn per **FY and**
2. Upto 400% of NW (PUC + FR) of IP (as per last audited BS)

**Total FinCom** of IP in **all** JV/WOS shall comprise of the following:

- a. 100% amt. of equity shares and/ or CCPS
- b. 100% amt. of other pref. shares;
- c. 100% amt. of loan;
- d. 100% amt. of guarantee (other than performance guarantee) issued by IP;
- e. 100% amt. of **bank guarantee** issued by resident bank on behalf of JV/WOS of IP provided the bank guarantee is backed by a counter guarantee/collateral by IP.
- f. 50% amt of performance guarantee issued by IP provided that if the outflow on account of invocation of performance guarantee results in the breach of the limit of the FinCom in force, **prior permission** of the RBI is to be obtained before executing remittance beyond the limit for FinCom.

- **Exemptions for export of goods/software i.e., Export w/o declaration:**

- **Gift** of goods accompanied by a declaration (general declaration) by the exporter that **value <= Rs.5 lakhs**
- Aircrafts/aircraft engines/ spare parts for **overhauling** and/or **repairs abroad** subject to their **reimport** into India **within 6m** from date of **export**

- **Period for realization of Export Value:**

:: Normal Export Or, Export made by SEZ/EOU : within **9 month** from export date (+9)

:: Exported to WH : within **15 month** from shipment date (+15)

**Submission of Documents within 21 days** from the date of export or from the date of certification of the **SOFTEX form**. Accepted if beyond 21 days period.

- **Advance payment against Export:**

:: **Shipment** of goods is made **within 1 year** of date of receipt of adv. payment

:: Rate of **interest** on adv. Payment < **LIBOR + 100 bps**

## ➤ PMLA 2002

- Punishment for ML:

	Offence of ML	PoC relates to Offence of Para 2 of Part A of Sch. [Narcotic Drugs & Psychotropic Substance Act 1985]
Rigorous imprisonment, AND	3 to 7 years, and	3 years to 10 years and
Fine	Without limit	Without limit

- **Provisional Attachment:** Director or other officer (not < Deputy Director) : upto 180 days [Provisionally attach <=180 days (Stayed at high court to be excluded & a period of 30 days from the date of order of vacation of such order shall be counted.)

\*Director or officer who attaches a property shall file a complaint of 30 days before AA

- **Order for attachment /retention of property:** continue during investigation - **Final attachment <=365 days** (Exclude period of staying at court)

- **Reporting entity to maintain record:** For 5 years from of transaction between client and RE

- **Appeal to appellate tribunal:** within 45 days (then 365 days max)

## ➤ FCRA:

- **Article** given as a gift for personal use of mkt. value in India < Rs. 1 lakh → Not termed as F. Cont.
- Any person receiving FC from relative > Rs. 10 lakh in FY, inform CG in Form FC - 1 within 3 months
- **FCRA account.** utilising the FC through intimation to secretary, MOHA, New delhi within 15 days of Opening of any account in form FC-6D.

- **In case of emergent medical aid, no requirement of prior permission** , intimate to CG within 1 month from date of receipt of hospitality, source and manner of hospitality received.

**No intimation if value is upto Rs. 1 lakh**

Application to be accompanied with invitation letter from host country and shall reach 2 weeks before the onward journey starts.

- **Intimation by candidate for election:** Every candidate who received FC within 180 days immediately preceding date shall give intimation to CG about amount/source/manner/purpose in Form FC-1 within 45 days from the date of getting elected.

- **Restriction to utilise foreign contribution for administrative purpose:** Not defray sum > 20% of total contribution

- Where PP is being obtained for receiving FC > Rs. 1 crore, CG may permit receipts in installment. However, the second and subsequent installment shall be released only after utilisation of 75% of FC in previous installment and after field inquiry of such installment.

- **Grant certificate permission** : CG shall within 90 days - Register and grant CoR or give prior permission If > 90 days : Communicate reason

- **Conditions for grant of CoR:**

:: Applicant should be in existence for >= 3 years

:: Applicant have spent > = Rs. 15 lakhs on its core activities for benefit of society in last 3 FY

- Validity of certificate: 5 yrs

- **For Prior Permission** : not undertaken project for benefit of society for which FC is proposed to be utilised. If value >1cr, installment permitted where 2nd and subsequent installment to be released after submission of proof of utilisation of 75% of FC received in previous installment.

- **Suspension of CoR:** Pending consideration of cancellation of CoR u/s 14, if **CG** is **satisfied** that it is necessary to **suspend** such CoR, it may by order in writing (reasons recorded) – Suspend CoR for 180 days **(+180 days)**
- **Rules for utilization of FC in case of suspension of CoR: Upto 25%** - With **prior approval** of CG for declared aims and **objects** for which FC received **Remaining 75%** shall be utilised only **after revocation** of suspension (**can't spend with CG permission also**)
- After cancellation of COR : **Cooling period** i.e., Not eligible for seeking CoR/PP for **3 years**
- **Procedure for renewal:**  
Renew within **6 months before expiry** of period of certificate

Fees	Rs. 5,000 (via Payment Gateway)
Condonation for delay	Upto 1 years – With late fees of Rs. 5,000
Consequence of non-application	CoR deemed to have ceased to exist w.e.f., 5 years from date of grant of reg.

- CG **shall** renew certificate ordinarily **within 90 days (else comm. reason)** from date of receipt of appln
- **Foreign contribution through scheduled bank:** The Bank [SBI New Delhi or sch. Bank with which FCRA Account is opened) Shall **report** to CG **within 48 hours** Any **transaction** w.r.t, receipt/utilization of such FC
- Every candidate for election who received FC **within 180 days** immediately preceding date of nomination (assuch candidate) Shall **within 45 days** of such nomination

## ➤ **Arbitration and Conciliation:**

- **Ground of challenge:** Circumstances which are likely to affect his ability to devote sufficient time to arbitration and in particular his ability to complete the entire arbitration **within 12 months**.
- **Removal of arbitrator:** Failure to make award within 12 months
- **Arbitral Award:** Within 3m (Max extention 30 days)
- **Additional award:** request to be made within 30 days from receipt of final award
- **Conciliation:** Max 3

## ➤ **IBC:**

- IBC shall be **applicable to NBFC** (incl. Housing Fin. Co.) with asset size  $\geq$  Rs. 500 crores as per last audited BS
- **Minimum amt of Default max. Rs. 1 crore**
- **Public announcement** to be made immediately (**not more than 3 days**) after appointment of IRP
- **Initiation of CIRP by a FC:**
  - :: An application for CIRP U/s 21(6A) shall be filed by not less than **100 of creditors** in the same class/ not less than **10% of total No. of Creditors**, WIL
  - :: AA to ascertain default within 14 days
  - :: Communicate order to FC and CD **within 7 days**
  - :: **give 7 days to applicant** to rectify application
- **Insolvency Resolution by Operational creditor**
  - :: **Demand Notice**
  - :: CD shall **within 10 days**, bring to notice of OC, Existence of a **dispute**
  - :: **After 10 days**, apply Adj authority
- **Initiation of CIRP by Corporate Debtor itself**
  - :: **SR** (for co.) or **resolution by  $\geq$  3/4th of partners** (for LLP) of CD **approving filing of such application**

:: **AA shall within 14 day:** Admit or reject application

**within 4 weeks of a declaration,**

- SR of the members of the Co. in a GM requiring the co. to be liquidated voluntarily & appointing an IP to act as liquidator
- resolution of the members of Co. in a GM requiring to be liquidated voluntarily
- on occurrence of any event in respect of which articles provide the Co. shall be dissolved & appointing an IP to act as the liquidator Creditors **representing 2/3rd** in value of debt of Co. shall approve the resolution passed **within 7 days of** such resolution with which the corporate person is registered & Corporate debtor shall be dissolved from date of that order.  
Co. to notify the ROC & Board to liquidate the Co. **within 7 days** of resolution/approval by Creditors

- **Time Limit for Completion of CIRP:**

- :: **Within 180 days** from date of **admission** of application
- :: extension by 66% voting power Not > **90 days but only once.**
- :: **mandatorily** completed **within 330 days** of ICD

- **Resolution professional may convene a meeting**, if he considers it necessary, on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing **at least 33% of the voting rights.**

- **The insolvency professional shall, within 7 days** of his appointment as liquidator, intimate the Board about such appointment.

- **Withdrawal of Application:**

- :: approval of **90% voting share of CoC**

- **Committee of Creditors (CoC)**

- :: all decisions of CoC shall be taken by CoC by a vote of **not less than 51% of FC voting power**
- :: CoC may require RP to furnish any **financial information related to CD** any time during CIRP. RP to furnish within **7 days**
- :: Quorum of CoC : 33% of the voting rights

- **Appointment of RP:**

- :: First meeting of CoC to be held for **within 7 days** of constitution
- :: By majority vote of **>66% of FC** resolve to either appoint IRP as RP or to replace the IRP
- :: AA shall fwd the name of RP to board for confirmation & if not confirmed within 10 days , AA direct the IRP to continue to function as RP

- **Eligibility of IP to become IPR/RP (as per Regulation 3)**

- IP (not IRP)** shall be eligible to be appointed as **IRP or RP** if he and all other partners and directors (P/D) of the IPE of which he is a P/D are **independent** of the CD.

- **Independent to CD:**

1. Eligible to be appointed as Independent Director of CD u/s **149(6)**
2. Not a **Related Party** to CD
3. Not a PPE of firm of **auditors / secretarial auditors / cost auditors** in practice of the CD in **last 3 FY**
4. Not a PPE of **legal/consulting firm** that had any transaction with CD > = **5%** of Gross T/O of firm in **last 3 FY** (the limit was 10% of Gross T/O in Sec 149(6))

- **Meeting of CoC:** give **notice of each CoC meeting** to: operational creditor if the amount of aggregate dues (towards OD) is >= **10% of total debt**

- a. 18 largest operational creditors by value, if less than 18, incl. all
- b. 1 representative elected by all workmen
- c. 1 representative elected by all employees



**Notice of meeting shall be served to:**

- a. members of CoC, incl. AR
- b. members of suspended BOD/Partners
- c. OC/their representatives if amt of their aggregate dues is not less than 10% of the debt

- **Replacement of RP by CoC:** CoC may by **vote of >66%** of voting shares
- **Resolution Plan:** Approve : vote  $\geq 66\%$
- **Undervalued Transactions:**

Relevant time?	A preference shall be deemed to be given at a <u>relevant time</u> , if: <ul style="list-style-type: none"> <li>• Related Party (other than just employee) – During 2 years preceding ICD</li> <li>• Person other than related party – During 1 year preceding ICD</li> </ul>
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- **Time limit for completion of PPIRP:**  
**:: Complete within 120 days** from PPICD.  
**:: RP shall submit resolution plan**, as approved by the CoC, to AA u/s 54K **within 90 days** from the PPICD.  
Where **no resolution plan is approved by CoC** within 90 days of PPICD, the RP shall, on the **day after expiry** of 90 days, file an **application** with AA for **termination** of PPIRP in specified form and manner
- **Fast track CIRP:**
  - **Unlisted co.** with **total assets**, as per FS of immediately preceding FY, **not > Rs. 1 crores**
  - completed **within 90 days (1 time ext. of 45 days if CoC resolves  $\geq 75\%$  vote)**
  - Provided that where the co. owes any debt to person, **creditors  $\geq 2/3$**  in value of the debt shall **approve** the resolution passed under sub-clause (c) **within 7 days** of such resolution
  - A **copy** of an order under sub-section (8) shall **within 14 days** from the date of such order, be **forwarded** to the **authority** with which the CP is **registered**

➤ **Other Time Limits:**

- **IRP shall verify such claims within 7 days** from last date of receipt of claims & **within 2 days** of verification of claims, file a report to AA
- **Liquidator to collect the claims of creditors within 30 days** from date of commencement of liquidation process. Financial creditor shall submit a claim to liquidator with an Info. Utility, if not recorded in Info. Utility, submit the claims same as for operational creditor along with supporting documents as a proof. Creditor who is partly a financial creditor/operational creditor shall submit a claim to liquidator to the extent his financial debt & operational debt. Creditor may withdraw/vary his claims **within 14 days** of its submission. Liquidator to verify claims submitted **within 30 days from last date for receipt of claims**. Liquidator shall communicate either **admit/reject within 7 days** of such admission/rejection of his claims. Creditor may appeal to AA **within 14 days** of receipt of such decision
- Provided that the liquidator shall also verify the claims collated during the CIRP but not submitted during the liquidation process, **within 30 days from the last date for receipt** of claims during liquidation process and may either admit or reject the claim, in whole or in part.

**Appeals time limit**

Act	FEMA	FEMA	PMLA	PMLA	SEBI	SEBI	Arbitration	Companies Act	Companies Act
Section	17	19	26	42	15T	15Z	34	421	423
Appeal to	Special director appeal	Appellate tribunal	Appellate tribunal	High court	Appellate tribunal (SAT)	Supreme court	Court	Appellate tribunal (NCLAT)	Supreme court
Time limit	45 days + sufficient cause	45 days + sufficient cause	45 days + sufficient cause	60 days + 60 days	45 days + sufficient cause	60 days + 60 days	3 month +30 days	45 days + 45 days	60 days + 60 days
Against	Assistant director/ deputy director	Special director appeal or other officer	Adjudicating authority	Appellate tribunal	SEBI/AA/IRDA	Appellate tribunal (SAT)	Arbitral awards	Tribunal (NCLT)	NCLAT
Purpose/reason	failed to realise export proceeds	failed to realise export proceeds	Attachment of property	Attachment of property	any offence under act	Qn of law	Setting aside arbitral award	Any matter	Qn of law

**Important Penalties**

Act	Companies Act	Companies Act	Companies Act	Companies Act	Companies Act	Companies Act	Companies Act	Companies Act	Companies Act
Section	166	167	172	184	188	221	222	248 & 249	392
Reason	Contravention of duties of director	Continue directorship even after disqualification	Contravention of section 149 to 172	Failure to disclose interest u/s 184	Contravention of section 188 (related party transaction)	Transfer of asset in contravention of order of tribunal	Issue of securities in contravention of order of tribunal	File application for removal of name in contravention of 248	Contravention of chapter XXII
Fine	1 to 5 lacs	1 to 5 lacs	Officer: 0.5 to 1 lacs Co.: 0.5 to 3 lacs continue default: INR 500 per day	1 lac	Listed: 25 lacs Other co.: 5 lacs	Officer: 0.5 to 5 lacs Co.: 1 to 25 lacs	Officer: 0.25 to 5 lacs Co.: 1 to 25 lacs	1 lac	Officer: 0.25 to 5 lacs Co.: 1 to 3 lacs continue default: INR 50K per day
Imprisonment						3 year	6 month		

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