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SEBI

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJZmVI>

1. Penalty on Stockbroker for excess charges

A. Min ₹1L

Max. 5x excess brokerage charged

2. Penalty on Stockbroker for non delivery/non payment

A. Min 1L

Max. 1L/day (Upto ₹1 cr)

3. Insider Penalty

A. Min ₹10L

Max. Higher of ₹25cr or 3x profit made

4. Intimation to SE before ____ of BoD meeting in case of alteration of share holders rights

A. 11 days

5. Filing of investor grievances within

A. 21 days

6. LODR: No. of ID required on board of listed co. if chairperson is NED who is related to promoter

A. 1/2

7. LODR: What does "related to promoter" means in case of listed company

A. Director (Not ID), Employee, Nominees

8. LODR: Quorum for BoD in case of Top 2000 listed companies

A. 6 Directors

Other Important Topics

1. **Must all Refer Penalty given in page 7 of this compiler**

2. Must read **days limit** in LODR

Question 1: Penalty for Insider Trading

Case Study:

A CA, who is an auditor of DEF Ltd., learns of significant unpublished price-sensitive information (UPSI) about the company. He passes this information to his friends before it is made public.

Question:

Determine if this action constitutes insider trading and state the penalty as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

Answer:

Yes, this action constitutes insider trading. The auditor has accessed unpublished price-sensitive information (UPSI) and passed it to others for trading purposes. The penalty for insider trading can include imprisonment up to 10 years and/or a fine up to INR 25 crores or three times the amount of profits made out of insider trading, whichever is higher.

Question 2: Actions SEBI Can Take Against Insider Trading

Case Study:

A person is found guilty of insider trading. What actions can SEBI take against them?

Options:

Impose penalties.

Debar from holding directorial positions.

Initiate prosecution.

All of the above.

Answer: All of the above.

Question 3: IPO Related Question on Net Tangible Assets

Case Study:

For a company to be eligible to make an Initial Public Offering (IPO), what should be the minimum net tangible assets and net worth ?

Answer:

For a company to be eligible to make an Initial Public Offering (IPO), it must have net tangible assets of not less than INR 3 crores & net worth of at least 1 crore in each of the preceding three full years, as per SEBI guidelines.

Question 4: LODR - Independent Directors and Quorum

Case Study:

A public listed company is required to have a certain number of Independent Directors (IDs) on its board as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations. Additionally, determine the quorum required for a board meeting.

Answer:

As per the SEBI LODR Regulations, a public listed company is required to have at least one-third of its board as Independent Directors (IDs). For quorum, at least one-third of the total strength of the board or two directors, whichever is higher, should be present, including at least one Independent Director if required.

Question 5: SEBI - Brokerage Charges and Penalty

Case Study:

Question: What penalties can SEBI impose on the stockbroker for this violation?

Answer: If a stockbroker violates SEBI regulations regarding brokerage charges, SEBI can impose penalties such as:

- Rs. 1 lakh up to Rs. 1 crore
- Rs. 1 lakh + Rs. 1 lakh/day up to Rs. 1 crore
- 5 times the amount of brokerage charged in excess of the specified brokerage

Question 6: SEBI - Price Offer to Anchor Investors

ABC Ltd. is planning to make a public issue and is considering offering shares to anchor investors. As per SEBI regulations, what should be the price offer to anchor investors?

The options are:

Same as the public offer price or not less than 5% Same as the public offer price

Not less than 10% more than the public offer price

None of the above Answer:

As per SEBI regulations, the price offered to anchor investors should be the same as offered to the public.

Question 7: Penalty for SEBI Insider Trading

Case Study:

ABC Ltd.'s senior executive was found guilty of insider trading. The Securities and Exchange Board of India (SEBI) has decided to impose a penalty on the individual.

Question:

What is the minimum penalty for insider trading as per SEBI regulations? Options:

A. INR 10 lakhs

B. INR 25 lakhs

C. INR 1 crore

D. INR 10 crores

Answer:

A. INR 10 lakh

Question 8: SEBI Quarterly Compliance Dates for Listed Companies

Case Study:

PQR Ltd., a listed company, is preparing its quarterly compliance report for submission to SEBI. Question: By what date must the quarterly compliance report be submitted to SEBI?

Options:

- A. Within 15 days of the quarter end
- B. Within 30 days of the quarter end
- C. Within 45 days of the quarter end
- D. Within 60 days of the quarter end

Answer:

- C. Within 15 days of the quarter end

Note : Annual compliance report to be submitted within 6 months from the end of financial year
(Reference taken from page 1.61 of ICAI material)

Question 9. Adjustment of issue price

Case Study: XYZ Limited, a publicly listed company, is planning a new share issue to raise capital for its upcoming projects. The company initially set the issue price based on market conditions and regulatory guidelines. However, due to recent market volatility, XYZ Limited is considering adjusting the issue price to make the shares more attractive to potential investors. The company wants to understand the regulatory requirements and constraints on adjusting the issue price after it has been initially set. The management is particularly concerned with the time frame within which these adjustments can be made, especially in terms of upward and downward adjustments. What are the regulatory guidelines regarding the adjustment of the issue price after it has been initially set?

Answer: The company can adjust the issue price both upward and downward within 3 days.

OTHER Questions

1. Penalty for SEBI Insiders trading?

Answer: Any insider shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees/three times the amount of profits made out of insider trading, whichever is higher.

2. Max no. of Committee In which Directors can be part of?

Answer: Maximum 10 Committees (Chairman of Max 5 Committees)

3. Who has the power to remove members of SEBI? Answer: Central Government

4. SEBI Quarterly compliance dates for Listed co.? -Answer: Refer Page 1.56 of ICAI Mat

5. Days limit on change in shareholders, right? – Answer -**11 DAYS**

6. Who can remove member of SEBI Board, Age eligibility, notice of resignation.

Answer: CG can remove, 65 years maximum age, at least 3 month notice of resignation.

7. Penalty for unfair trade practices?

Answer: If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall be higher of –

(i) not be less than five lakh rupees but

(ii) which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices,

8. ICDR minimum application amount to be specified? Ans: Refer page 1.117 of ICAI mat

9. IPO to be open for Min & max time limit? Ans- Min 3 working days, Max 10 working days

10. When a company is eligible for IPO?

Answer: Net tangible asset of at least 3 crores out of which not more than 50% are monetary assets.

11. Can a company issue IPO if ESOP's are outstanding? Answer: Yes

12. Minimum assets along with monetary asset limit criteria? Answer: Max monetary Asset – 50% of net tangible asset

13. How to determine share price under Book Building issue?

Answer: The issuer may mention a price or a price band in the offer document (in case of a fixed price issue) and a floor price or a price band in the red herring prospectus (in case of a book building issue) and determine the price at a later date before filing the prospectus with the Registrar of Companies.

14. SEBI chairperson age limit and minimum notice period to be served by CP for retirement

Answer : Maximum age of 65 years + notice period of at least 3 months

Penalties under SEBI Act			
Section	Nature of default	Penalty	
		Min.	Max.
ISA	Failure to furnish information or furnishing any false information		
ISB	Failure of intermediary to enter into any agreement with the client		
ISC	Failure of any intermediary or listed company to redress investors' grievances		
ISD	Mutual fund or CIS carries on scheme without registration		
	Where registered Mutual fund or CIS <ul style="list-style-type: none"> ▪ fails to comply with T&C of registration ▪ fails to dispatch unit certificates ▪ fails to make an application for listing of it schemes ▪ fails to refund application money ▪ fails to invest money 	₹ 1 lakh	₹ 1 lakh/ day upto ₹ 1 crore
ISE	AMC of mutual fund fails to comply with the regulations		
ISEA	AIFs, REITs or INVITs fails to comply with the regulations	₹ 1 lakh	₹ 1 crore or 3 x gains whichever is higher
ISEB	Investment adviser or Research Analyst fails to comply with the regulations	₹ 1 lakh	₹ 1 lakh/ day upto ₹ 1 crore
ISF	Fails to issue Contract Notes	₹ 1 lakh	₹ 1 crore
	Fails to deliver security or make any payment	₹ 1 lakh	₹ 1 lakh/ day upto ₹ 1 crore
ISG	Charges excess brokerage	₹ 1 lakh	5 x excess brokerage
	Insider Trading (deals, communicates, counsels)		
ISH	Non-compliance of Takeover Code	₹ 10 lakh	₹ 25 crore or 3 x gains whichever is higher
ISHA	Person indulged in Fraudulent & Unfair Trade Practice	₹ 5 lakh	₹ 25 crore or 3 x gains whichever is higher
ISHAA	- knowingly alters any information relating to inquiry, audit		
	- downloads regulatory data without authorisation		
ISHB	- Introduces computer		
	- disrupts functioning of database		
ISHA	- knowingly destroys regulatory data		
	- Knowingly destroys regulatory data	₹ 1 lakh	₹ 10 crore or 3 x gains whichever is higher
ISHB	Residuary Penalty	₹ 1 lakh	₹ 1 crore

SEBI Act, LODR, Insider Trading Regulations (New Addition)

Sr No.	Questions	Answers
1.	Sebi due date for submitting corporate Governance report	21 days
2.	Intimation to SEBI before_days of BoD meeting in case of alteration of share holders rights	11 days
3.	Filing of investor grievances within _____	21 days
4.	Prior intimation of Board meeting for buyback	2 days
5.	Before how many days one has to intimate to RSE about convening BM if the purpose of BM is to alter Rate of interest of securities	11 days
6.	Minimum application value under SEBI (ICDR) Regulations	Not less than 25% of issue price
7.	Chairperson of Sebi Can be Removed by whom and for how much time prior notice is required	CG can remove any time by giving 3 month notice or salary
8.	Period of Custody of books of account in case of investigation	6month
9.	During inspection/ Investigation, bank account or property can attach for maximum_days	90 days
10	Confirmation of attachment of Bank Account or property taken from	Special Court
11	Validity of appointment of Chairman & members	5 year, Max at the age of 65 year
12	Composition of audit committee in LODR	Min 3 member at least 2/3rd Independent All financial literate & 1 expert
13	In case of changes to annual report, time limit to report to Stock exchange	48 hours of AGM
14	Penalty on Stockbroker for excess charges	Min ₹1L to Max. 5 times of excess brokerage charged
15	Penalty on Stockbroker for non delivery /non payment	Min 1L & 1L/day Upto Max. ₹1 cr
16	SEBI insider trading penalty	Min ₹10L to Max. Higher of ₹25Cr. or 3x profit made
17	No. of ID required on board of listed co if chairperson is NED who is related to promoter	1/2nd
18	What does "related to promoter" means in case of listed company	Director (Not ID), Employee, Nominees
19	LODR: Quorum for BoD in case of Top 2000 listed	6 directors

	companies	
20	Lockin for Promoters contribution post IPO	20% post capital & for 3 years
21	Lockin for promoters holding in excess of minimum promoters contribution	1 year
22	Min & max no of days for which IPO to be kept open	3 to 10 days
23	Penalty for failure to address grievances	Min 1L & 1L/day Upto Max. ₹1 cr
24	Insider trading disclosures are to be maintained by company for minimum how many years	5yrs
25	Lead manager to submit post issue report as given in which part & which schedule along with DD certificate in which format & within how many days of allotment?	report - PART A of sch XVII, DD certf - Form F, 7 days
26	When issuer shall arrange for CRAs to monitor the usage of issue proceeds?	issue size > 100 crore
27	Grievance redressal - Company filed with RSE a statement giving the no of investor complaints remaining unresolved AT THE END OF the quarter. Is it right?	Yes but Co should give such details AT EACH STAGE of the quarter - like pending at the beginning, received & disposed of during the quarter & pending at the end
28	For a company to be eligible to make an Initial Public Offering (IPO), what should be the minimum net tangible assets?	3 Crore in each of 3 preceeding year
29	A person is found guilty of insider trading. What actions can SEBI take against them? a) Impose penalties. b) Debar from holding directorial positions. c) Initiate prosecution. d) All of the above	All of the above
30	Case Study: A CA, who is an auditor of DEF Ltd., learns of significant unpublished price-sensitive information (UPSI) about the company. He passes this information to his friends before it is made public. Question: Determine if this action constitutes insider trading and state the penalty as per SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes, this action constitutes insider trading. Penalty: Rs 10 lakh upto higher of: 25 crore or 3X profit made
31	Case Study: ABC Ltd. is planning to make a public issue and is considering offering shares to anchor investors. As per SEBI regulations, what should be the price offer to anchor investors?	the price offered to anchor investors should be the same as offered to the public.

32	Mr. X is a director in several companies and is also a member of various committees in these companies. He is currently a member of 12 committees across different companies. Question: As per SEBI regulations, what is the maximum number of committees a director can be part of?	10 committee
33	Case Study: SEBI has ordered the attachment of bank accounts of XYZ Ltd. due to non-compliance with regulatory requirements. Question: Under which circumstances can SEBI attach the bank accounts of a company?	For failure to pay fines
34	PQR Ltd., a listed company, is preparing its quarterly compliance report for submission to SEBI. Question: By what date must the quarterly compliance report be submitted to SEBI?	Within 45 days of the quarter end
35	Penalty of Section 15EB, Where Investment/ research analyst failed to comply regulation	Min 1L & 1L/day Upto Max. ₹1 cr
36	Document & Information in Annual Report to be sent to shareholder	Not less than 21 days before AGM
37	Is a legal representative of deceased person liable as an heir to provide for penalty under sec 15H & Insider Trading	legal representatives shall only be liable to pay when a penalty has been imposed before the death of an accused person
38	How to appoints recovery office to recover claim?	Officer of Board empower through Order
39	Deceased person transferred FD to his Son, Car to son's wife and property to sister. What all can be utilized to pay penalty?	Recovery can be made from: Minor child, Son's wife, Son's child, Spouse other than for adequate consideration (Major Child not include)

FEMA

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1. MAMP of ECB raised by mfg co. for WC purpose of value USD 55 million
A. 10 yrs
2. Max ECB USD **750 million** limit
3. Sponsorship of Sports activity limit and approval
A. \$100000 - Human Resources Department (Department of Youth Affairs & Sports)
4. Approval of Remittance for membership of P & I Club
A. Ministry of Finance (Insurance Division)
5. Bank Guarantee limit for **International Tourism**
6. Whether Foreign Office controlled by PRI is PRI/PROI
A. PRI
7. Limit for Sponsorship of Sports
A. \$100000

Other Important Topics

1. Ministry Approval Lists

ACTIVITY	RESPECTIVE MINISTRY APPROVAL
Cultural Tours	Ministry of human resource development
Advertisement exceeding US \$10000	Ministry of finance, Department of economic affairs
Remittance of freight and vessel by PSU	Ministry of surface transport
Remittance of membership of P & I club	Ministry of finance

FEMA

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJIZmVI>

Question 1: Maximum Time Limit for Making Interest on Imports

Case Study:

While importing any product, what is the maximum time limit for making payment without interest?
Options: 1 year, 2 years, 3 years, 4 years.

Answer:

The maximum time limit for making payment for imports without interest is 3 years. Question 11: FEMA Chapter - Export Amount Without Permission

Case Study:

A person has come to India for a job. As per FEMA regulations, what is the maximum amount he can export without permission? The options are INR 244,000, INR 250,000, and INR 278,000.

Answer:

As per FEMA regulations, the maximum amount a person can export without permission is INR 250,000.

Question 2: Penalty if Contravened USD 2.5 lacs Limit

Case Study:

XYZ Ltd. has contravened the foreign exchange limit by making a payment of USD 3 lakhs without proper authorization under FEMA.

Question:

What is the penalty for contravention of the foreign exchange limit under FEMA? Options:

- A. INR 1 lakh
- B. INR 5 lakhs
- C. Three times the amount involved
- D. Ten times the amount involved

Answer:

C. Three times the amount involved

Question 3: Commission of Real Estate Sale

Case Study:

ABC Ltd. has earned a commission from the sale of real estate property to a foreign entity. Question: Is the commission earned from the sale of real estate to a foreign entity subject to FEMA regulations?

Options:

- A. Yes
- B. No
- C. Depends on the amount involved
- D. Only if it exceeds USD 1 lakh

Answer:

A. Yes

Question 4: External Commercial Borrowings - MAMP

Case Study:

Question:

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What is the MAMP Startup as per FEMA regulations?

Ans. 3 years

Question:

From which source can MAMP (Minimum Average Maturity Period) be raised?

Options:

- A. ECB
- B. Security Sales
- C. Borrowing
- D. None of the Above

Answer:

A. ECB

Question 5: Commission to Agent Abroad Limit

Case Study:

ABC Ltd. is planning to pay a commission to an agent abroad for facilitating an export transaction.

According to FEMA regulations, the payment should not exceed the higher of USD 25,000 or 5% of the inward remittance.

Question:

What is the maximum commission ABC Ltd. can pay if the inward remittance is USD 500,000? Options:

- A. USD 25,000
- B. USD 50,000
- C. USD 75,000
- D. USD 100,000

Answer:

A. USD 25,000

Question 6. Remittance calculation within limits

John, a foreign national, has come to India on a work visa for a job with a multinational company. He earns a monthly salary of USD 3,000. During his stay, John wishes to remit a portion of his earnings back to his home country to support his family. He wants to ensure that the remittance does not exceed the regulatory limits set by the Foreign Exchange Management Act (FEMA) without requiring special permissions. For the purpose of this case study, the exchange rate is 1 USD = 81.3333 INR.

Answer: John to remit his salary without requiring special permission, the **maximum amount is set at INR 244,000.**

& Since INR 243,990 is slightly below the limit of INR 244,000, John can remit his entire monthly salary of USD 3,000 without requiring special permission from the authorities.

OTHER QUESTIONS

1. Maximum commission for Real estate sale.

Answer: Commission; per transaction, to agents abroad for sale of residential flats or commercial plots in India exceeding USD 25,000 or five percent of the inward remittance whichever is more.

2. CG Approval if price money for sports activity is more than specified limit?

Answer: Sports reward 1 lacs USD limit, then CG approval is required

3. Maximum time period of interest payment in case of imports? Answer: 3 years

4. Maximum performance gurantee under FEMA? Answer: 50% of amount of gurantee towards financial commitment.

5. ODI in real estate is allowed? Answer : NO

FEMA		
Sr No.	Questions	Answers
1.	Approval from which ministry req in case of remittance of prizemoney/sponsorship	Human Resources Department (Department of Youth Affairs & Sports)
2.	P&I club threshold limit exceeded - Permission from which authority?	Ministry of Finance (Insurance Division)
3.	Container Detention Charges exceeded - Permission from which authority?	Ministry of Surface Transport (Director General of Shipping)
4.	Time taken by AA to dispose complaint from the date of receipt	within 1 year
5.	ODI to be made from which channel?	Bank and Financial Institutions
6.	Limit for LRS+CAT	\$250,000
7.	Time limit of returning unused forex to Government	upto \$2000: No time limit above \$2000: 180 days
8.	Domestic company purchase commercial or residential building required permission of whom?	RBI, Indian entity having an overseas office may acquire an immovable property for business and residential purpose of staff along with adhering FEMA regulation *as per RBI direction* (Odi rules)
9.	Commission to agent O/s india for sale of residential plot in India	5% or \$25000 whichever is higher
10.	Whether an Indian company can purchase residential property abroad and whether the indian company can purchase office abroad? If yes, then with /without permission of RBI. Note : RBI grants permissions based on various factors such as the purpose of the acquisition, the amount of investment involved, and compliance with FEMA regulations.	In both cases—residential or commercial property acquisitions abroad—Indian companies generally need prior permission from the RBI.
11.	Whether foreign citizen & Indian citizen can purchase residential house in abroad without permission of RBI if they both are non residents?	Yes
12.	Case Study: ABC Ltd. has earned a commission from the sale of real estate property to a foreign entity. Question: Is the commission earned from the sale of real estate to a foreign entity subject to FEMA regulations?	Yes
13.	Case Study :ECB 1) MAMP of ECB raised by manufacturing Co for	Normally: 3 years Manufacturing Co less

	working Capital purpose of USD 55 million	than \$50M : 1 year Taken for WC purpose: 10 year So, MAMP = 10 years
14.	2) eligible amt of ECB loan	\$750M
15.	3) whether rupee ECB used for repayment of loan taken in India	Permitted but refinancing not allowed
16.	4) Whether ECB permitted for buying land or engaging in real estate activities in India? If permitted, what is the Minimum Average Maturity Period (MAMP)?	ECB is not permitted for buying land or real estate activities.
17.	MAMP for ECB raised upto 300 crore for the purchase of P&M?	7 years
18.	5) What exchange rate to be used to convert FCY ECB into INR ECB	at rate prevailing on date of agreement for such change or at a rate less (not more) than that prevailing rate if agreed by lender
19.	Sponsorship of Sports activity limit and approval	\$100000 - Human Resources Department (Department of Youth Affairs & Sports)
20.	A person resident outside India wishes to invest in real estate in India. What are the limits and prior approvals required as per FEMA regulations? Note : PROI not allowed to do real estate business ,only investment allowed	Prior approval from the Reserve Bank of India (RBI) is required.
21.	Whether Foreign Office controlled by PRI is PRI/PROI or Mr. Harsh, residing in India, established ABC Limited and later opened a branch in Australia named AUS for warehousing purposes, controlled by him. What is the residential status of AUS?	PRI
22.	While importing any product, what is the maximum time limit for making payment without interest? .	3 years.
23.	Mr. Narayana, residing in Australia, wants to purchase a duplex house in India and transferred the required amount to a partnership firm to facilitate the purchase.	Mr. Narayana must obtain prior approval from the Reserve Bank of India (RBI) for transferring funds to a partnership firm.
24.	Mr. X, a non-resident residing in America, purchased properties in America. He has now come to India and wants to settle here. He intends to sell the properties in America and invest the proceeds in foreign securities.	Mr. X must obtain permission from the Reserve Bank of India (RBI) for repatriating the sale proceeds and investing in foreign securities

25.	A person has come to India for a job. As per FEMA regulations, what is the maximum amount he can export without permission?	INR 250,000.
26.	XYZ Ltd. has contravened the foreign exchange limit by making a payment of USD 3 lakhs without proper authorization under FEMA. Question: What is the penalty for contravention of the foreign exchange limit under FEMA?	3 times the amount involved. And if such sum involved is not quantifiable then 2 lakh penalty leviable ... In this case penalty is 3 times because the sum involved is ascertainable/quantifiable.
27.	Mr. X sent through authorized dealer \$2,80,000 to his daughter for study. College fee is \$1,00,000 w/o approval under LRS scheme. Did Mr. X contravene \$250000 FEMA rule, if yes then penalty?	3 times the amount involved. And if such sum involved is not quantifiable then 2 lakh penalty leviable ... In this case penalty is 3 times because the sum involved is ascertainable/quantifiable.
28.	Estimated foreign education fee- \$200000 Send for personal expense - \$60000 Need to guide the sender the limits under FEMA, 1999 under Schedule 3	<ul style="list-style-type: none"> invalid as - The total permissible limit under the LRS for an individual is USD 250,000 per financial year for all permissible transactions combined (education fees, personal expenses, etc.). hence contravention of act and penalty 3 times the amount involved
29.	ABC Ltd. is planning to pay a commission to an agent abroad for facilitating an export transaction What is the maximum commission ABC Ltd. can pay if the inward remittance is USD 10,00,000?	USD 50,000

FCRA

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJIZmVI>

1. Sec 4, Is **scholarship** provided by foreign university to PRI comes under FC

A. Yes

2. Sec 14A, If FCRA registration is surrendered, it is deemed to have expired on

A. date of acceptance by CG.

3. Sec 14A, cooling period for fresh reg. once existing registration is surrendered

A. 3 years

4. Sec 15, Upon Surrender/Cancellation Whether banking authority can utilize/dispose the assets of FC.

A. Yes

Other Important Topics

1. FC from relatives more than 10Lakh in FY then inform to CG in which form?

Answer: FC-1 & within 3 months

OTHER Questions

1. Reporting of bank of receipt of Foreign Contribution? Ans : in 48 hrs (if received in Delhi A/c or Other a/c and subsequent Transfer to other a/c)

2. What is the amount of gift from relative, which is not considered as foreign contribution?

Answer: Market value Upto 1 laakhs

3. Validity of Certificate of registration (COR) of trust? Answer ; 5 years (section 11)

4. Cooling period for which CoR shall not be granted in case of breach of FCRA regulation?

Answer: 3 year (section 14)

5. Is order/direction by CG to banking authority for trust is binding on banking authority?

Ans : Yes

6. Fees for renewal of certificate ? Ans . Rs. 5000

FCRA		
Sr No.	Questions	Answers
1.	Whether Educational Contributions from foreign university to be Considered as Foreign Contribution	Yes
2.	Charitable trust applied for registration. Certificate of registration issued on 15.9.23. It is sent via post. Trust received it on 17.9.23. This Reg Certificate is valid upto ?	14.09.2028 (5 year from the date of issue)
3.	Cooling period in case of surrender/cancellation of COR	3 years
4.	Certificate of registration valid for	5 years
5.	Scholarship received from foreign university	Exempt
6.	In case of emergency medical aid of more than 1Lakh then intimate to CG within	1 month
7.	FCRA Account open in which bank for receiving FC	SBI, New Delhi
8.	Period of Suspension of COR	180 Days (+180 days extended)

9.	Renewal of Certificate of Registration within_	6month before expiry
10.	Person aggrieved from confiscation of FC may appeal to _	High court within 60 days
11.	Fee of compounding or revision of order (only online mode)	Rs. 3000
12.	Case Study: Y (India) sold goods to X (Singapore). X came to India. X bought a ring in India for RS 90,000. Y called X for dinner, and X gave that ring to Y. X made payment to Y for the goods, and Y gave a cheque to X for the travel cost. X took that ring to market for its valuation and it was 1,10,000. X's wife is using that ring.	
13.	Qs 1. Ring given by X to Y is foreign contribution?	Yes. as per its market value it is more than 1,00,000 and he did the valuation the same day.
14.	Qs 2. Money Paid by X to Y is a foreign contribution.	No, as it is payment in normal course for goods and services
15.	Qs 3. Is the cheque given by Y Foreign Hospitality?	No as FH is in cash or kind taken outside India
16.	Sec 4, Is scholarship provided by foreign university to PRI comes under FC	yes
17.	Sec 14A, If FCRA registration is surrendered, it is deemed to have expired/effective date of surrender on_____	Date of acceptance by CG.
18.	Sec 14A, cooling period for fresh reg. once existing registration is Surrendered	3 year
19.	Sec 15, Upon Surrender/Cancellation Whether banking authority can utilize/dispose the assets of FC.	Yes
20.	Bank shall report receipt of FC to whom to within how many hours?	CG (Not RBI) within 48hr
21.	Bank report to CG of transaction relating to_	Receipt & utilisation of FC
22.	A person received 25 lakh FC in FCRA acc in delhi sbi & then transferred 10 lakh to his non fcra acc for utilization. He also received 5 lakh FC in his non fcra acc with canara bank. Which of these 3 transactions are violates FCRA Act?	Can receive FC only in FCRA Acc - so 25 lakh valid, but 5 lakh violates Act and one can transfer money to Non FCRA Acc for utilization. So 10 lakh valid
23.	Mr. X received FC in personal Capacity and used it for Gold Deposit scheme. Can he use?	No ,Gold deposit scheme given in question is run by business man . So it comes under speculative business.
24.	Can religious trust receive donation from foreign source without FCR Account?	No, trust receive funds from foreign sources into their FCRA account only
25.	Related to Case Study: What should a bank authority do on the direction of the Central Government in case of Best Trust and Great Trust?	In case of Best Trust, dispose of the assets created out of FC; for Great Trust, utilize the FC.

IBC (INSOLVENCY AND BANKRUPTCY CODE)

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJZmVI>

1. Conduct of CoC meeting within ____ of its Constitution
A. 7 days
2. ____ Voting for appointment of IRP as RP
A. 66%
3. Date of Insolvency Commencement date
A. Date of acceptance of application by NCLT
4. ____ voting required for withdrawal of application
A. 90%
5. How many approval required for appointment of RP?
A. COC Approval with 66%
6. within How many days COC should have conduct first meeting?
A. 7 Days
7. Time limit for approval of Board for RP?
A. 10 Days

Question 1: IBC - Approval of IBBI for Replacement of IRP

Case Study:

In the case of the replacement of an Interim Resolution Professional (IRP), if the approval of the Insolvency and Bankruptcy Board of India (IBBI) is not received within the stipulated time, what should be the next course of action? Assume the stipulated time is 10 days.

Answer:

If the approval of the IBBI for the replacement of the IRP is not received within 10 days, the existing IRP shall continue to function until such approval is received.

IBC (INSOLVENCY AND BANKRUPTCY CODE)

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJZmVI>

OTHER QUESTIONS:

1. Financial creditor (FC), before filing application for IBC shall send application to whom? Answer: Corporate Debtor
2. To which operational creditor (OC)+ notice to be served?
Answer: OC having $\geq 10\%$ of total outstanding debt can attend meeting but cannot vote
3. If approval of IBBI not received within 10 days in case of replacement of IRP?
Answer: It will be considered as deemed approval
4. Who can be appointed as Provisional liquidator/ Company liquidator?
Answer. Whose name is there in IBBI data base i.e., IP required under IBC
5. Time period to respond for the demand notice sent by OC to the CD under IBC. Answer ;10 Days
6. Time period for acceptance/rejection of CIRP application by AA under IBC?
Answer :14 Days
7. Maximum time period upto which Public announcement shall be made by IRP upon appointment as IRP? Answer : 3 Days
8. How many creditors consent is required to dispense off the meeting of CoC?
Answer: At least 90% creditors
9. Banking authority to file application for CIRP to whom?
Answer: Adjudicating Authority
10. Question on identification of CL and CD?

IBC (INSOLVENCY AND BANKRUPTCY CODE)

IBC		
Sr No.	Questions	Answers
1.	In how many days public notice to be given after appointment of IRP	3 days
2.	Conduct of CoC meeting within ___ of its Constitution	7 days
3.	Time limit to file appeal against order of ED	30 days
4.	In how many days NCLT accept the admission of application	14 days

5.	Approval or disapproval communication by NCLT in _____	7 days
6.	IRP name to be proposed to?	NCLT
7.	Deemed approval will be considered if IBBI don't respond in _____	10 days
8.	Eligibility of IRP	Same as independent director
9.	Quorum of COC	33% of voting right
10.	Time limit of completion of CIRP	within 180 days+ after passing resolution of >66%, extension of 90 days may allowed by AA mandatory complete in 330 days .
11.	In how many days CD shall bring in notice of dispute after OC deliver Demand Notice	10 days
12.	Coc decision taken by vote not less than_% of voting share of FC	51%
13.	Notice period of meeting of COC	5 days
14.	Composition of Committee of creditor	All FC's only (in case FC not exist then 18 largest OC, 1 representative each of Workmen & Employee)
15.	whether Date of acceptance of application by NCLT = Date of Insolvency Commencement date	Yes
16.	_____ % voting required for withdrawal of application	90%
17.	_____ % Voting for appointment of IRP as RP	66%
18.	How many % vote required to replace RP?	66%
19.	On CIRP initiated by FC, tribunal to ascertain existence of default in how many days?	14 days
20.	There was a related party amongst the FC. Whether that related party is entitled to vote in meeting of CoC?	No right to participate or vote in COC meeting
21.	Case Study: GHI Ltd. is undergoing insolvency proceedings, and a resolution professional needs to be appointed. Question: Who appoints the resolution professional in an insolvency case?	Committee of Creditors (CoC)
22.	In the case of the replacement of an Interim Resolution Professional (IRP), if the approval of the Insolvency and Bankruptcy Board of India (IBBI) is not received within the stipulated time, what should be the next course of action?	the existing IRP shall continue to function until such approval is received.
23.	Case Study: JKL Ltd. has filed an insolvency application due to unpaid operational debt owed to various suppliers and service providers.	Amount owed for supply of goods and services

	Question: Which of the following qualifies as operational debt under IBC?	
24.	Time limit for completion of PRIP	120 days
25.	Is a foreign creditor required to submit certificate from Institution to file application to NCLT	No
26.	Who is Corporate Debtor and Operational Debtor?	Identify based on given C.S.
27.	Case Study: JKL Ltd. has filed an insolvency application due to unpaid operational debt owed to various suppliers and service providers. Question: Which of the following qualifies as operational debt under IBC?	Amount owed for supply of goods and services
28.	Whose name shall be furnished with the application before the adjudicating authority by financial creditor?	Insolvency Resolution Professional
29.	What all is to be included in the application to Tribunal by financial creditor?	Record or evidence of default Name of proposed IRP Other info as specified

COMPANIES ACT

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJIZmVI>

1. Whether a person related to promoter of a company be appointed as ID in that co. or its subsidiary.

A. Not Allowed

2. Donations to Charitable funds limit calculation

A. 5% of avg 3 yr net profit

3. whether Political contribution can be approved by board through resolution by circulation

A. Not allowed

4. Non Executive Managerial Remuneration if Effective capital is 245 crs

A. ₹24 Lakh (1% of 245 cr.)

5. Can ID be appointed for 3rd term, any cooling period applicable?

A. Maximum ID director can be appointed for 2 term. 2ND Term appointed by SR after that cooling period of 3 years applicable

6. Can Sitting fees be paid to Women Director lower than other directors

A. No

7. Can company pass single resolution for appointment of more than 1 director?

A. Yes, Unanimous Approval of Board required

8. How many directors can be appointed in single resolution with unanimous approval of Board?

A. No Limit

9. Board Appoint directors in single resolution with violation of provision of Act? Which is correct option?

A. Appointment is rejected. (Note: Board can not select any one from them to appoint)

Other Important Topics

1. *Remuneration in case of no profit & Effective capital computation (MCQ 4 above)*
2. *Appointment other than retiring director- Notice, Deposit*
3. *Disqualification of director*
4. *Contribution to political party & Charitable Trust*
5. *Penalty for Not sending notice of General meeting.*
6. *Provision of circulation voting*

COMPANIES ACT

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJZmVI>

Question 1: Calculate Effective Capital

Case Study:

ABC Ltd. has the following financial details:

Equity Share Capital: INR 50 crores Preference Share Capital: INR 10 crores Free Reserves: INR 30 crores

Securities Premium: INR 20 crores

Accumulated Losses: INR 5 crores

Preliminary Expenses not written off: INR 2 crores

Question:

Based on the above information, calculate the effective capital for determining managerial remuneration as per the Companies Act, 2013.

Answer:

Effective capital is calculated as follows:

Paid-up Share Capital: INR 50 crores (Equity) + INR 10 crores (Preference) = INR 60 crores Free Reserves: INR 30 crores

Securities Premium: INR 20 crores

Subtract Accumulated Losses: INR 5 crores

Subtract Preliminary Expenses: INR 2 crores

Effective Capital = INR 60 crores + INR 30 crores + INR 20 crores - INR 5 crores - INR 2 crores = INR 103 crores

Note: Reserves does not include revaluation reserve while calculating effective capital

Question 2: Calculate Remuneration in Case of Profit

Case Study:

XYZ Ltd. has provided the following details:

Net Profit (as per Section 198 of the Companies Act, 2013): INR 200 crores

Managerial Remuneration limit as per Section 197 of the Companies Act, 2013: 11% of the Net Profit

Question:

Determine if the provided profit is correct and calculate the permissible managerial remuneration. Answer:

Net Profit: INR 200 crores

Permissible Managerial Remuneration: 11% of INR 200 crores = INR 22 crores

The provided profit aligns with the calculation under the Act, and the permissible managerial remuneration is INR 22 crores.

Question 3: Calculate Remuneration in Case of Loss

Case Study:

PQR Ltd. has incurred a loss and provided the following details:

Effective Capital: INR 50 crores

As per Schedule V of the Companies Act, 2013, the remuneration can be paid up to INR 84 lakhs if effective capital is between INR 5 crores to INR 100 crores.

Question:

Based on the above information, calculate the permissible managerial remuneration.

Answer:

Since the effective capital of PQR Ltd. is INR 50 crores, the permissible managerial remuneration as per Schedule V of the Companies Act, 2013, is INR 84 lakhs.

COMPANIES ACT

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Question 4: Maximum Number of Directorships

Case Study:

A director has the following directorships:

7 public companies

2 unlisted companies

3 private listed companies (out of which some are subsidiaries or holding of public companies)

Question:

How many directorships can he accept in public and private companies as per Section 165 of the Companies Act, 2013?

Answer: As per Section 165 of the Companies Act, 2013:

Maximum directorships in public companies (including subsidiaries of public companies): 10

Maximum directorships in private companies: 20 (excluding the ones which are subsidiaries or holding of public companies)

Given the director already has 7 directorships in public companies, he can accept up to 3 more directorships in public companies.

Question 5: First Meeting of BOD of COC

Case Study:

The Committee of Creditors (COC) needs to hold its first meeting. What is the maximum allowable time for holding this meeting after the formation of the COC?

Options: 7 days, 14 days, 21 days, 30 days.

Answer:

The first meeting of the Board of Directors (BOD) of a Committee of Creditors (COC) should be held within 7 days.

Question 6: Resolution Required by COC for Selecting IRP

Case Study:

While selecting an Interim Resolution Professional (IRP), how much resolution is required by the COC? Answer:

The resolution required by the COC for selecting an Interim Resolution Professional (IRP) is 66% of the voting share.

COMPANIES ACT

Question 7: Calculate of Profit

Case Study: ABC Ltd. has reported a net profit of Rs 80,20,000 for the financial year. However, this figure includes an amount received from the sale of old office furniture. The management needs to determine the correct profit as per Section 198 of the Companies Act, 2013, which involves adjusting for certain specified items. The details provided are as follows

Cost of Furniture: 2,00,000 WDV: 1,00,000

Sale Proceed: 4,50,000

Profit: 3,50,000

Question 1) What is the correct amount of Profit?	77,70000 Calculation: (8020000- {450000- 200000}) Notes: Deduction rule of profit on sale of fixed asset (except where the business of company is selling this asset) 1) If selling price less than original cost – do not deduct 2) If selling price more than original cost- deduct the difference between selling price and original cost
b) In the above question assume Sale Proceed of Old furniture: 70,000 in place of Rs. 4,50,000. What is the correct amount of Profit?	80,50,000 (If fixed asset is sold, excess of WDV over selling price is not a loss of capital nature)

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJZmVI>

Company Law		
Sr No.	Questions	Answers
1.	Can a SSD eligible for reappointment	Not Eligible
2.	Can SSD be appointed in a competing business	No
3.	No. of Companies in which person can hold position of SSD	Max. 2 Companies
4.	Whether SSD appointed in one company for period of 3 years and he was appointed also in another company for the period of 2 year. Can he appointed to do so?	Yes, he can appointed in Maximum 2 companies provided other company should not in compete business with first company
5.	Can a SSD appointed as Human resource manager during the cooling period?	No
6.	Is Quorum of Directors should be present in the beginning. (174)	No. They should be present throughout the meeting

7.	Section 174, Quorum vs SEBI Quorum of Top 2000 Listed Entity	Normal: 1/3rd or 2 director SEBI: 1/3rd or 3 director including 1 ID
8.	Applicability of Secretarial audit (204)	Listed; PUSC >= 50Cr; T/O >= 250Cr; O/s Loan/Borrowing >= 100cr
9.	Circumstances where Special Notice by members is required (169)	Removal of Director & Special Notice at least 14 days before meeting Deposit: 1 lakh
10.	Is it mandatory for private company to maintain sec 189 register even if it complied with AR & FS? Note: Section 189 register means Register of contract in which director is interested	Yes, except when sale/Purchase is up to 5 lakhs in FY.
11.	which resolution pass to increase limit of max no of directors (more than 15 director)	Special Resolution
12.	By which resolution, board can exercise power related to sell, lease, dispose of undertaking of company (180) Or A company wishes to dispose of part of its undertaking under two different schemes: Dispose of 6% undertaking and Dispose of 22% undertaking under a compromise scheme.	Special Resolution in both cases.
13.	Can director hold excess remuneration without necessary approval?	Yes & hold it in trust of Company
14.	Approval regarding borrowing by director. (185)	Member's Special Resolution
15.	When RBC (Resolution by circulation) considered as deemed passed? (175)	Approved by majority of Directors
16.	When resolution of RBC put up in meeting? (175)	>= 1/3 of total director require that resolution decided in meeting
17.	Whether Political contribution can be approved by board through resolution by circulation? (175)	No
18.	Question related to Proportional representation (163)	2/3 and 3 years
19.	Penalty on contravention of duties of Directors (166)	Rs. 1 lakh to 5 Lakh
20.	Penalty if director continue to function when office	Rs. 1 lakh to 5 Lakh

	if vacated (167)	
21.	No. of days in which office need to vacated from the date of order	30 days
22.	Can 2 or more director be appointed by single resolution in GM ? (162)	No unless 100% vote case in favour for that resolution
23.	Whether appointment of 3 directors via single resolution is valid if around 90% of members who were present at meeting voted in favour & balance 10 % abstained from voting? (162)	Yes, as complied "without any vote being case against it"
24.	Validity of Resolution passed in contravention of sec 162	Void Always
25.	Sec 162 applicable to which of these Companies : a)Sec 8 Co., b) Govt Co., c) Subsidiary of govt co, d)Pvt co.	Section 8 Company
26.	Notice for meeting sent 15 days before date of meeting & it mentioned the options to vote as - vote by self / proxy - whats validity of notice?	invalid because time limit is 1 month & notice didn't mention option of post ballot
27.	Whether Waiver of the excess remuneration paid is possible & what is the time limit ?	By passing Special Resolution & within 2 Years
28.	Can Company make alteration in MOA which is inconsistent with alteration already made by tribunal- options	Yes, with leave of tribunal
29.	Class Action (sec 245) is not applicable to whom?	Banking Company
30.	If company removed such employee without getting permission from tribunal, is the act valid?	Not valid as the investigation is pending
31.	NCLT to reply to the application for removal of employee within how many days	30 days else deemed approval
32.	Appeal against order of NCLT to whom & within how many days ?	To NCLAT within 45 days(+45 days extension)
33.	PQR Limited filed with NCLT to terminate an employee during proceedings. No objections were received within 30 days, and now the company is debating if they can proceed with the termination.	PQR Limited contention regarding no approval received within 30 days then company can proceed to take proposed action against the employee is correct
34.	BCL Limited received an objection from the NCLT under section 218 for taking action against an employee. The company is considering appealing the objection	Company or person concerned may, within a period of 30 days of receipt of notice of objection, prefer an appeal to NCLAT
35.	Can CFLO be given in case of Removal of MD during Winding Up due	No

	to default of director	
36.	Calculation of donations to Charitable funds limit	5% of average 3 year's net profit
37.	Minimum no. of director in Top 2000 listed entities	6 Directors
38.	Mr. A is director of ABC Ltd. Brother of Mr A holds exactly 2% of PUSC in another company. Whether another company is related party to ABC Ltd?	No, it should be greater than 2 % .
39.	Period of custody of Inspection books vested by civil court	180 days
40.	Sec 230- How many days in which order of tribunal file with roc	30 days
41.	Sec 244, minimum requirement for application to Tribunal- in oppression chapter	Having Share Capital: Lower of - 100 members or 1/10th of total members; or 1/10th of total issued capital Not having share capital: - 1/5th of total members
42.	Fail to file of financial statements/annual reports for how many consecutive years to consider as dormant company	2 Financial Year. Roc give notice and enter name of company in the register of dormant company
43.	Min. No. Of directors in dormant public co	3 Director
44.	Form for Getting status of active co.	MSC 4
45.	Company didn't have any SAT (ROC fees is not SAT) during last 2 years. Is it active/inactive/ dormant/defunct company?	Inactive Company
46.	ROC to strikeoff name of dormant co from register if it remains dormant for how many year?	5 years
47.	Sec 247 – Registered Valuer penalty in both cases	Penalty: 50,000 In case of defraud: Jail upto 1 year & fine: 1 lakh to 5 lakh
48.	Sec 421, No. of days in which Appeal can be made to NCLAT and supreme court	For NCLAT- 45 days For supreme court (only in question of law)- 60 days
49.	sec 420, whether rectification can made by NCLT within 2 yrs if any appeal is preferred	No, because appeal is preferred
50.	Submission of report by Company Liquidator to tribunal	within 60 days

51.	Liability of contributories who transferred partly paid up shares before 1 yr of WUP	the company has to duly notify the amount due on shares/debentures to the transferee
52.	Who can be appointed as RV out of 4 options a). PROI b). imprisoned for 2 months, c). imprisoned for 7 months, d). valuation exam passed beyond 3 yrs related	imprisoned for 2 months
53.	If the director is removed by a tribunal considered unfit, the period for Disqualification	Minimum 2 year
54.	Whether NR can be a Registered valuer Inspection of company Subsidiary	No, only resident in India
55.	Can a Non-Resident person become MD of Indian Company?	Yes, with approval of CG
56.	No. Of Directors to be retire by rotation	1/3rd out of Rotational Director
57.	Who can file an application for restoration of name to NCLT	Person aggrieved by order of ROC within 3 years
58.	Time Limit on AA to admit the application of winding up	90 days
59.	who can be contributories in case of winding up (272)	Holder of fully paid up share
60.	Advisory committee constitute how many number of members in Winding Up	Maximum 12 member
61.	Cost and expenses of winding up fall in which sequence of payment as per winding up	First payment: Workmen dues Second payment: Cost & Expense
62.	Under compromise, who ordered for the meeting of creditors	Tribunal
63.	Objection to compromise raised by a shareholder holding 15% & creditor holding 9% debt - whether valid?	Valid because share holder has 10% or more & creditor has 5% or more
64.	W.r.t. the manner of utilisation of undue gain recovered which of these is NOT power of tribunal?	Order for repay money to Company in which person was employed
65.	Tenure of FD Granted by Nidhi Co.	6month to 60 month
66.	Amount of Loan that can be given by Nidhi Co. if deposit is less than 2 Crore	2 lakhs
67.	Amount of Deposits that can be accepted by Nidhi co.	Not more than 20 times of NOF

68.	X & Y have shares of nidhi company jointly in their names and in the application X name appears first while in the register of members Y name appears first. To whom the loan can be given?	Y, because his name appears first in Register of member
69.	Case Study:XYZ Nidhi Company has the following financial details: Paid-up Share Capital: INR 10 crores Free Reserves: INR 2 crores Accumulated Losses: INR 1 crore Investments in other Nidhi Companies: INR 1 crore Question:Based on the above information, calculate the Net Owned Funds and Effective Capital.	Net Owned Funds: Paid-up Share Capital + Free Reserves - Accumulated Losses - Investments in other Nidhi Companies NOF: 10 Crore Effective Capital: 11 crore
70.	Case Study related to Nidhi Company: Paid up SC:23Lakh Free Reserves: 2 Lakh Assets: 10 Lakh Deposit accepted till now: 1.5 Cr Q1: Maximum additional deposit it can further accept Q2. Amount of loan it can be given if deposit of member are 1.5Cr	A1: 3.5Cr A2: 2Lakh
71.	What a nidhi co can do? A) Open savings acc with members b)open current acc with members, c) accept deposit from non members, d) Buy securities of body corporates	Open savings acc
72.	In case of Nidhi company dividend paid should be _____	not more than 25%
73.	Whether a foreign subsidiary of a Co incorporated in India is resident in India or outside India	Resident in India
74.	Sec 236, If Minority shareholder offered a price for purchase of share & not disposed within stipulated time, he will able to receive the amount upto?	Disbursement shall continue for 1 year
75.	If the director is removed by a tribunal considered unfit, the period for disqualification	5 years or less than 5 years as specified.

76.	When declaration given by independent director	In 1 st Board meeting, then first board meeting of every financial year
77.	Who can raise Objection to compromise scheme. Note: Creditors include both financial and operational creditor. Examiner will ask here creditor means which creditor operational, financial or only creditor. Answer is only creditor	Member having $\geq 10\%$ PUSC or Creditors having O/s debt $\geq 5\%$ of total outstanding debt.
78.	Penalty in case of violation of provision of political contribution (182)? C	Co: 5X amount contributed Officer in default: Jail 6 Month and 5X amt contributed
79.	Following person can be MD/WTD/Manager a) Subject to imprisonment / fine more than 1000 under prescribed 90 act b) Not detained under COFEPOSA Act c) Aged more than 70 year without passing SR d) All of the above	B) Not detained under COFEPOSA Act. COFEPOSA - Conservation of Foreign Exchange and Prevention of Smuggling Activities Act
80.	In case of Material Subsidiary, what is requirement for the appointment of Independent Director?	At least 1 ID shall be appointed
81.	Can Charitable Trust contribute Rs. 4,80,000 if it exceed 5% of Avg Profit?	Yes by passing Special Resolution
82.	As per Sec 197(3), is the sum payable to director exclusive or inclusive of sitting fee?	Exclusive of sitting fee but according to Schedule V
83.	Can MD Claim Compensation if they refuse to join amalgamated company?	No, can't claim compensation
84.	Whether write off debt and not payment of dividend is oppression of member?	No
85.	Is Directors or employees liable to provide info during Investigation even if they left before?	Yes, they are liable to provide information
86.	An employee is posting on social media about profits of the company but in reality company in under losses. Liable under which act?	Liable under Section 447
87.	Can Dormant co have auditors & if yes is rotation applicable?	Yes, audited within 30 days from end of FY & rotation not applicable
88.	Representation of notice of striking off of name by Company to ROC within how many days?	30 days

89.	C.S. from winding up Eg: How much amount can be realized from the following past members to pay dues at the time of winding up of co as on 01-04-2023	1) a past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding up 2) No contribution shall be required from any past or present member exceeding the amount, if any, unpaid on the shares in respect of which he is liable as such member
90.	A person resident in India earned in foreign as salary to years back. Now he wants to utilize this amount in India, is any permission required	No permission required
91.	Can IRP maintain bank accounts of Co?	Yes
92.	Is Investigation under Sec 210 is mandatory?	No, untill received from tribunal court
93.	Who have the power to investigate under 210	Central Government
94.	Govt Co. amalgamated into Non govt Co. what is status of New Co.?	Government Company
95.	what is legal status of ROC to file for winding up of companies?	30 days
96.	Is RV has to make valuation as per contract?	No, RV shall make valuation as per valuation standard
97.	The appointment of MD who is ineligible to appoint is Oppression or Mismanagement?	Mismanagement
98.	Whether minority Director can claim Oppression by Majority Director?	No, only Member can
99.	T Ltd is Listed entity and Wholly Owned Subsidiary of A Ltd, So whether ID to be appointed or not?	Yes, ID is appointed as it is listed company also
100.	Case Study: GlobalTech Inc., a U.S.-based technology company, seeks to merge with Innovate Solutions Pvt. Ltd., an Indian software development firm. Both companies see strategic benefits in this merger, such as expanded market reach and enhanced technological capabilities. However, during an internal board meeting at Innovate Solutions, the CEO, Mr. Rajesh Mehta, contends that the merger cannot proceed, even with the approval of the Central Government.	
101.	a) Is the CEO's contention that an Indian company cannot merge with a foreign company, even with the approval of the Central Government, correct?	No, the CEO is incorrect because cross-border mergers are allowed with the approval of both the Reserve Bank of India and the Central Government.
102.	b) Who must approve a cross-border merger involving an Indian and a	Both the RBI and the Central

	foreign company?	Government
103.	How much Security Deposit of Candidature is required for proposal to appoint himself as a director?	1,00,000 & prior 14 days notice
104.	Failed to send Board meeting notice, Penalty _	Penalty on officer whose duty to send notice, ₹25000
105.	whether same ID can be appointed for listed entity and its wholly owned subsidiary	Yes, no restriction
106.	ID appointed from data bank maintained by CG such appointment needs to be approved at board meeting as well as general meeting , or only general meeting ?	only General Meeting
107.	Reappointment of ID for 3rd term as it has served 1 st term of 3 yrs and 2 nd term of 4 yrs , whether allowed	No
108.	Do NCLT has power to windup??	Yes NCLT has authority to windup a company
109.	Can a listed company merge with Foreign LLP?	Yes without any special permission
110.	Draft minutes will be circulated within__	15 days to all directors
111.	In which situations are managing directors or whole-time directors not eligible to be appointed by the company?	Detained for any period under conservation of foreign exchange and prevention
112.	ROC has send a notice and no information is received or Inadequate information is received or information is received is unsatisfactory then_____	may call the company for another notice in writing
113.	Case Study: XYZ Ltd. has the following financial details: Authorized Share Capital: ₹40 crore, Paid-up Share Capital: ₹40 crore, Debenture Redemption Reserve: ₹40 crore, Revaluation Reserve: ₹20 crore, and Profit and Loss Account: ₹20 crore.	
114.	a) What is the Effective capital?	120 Crore
115.	b) Based on the above computation, what is the yearly remuneration in case of a managerial person?	120 Lakh
116.	Case Study: An unlisted public company with a turnover of ₹420 crore has 7 directors, including Satish (Chairperson) who is an independent director, and Veena (Woman Director). a)How many additional independent directors need to be appointed to fulfill regulatory requirements?	2 independent directors and no other woman director as already 1 is appointed.

117.	b) If all directors are members of the audit committee, including Satish (Chairperson) and Veena (Woman Director), how many other independent directors need to be appointed to fulfill regulatory requirements?	3 Director
118.	For the quarter ended 30th June 2023, ABC Ltd. needs to file its compliance report. The management is determining whether an audited or unaudited report is allowed and by what deadline.	15th August 2023, unaudited report is also allowed.
119.	SWL Ltd. held a Board of Directors (BoD) meeting to fix remuneration. There are 7 directors, 2 participated personally, and 3 participated via video conferencing. At 2 PM, 2 directors left the meeting, leaving 1 via video conferencing. What is the implication for the validity of the Board of Directors meeting?	Not valid, the quorum requirement was not met after the directors left
120.	ABC Limited has the following shareholding: Central government: 24%, State government: 25%, Government company: 22%.	No, because the combined government shareholding does not exceed 50%.
121.	ABC Ltd. has a subsidiary whose income is 12% and net worth is 18% of consolidated. Mr. Abhay, an independent director of ABC Ltd., is a director of the subsidiary. Is this in accordance with corporate governance requirements?	No other appointments required as already one independent director is on the board of the subsidiary
122.	Case Study: ABC Limited, a company facing financial difficulties, has a diverse group of shareholders. One of these shareholders, Mr. Sharma, holds partly paid shares in the company. Mr. Sharma has been a shareholder for over a year and is concerned about the company's ongoing viability. He is contemplating filing a petition for the winding up of ABC Limited. The legal team at ABC Limited is reviewing the eligibility criteria for shareholders to file such petitions, specifically focusing on whether holders of partly paid shares have the right to initiate winding up proceedings. They are particularly considering the duration of shareholding and the payment status of the shares Can a person holding partly paid shares file for the winding up of ABC Limited?	Yes, as holding for 12 months.

123.	Will objections raised by shareholders and creditors sustain under Sec 230 or 231?	Objections raised by shareholders and creditors will sustain under Section 230 of the Companies Act, 2013, provided they meet the specified thresholds (at least 10% of the shareholding or 5% of the total outstanding debt).
124.	Whether Company can take copies in case of Book seized?	Yes, co is allowed to take copies of documents seized
125.	Inspector can enter and seized books and paper after obtaining permission of _____	Special Court
126.	Where all the directors of a company resign from their offices then _____	the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting
127.	Can ID have stock option?	No
128.	If a person fail to appoint as a director or alternate director. Can he appoint additional director	No

Investigation

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJZmVI>

1. Sec 212, Cases when CG will appoint SFIO for investigation

A. -Report of Registrar u/s 208

- SR by Co

- Public Interest

- Request by CG SG Dep.

2. Sec 219, whose prior permission is required for inspector to investigate subsidiary co.

A. Central Govt.

Question 1: Power of RoC to Conduct Investigation

Case Study:

The Registrar of Companies (RoC) suspects a company of fraudulent activities. What powers does the RoC have to conduct an investigation, and where can the RoC approach if further investigation is required? Options: Central Government (CG), Arbitration, or Tribunal.

Answer:

The RoC has the power to conduct an investigation into the affairs of the company under Section 206 of the Companies Act, 2013. If further investigation is required, the RoC can approach the Central Government (CG) to conduct an investigation through the Serious Fraud Investigation Office (SFIO).

OPPRESSION AND MM

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJZmVI>

1. Sec 244, min. requirement for application to Tribunal

A. **Having Share Capital: Lower of**

- 100 members or
- 1/10th of total members
- 1/10th of total issued capital

Not having share capital:

- 1/5th of total members

COMPROMISE AND ARRANGEMENT

1	Amount shall be disbursed to entitled shareholder when purchased by minority	60 Days
2.	From Bank account operated by co. for at least	1 Year
3.	Books of amalgamated company	Should not be disposed of without prior permission of central government

NIDHI COMPANY

Amount of Deposits that can be accepted by Nidhi co.	Not more than 20 times of NOF
Net Owned Funds	Paid up share capital+ Free Reserves-Accumulated Losses- Investments in other Nidhi Companies
Tenure of FD Granted by Nidhi Company	6 month to 60 month

Loan Allowed by NIDHI Co to provide under Rule 15 of Nidhi Rules,2014

DEPOSITS MADE (Rs.)	Loan allowed to Grant
Less than 2 crore	Rs. 2 lakhs
More than 2 Crore -up to 20 crore	Rs. 7.5 lakh
From 20 crore – up to 50 Crore	Rs. 12 lakh
More than 50 crore	Rs. 15 lakh

WINDING UP

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJIZmVI>

1. Liability of contributories who transferred partly paid up shares before 1 yr of WUP

A. the company has to duly notify the amount due on shares/debentures to the transferee

DORMANT COMPANY

Forms	Usage by dormant company
MSC 1	Make application to ROC to obtain status of dormant company
MSC 2	ROC shall allow the status of dormant company
MSC 3	Dormant company shall file Annual Return within 30 Days from end of financial year
MSC 4	Application for seeking status for Active company

Minimum Number of Directors required in Dormant Company

In Public company	Three Directors
In Private Company	Two Directors
In OPC	One Director

NOTE : Rotation of Auditors is not applicable on dormant company

MISCELLANEOUS PROVISIONS

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJZmVI>

1. Who can be appointed as RV out of 4 options namely,

1. PROI as per FEMA,

"A. 2. Imprisoned for 2 months,"

3. Imprisoned for 7 months,

4. Valuation exam passed beyond 3 yrs related

2. Sec 247 - Regular Valuer penalty

A. Penalty: ₹50,000

- If defraud:

Imprisonment: upto 1 year

Fine: ₹1L - ₹5L

Question 1: Nidhi Company - Net Owned Funds and Effective Capital Calculation

Case Study:

XYZ Nidhi Company has the following financial details:

Paid-up Share Capital: INR 10 crores

Free Reserves: INR 2 crores

Accumulated Losses: INR 1 crore

Investments in other Nidhi Companies: INR 1 crore

Question:

Based on the above information, calculate the Net Owned Funds and Effective Capital.

Answer: Net Owned Funds:

Paid-up Share Capital + Free Reserves - Accumulated Losses - Investments in other Nidhi Companies

= INR 10 crores + INR 2 crores - INR 1 crore - INR 1 crore

= INR 10 crores Effective Capital:

Paid-up Share Capital + Free Reserves - Accumulated Losses

= INR 10 crores + INR 2 crores - INR 1 crore

= INR 11 crores

TELEGRAM CHANNEL LINK: <https://t.me/+Wz2tQQHHqSJZmVI>

1. Sec 421, Appeal NCLT and NCLAT - **45 days** & Supreme Court - **60 days**
A. Complete proceedings with 3 months (+90 days) for NCLT & NCLAT
2. Sec 420, whether rectification can made by NCLT within 2 yrs *if any appeal is preferred*
A. No

Question 1: NCLT - Time Limit for RoC Representation

Case Study:

As per the Companies Act, 2013, what is the time limit for the Registrar of Companies (RoC) to make a representation to the National Company Law Tribunal (NCLT), and what is the time limit for the NCLT to pass an order?

Answer:

The time limit for the RoC to make a representation to the NCLT is 30 days from the date of receipt of notice. The NCLT must pass an order within 60 days from the date of receipt of application.

LIST OF IMPORTANT TOPICS – FROM SHUBHAM SINGHAL SIR BOOKS

<u>Section</u>	<u>Topic</u>	<u>Pg. No.</u> (Shubham Singhal)
	<u>Appointment & Qualification</u>	
Sec. 149	Women Director	1.1
Sec. 149	Independent	1.2
Sec. 150	Director OPSAT	1.4
	Exam	1.6
Sec. 155-159	Retirement by	1.8
Sec. 161	Rotation Section 155	1.11
Sec. 162	to 159	1.11
Sec. 167	Additional, Alternate, Nominee Director & Casual vacancy Appointment of Dir. Voted individually (Single resolution) Vacation of office of Director	1.13
	<u>Meeting of Board & its Powers</u>	
Sec. 173(1),(5)	Meetings time limit	2.1
	Quoram	2.4
Sec. 174	Audit committee	2.5
Sec. 177	Nomination & Stakeholder Remuneration	2.7
Sec. 178	Committee Summary table of sec. 181,182,183	2.11
	Disclosure of interest by Directors	2.12
Sec. 184	Loan to Directors (Focus on	2.13
Sec. 185	Penalty) Loan & Investment by	2.14
Sec. 186	Company	2.19
Sec. 189	Register of contract or arrangement where Director interested	
	<u>Appointment & Rem. of Managerial Personnel</u>	
Sec. 196	Appointment of MD/WTD or	3.1
Sec. 197	Manager Managerial Remuneration	3.3
	Schedule V (Part I &	3.6
Sec. 203	II) Appointment of KMP	3.11
	<u>Inspection, Inquiry & Investigation</u>	
Sec. 212	SFIO	4.3
Sec. 213	Investigation into co.'s affairs in other cases	4.5
Sec. 214	Securities for payment of costs & exp of investigation	4.5
Sec. 217	Procedures & powers of Inspection	4.6
Sec. 218	Protection of employees during	4.7
Sec. 222	Investigation Imposition of restriction upon securities	4.9

Sec. 230 Sec. 231 Sec. 233 Sec. 236	<u>Compromise, Arrangement & Amalgamation</u> Power to compromise or make arrang. with creditor & members Power of Tribunal to enforce compromise or arrangement Fasttrack mode of merger Purchase of Minority shareholding	5.1 5.2 5.4 5.7
Sec. 241 Sec. 242 Sec. 243 Sec. 244 Sec. 245	<u>Prevention of Oppression & Mismgt.</u> Application to Tribunal for relief Power of tribunal (focus on altering MOA/AOA) Consequence of termination or modification of certain agreement Rights to apply u/s 241 Class Action	6.1 6.3 6.4 6.5 6.5
Sec. 272 Sec. 274 Sec. 277 Sec. 285 Sec. 327 Sec. 332 Sec. 336 Sec. 352	<u>Winding up</u> Petition for winding up Direction for filing statement of affairs Intimation to PL/CL & ROC Settlement of list of contributors & application Preferential payments Winding up VS. IBC Effect of floating charge Offences by officer of co. in liquidation Liquidation dividend & undistributed asset a/c	7.1 7.2 7.3 7.5 7.10 7.11 7.12 7.14 7.16
	<u>Miscellaneous provisions</u> 1. Registered Valuer 2. Removal of name of company (1 page) 3. Govt. Co. (1 page) 4. Nidhi Co. (24 Min. Lecture) 5. Punishment for fraud (1 page) 6. Dormant Company (1 page)	
	<u>Adjudication, special court, NCLT & NCLAT</u> (10 Min. Lecture & focus on Time Limits)	
	<u>Compounding of offences, Adjudication & sp court</u> (24 Min. Lecture & focus on Time Limits)	

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	<u>IBC,2016</u>	
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THANK YOU, GUYS, PLEASE APPRECIATE THIS WORK AND SHARE THIS COMPILER TO YOUR FRIENDS AND CONNECT WITH ME THROUGH YOUTUBE AND TELEGRAM IN MY RUPEE REVOLUTION CHANNEL ... YOUR LOVE AND SUPPORT TOWARDS MEANS A LOT FOR US,

ALL THE BEST FOR YOUR EXAMS AND BRIGHT FUTURE