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BY CA HEMANT SOMANI | AIR 46

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ICAI OLD COURSE MCQ BOOKLET & BOS

Portal MCQ's SUMMARY / One Liner

Chp 1: Appointment & Qualification of Director:

Sr	MCQ Crux
1	Following class of companies shall appoint at least one woman director : 1. every listed company , 2. every other public company having- - paid-up share capital of Rs. 100 crores or more or - turnover of Rs. 300 crores or more.
2	First Director: Where the AoA does not mention anything related to first directors, the subscribers to MOA (who are individuals only) will become first director
3	Casual vacancy of a woman director 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 An intermittent vacancy of a woman Director arose on June 15, 2021 due to the resignation of Ms. Swati. The immediate Board Meeting after the resignation of Ms. Swati was held on October 10, 2021. → So. Is last date for filing this casual vacancy: October 10, 2021
4	Notice for small shareholder director is valid when served by Lower of: - 1000 SSH or - 1/10th SSH
5	A director is not empowered to appoint an alternate director for him (Power to appoint alternate director vests with Board and needs empowerment via AOA. The original director has no power to appoint alternate director.)
6	Resignation of director is effective from – 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) he sent an e-mail on 17th June, 2021 enquiring about the receipt of his resignation letter by the company but there was no response. However, MGT Mechanics Limited received his resignation letter on 18th June, 2021. → So 18 th is date of resignation
7	Person is disqualified to be Independent director 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 additional director , authorisation in AoA is a MANDATORY
9	A private company that is subsidiary of public company shall be deemed as Public company only.
10	Limit of 15 directors as per sec 149 is not applicable to Sec 8 and Govt Co. , provided compliance of Sec 92 and 137
11	To become a Resident Director , total period shall not be less than 182 days in CURRENT FY (not PY)
12	The casual vacancy 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
13	Following class of companies shall appoint at least one woman director : 1. every listed company , 2. every other public company having- - paid-up share capital of Rs. 100 crores or more or

	- turnover of Rs. 300 crores or more.
14	penalty for not vacating the office of directorship even after attracting disqualification - Fine Rs. 1,00,000 to Rs 5,00,000
15	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.
16	<p><u>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.</u></p> <p>Q. Mr. Z is proposed to be appointed as the Director in RLP Mechanics Limited. It is noteworthy that Mr. Z already holds directorship in one dormant company, two Section 8 companies, eight public limited companies and nine private limited companies. However, out of nine private limited companies, two are subsidiaries of public limited companies. In the given circumstances, is it possible for Mr. Z to accept another directorship in RLP Mechanics Limited without attracting any invalidity → It is not possible for Mr. Z to accept another directorship in RLP Mechanics Limited since he is already holding directorships in eight public limited companies and two such private limited companies which are subsidiaries of public limited companies.</p>
17	<p>First Director:</p> <p>Kutumb Agro Limited (KAL), a newly incorporated company, has not mentioned the names of the first Directors in its Articles of Association. There are eight subscribers to the Memorandum of Association including Parivaar Agro Private Limited.</p> <p>Except Parivaar Agro Private Limited, all other subscribers to the Memorandum of Association of KAL shall be deemed to be the first Directors</p>
18	<p>Ruby is a woman director in ABC Ltd. The Company held four meetings of the Board in the financial year 2022-23, but Ruby remained absent in all such meetings. However, she sought leave of absence in all such meetings and mentioned the person reasons. Based on this facts, which among the following statement is correct:</p> <p>Ruby's office as a director shall become vacant</p>
19	sentenced by a court for a period of 1 year → not eligible for appointment as director in a company:
20	<p><u>Which among the following is not a disqualification for appointment as a director:</u></p> <p>a) An order disqualifying him for appointment as a director has been passed by a Tribunal b) He has been convicted of the offence dealing with related party transactions at any time during the last preceding 5 years c) He has not been allotted DIN d) The company in which he had been a director, has not filed annual returns for the previous year (answer)</p>
21	a listed entity. The total number of directors in the company is 10. Out of 10, how much directors should be the Independent Directors: FOUR
22	<p>Seva Hospitality Services Limited having registered office in South Delhi is providing various kind of services, major components of which are tours and travels, both in India and abroad. In addition to six directors, Andrej, a resident of Warsaw, Poland also held directorship in the company as foreign director. However, due to his extremely busy schedule at Warsaw, he resigned and requested the company to relieve him from the directorship w.e.f. 23rd July, 2023. With a view to intimate the Registrar regarding resignation of Andrej, the company filed DIR-12 on 26th July 2023. In respect of signing and filing of DIR-11, which of the following persons in India can be authorised by Andrej in addition to a practising Chartered Accountant, a Cost Accountant in practice and a Company Secretary in practice who can sign and file the said Form DIR-11 on his behalf:</p> <p>Answer: His cousin Bartek residing in India and holding directorship in an unlisted company, namely, Mithila Dairy Products Limited His co-director Kritika, a resident director of Seva Hospitality Services Limited who filed DIR-12 on behalf of the company intimating the Registrar regarding resignation of Andrej</p>

23	<p>Mr. Z is proposed to be appointed as the Director in RLP Mechanics Limited. It is noteworthy that Mr. Z already holds directorship in one dormant company, two Section 8 companies, eight public limited companies and nine private limited companies. However, out of nine private limited companies, two are subsidiaries of public limited companies. In the given circumstances, is it possible for Mr. Z to accept another directorship in RLP Mechanics Limited without attracting any invalidity:</p> <p><u>Answer: It is not possible for Mr. Z to accept another directorship in RLP Mechanics Limited since he is already holding directorships in eight public limited companies and two such private limited companies which are subsidiaries of public limited companies.</u></p>
24	<p>The maximum number of unlisted public companies in which a person can be appointed as a director:</p> <p><u>Answer: Shall not exceed 10</u></p>
25	<p>A person cannot be appointed as Alternate Director for: → <u>Independent Director</u></p>
26	<p>ABHI Limited, a listed company, proposed Mr. Arun and Mr. Raj, before the Board to appoint them as a Small Shareholder Director (SSD).</p> <p>Particulars about proposed SSD's</p> <p>Mr. ARUN: He holds 50 preferential shares of ABHI Limited. Also, currently working as Small Shareholder's Director in Sona Limited, which is not competing in business to ABHI Limited.</p> <p>Mr. RAJ: He is not holding any shares of ABHI Limited. He is currently representing two different companies, one as a director and another as a Small Shareholder Director</p> <p>Requirement: Examine in the light of the given facts as per the Companies Act, 2013, the correct statement on the validity of the proposal of appointment of Mr. Arun and Mr. Raj as a Small Shareholder's Director in ABHI Limited?</p> <p>(i) Proposal to appoint Mr. Arun is only valid and he can be appointed as Small Shareholder Director as he is holding shares of ABHI Limited though he is a SSD in Sona Ltd.</p> <p>(ii) Proposal to appoint Mr. Raj is invalid as he is not eligible to be appointed as a SSD as already he is holding a directorship in two different companies and also having no shares in ABHI Ltd.</p> <p><u>(iii) Proposal of appointment of Mr. Raj and Mr. Arun, both is valid as they are eligible to be appointed as SSD's in ABHI Ltd., irrespective of their holding as a Small Shareholder Directorship in one of the companies.</u></p> <p><u>(ANSWER)</u></p> <p>(iv) Proposal of appointment of Mr. Raj and Mr. Arun is invalid as both are ineligible to be appointed as SSD's as they are being a director in more than two companies.</p>
27	<p>A listed Company may opt to have a director on suo moto representing small shareholders</p>
28	<p>After termination from this company, Director cannot apply to any other company for the post of director or any other office, a period of 5 years.</p>

Chp 2: Managerial Remuneration:

Sr	MCQ Crux
1	As per sec 199, Where a co. is required to re-state its FS due to fraud or noncompliance with the prov. of this Act, co. shall recover from past/present MD/WTD/Manager or CEO (not NED/ID), who during such period for which FS is re-stated received remuneration, in excess of what would have been payable to him as per re-stated FS. (Even if he is retired, then also recover it)
2	MD is entrusted with substantial power so MD, Can Sign FS , But Can-not draw cheque/share certificate
3	For appointment of a person who has attained age of 70 years (WT-KMP) – Pass SR.
4	As per Sec 196, no re-appointment shall be made earlier than 1 year before the expiry of the MD/WTD or Manager's term <ul style="list-style-type: none"> → So, if On June, 20, 2019, Mr. Anil Mehra was appointed as Manager → date on which his re-appointment will be considered valid is June 24, 2023 → If re-appointed in advance as Whole-time Director (WTD) for another term of five years in the Annual General Meeting, It's Invalid
5	The remuneration payable to any one MD/WTD or manager shall not exceed: <ul style="list-style-type: none"> - 5% of the net profits and if there is more than one such director, - remuneration shall not exceed 10% of the net profits to all such MD/WTD or manager taken together
6	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
7	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
8	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.
9	As per section 203 - Vacancy in office of whole time KMP, to be filled by BoD within 6m of vacancy
10	Every whole-time key managerial personnel of a company shall be appointed ----- containing the terms and conditions of the appointment including the remuneration: <u>By BOARD RESOLUTION (Not Shareholder)</u>
11	Srihari was employed as Manager (a KMP) throughout the financial year 2021-22 in Unique Logistics Limited (a listed company) which connects shippers and transporters pan India carrying and storing any perishable cargo. In which of the following situations, his name shall be shown in the Board's Report: <u>: If Srihari is in receipt of remuneration for the financial year 2021-22 not less than Rs. 1 crore and 2 lakhs.</u>
12	Which among the following company is not required to appoint a Company Secretary: <u>Any company having a paid-up share capital not exceeding 10 crore rupees</u>
13	Delhi Touristers Limited convened a Board Meeting and appointed Ripudaman as an additional director in terms of the powers given by the Articles of Association. In the same Board Meeting he was also appointed as Managing Director of the company. You are required to choose the correct option from those stated below keeping in view the given situation <u>:Answer: The appointment of Ripudaman as Managing Director of Delhi Touristers Limited in the same Board Meeting in which he was appointed as an additional director is valid.</u>
14	Pawan Limited appointed Mr. Vir, a person resident in India, as a Managing Director who has taken a charge of the post on 1st June, 2022. The remuneration package sanctioned to him is as follows: 1. Salary- Rs. 60,00,000 2. Rent free accommodation- Rs. 6,00,000 3. Children education allowance- Rs. 3,00,000 4. Leave Travel Concession Package- Rs. 3,00,000 5. Premium in respect of insurance taken for indemnification- Rs. 5,00,000 What would be the amount of yearly remuneration for FY 2022-23 paid by Pawan Limited to Mr. Vir, the Managing Director who is appointed on 1st June, 2022? <u>Answer: Rs. 60,50,000</u>
15	The Board Report of Smart Quizzers and Solutions Limited (a listed company having global presence) whose aim is to foster curiosity and inquisitiveness through fun and engaging quiz questions for kids shall include a statement showing the names of certain number of its top employees in terms of remuneration drawn by them in the financial year 2021-22. From the following options choose the one which correctly indicates such number of top employees:

[illegible]

Chp 3: Meetings of Board & Powers:

Sr	MCQ Crux
1	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
2	As per Section 174, where interested director \geq 2/3rd of total strength of directors, quorum shall be higher of: <ul style="list-style-type: none"> - No. of non-interested director present at such meeting - 2 directors.
3	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
4	For loan or investments by Co., BM UR is required (ie 100% approval from attended directors , So ignore the director who has not attended the meeting)
5	The draft minutes of the meeting shall be circulated among all the directors within 15 days of the meeting
6	As per Section 177, Omnibus approval can only be given for Related Party Transactions , Omnibus approval shall be valid for 1 year for similar type of transaction (Require fresh approval after expiry of 1 year)
7	As per section 173, every company shall hold the first BoD meeting within 30 days of the date of incorp. and thereafter hold a min. no. of 4 BoD meetings every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board.
8	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. So, If last 3 FY profit is Lacs INR, 210, 180 & (30) → the max limit would be – $(210+180-30)/3 \times 5\% = \text{Rs. 6 lakhs}$.
9	As per Sec 174, quorum in a meeting is higher of <ul style="list-style-type: none"> (a) 1/3rd of total strength or (b) 2 directors. In this case, total no. of directors is 10. <p>Therefore, quorum is met when at least 4 directors attend the meeting. At 2PM (i.e., meeting time) , 4 directors are available – Mr. D, E, G and H and hence, the quorum is met</p>
10	No. of board meeting in case of Small company , at least 1 BoD meeting is held in each half of a CY + Min Gap should be 90 days
11	company which has been in existence for less than 3 FY, cannot contribute any amount towards political contribution
12	As per sec 177. Vigil mechanism is applicable to – <ul style="list-style-type: none"> (a) listed company (b) company having accepted deposits from the public (c) companies which have borrowed money from banks and public financial institutions in excess of Rs 50 crores , as per latest FS.
13	Even after giving intimation for attending BM through VC , a director may attend the future meetings in person : if he gives intimation to attend the BM in person sufficiently in advance
14	As per section 173(3), notice of the meeting is to be served to all the directors (additional, alternate, interested). It is to be served even to a director who has expressed inability to attend the meeting
15	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. The scheme of compromise shall be taken as approved.
16	CONTRAVENTION OF PROVISION (Company incorporated on 1st April, 2019) → gap between initial two consecutive Board Meetings (held on 6th April, 2019 and 28th August, 2019) is 143 days and further, gap between next two consecutive Board Meetings (held on 30th September, 2019 and 12th March, 2020) is 163 days.
18	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': From the end of the Financial Year 2021-22.
19	A public company may contribute any amount to the any political party
20	Every director shall at the first meeting of the Board in which he participates as a director disclose: His concern or interest in any company (Sec 184(1))
21	Concept: Section 184 (2) shall apply to a private limited company with the exception that the interested director may participate in such meeting after disclosure of his interest. Q. Zinkoo Made-Ups Private Limited, having committed no default in filing its financial statements or annual returns, has six directors of which Roshni looks after different kinds of operations including sourcing of raw materials from other companies/firms. Recently, she convinced other Board Members to enter into a long-term contract with Joktaa Fine Clothing Limited for the supply of diverse varieties of unstitched clothes worth Rs. 90.00 lakh in a span of next three years. However, it was disclosed by her that she was a shareholder of Joktaa Fine Clothing Limited holding five percent of its paid-up capital. Of the following four options, which one is applicable in the given scenario: Answer: Despite being interested director, she can still participate in the Board Meeting in which such contract with Joktaa is deliberated upon. Q. Zinkoo Made-Ups Private Limited , having committed no default in filing its financial statements or annual returns, has six directors of which Roshni looks after different kinds of operations including sourcing of raw materials from other companies/firms. Recently, she convinced other Board Members to enter into a long-term contract with Joktaa Fine Clothing Limited for the supply of diverse varieties of unstitched clothes worth Rs. 90.00 lakh in a span of next three years. However, it was disclosed by her that she was a shareholder of Joktaa Fine Clothing Limited holding five percent of its paid-up capital. Of the following four options, which one is applicable in the given scenario: Answer: Despite being interested director, she can still participate in the Board Meeting in which such contract with Joktaa is deliberated upon.
22	A meeting of the Board shall be called by giving not less than 7 days notice in writing to every director _____ and such notice shall be sent by hand delivery or by post or by electronic means: Answer: at his address registered with the company
23	A meeting of the Board may be called by giving not less than 7 days notice in writing. However the meeting may be called at shorter notice to transact urgent business subject to the condition that _____ - if any, shall be present at the meeting: Answer: At least one independent director
24	ABC Ltd. is having 10 directors in its Board. What shall the quorum for the Board Meeting: 4 directors
25	A One Person Company , small company and dormant company shall be deemed to have complied with the provisions of section 173 if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the gap between the two meetings is: Answer: not less than 90 days
26	In ABC Ltd a resolution by circulation was circulated among the directors. However, some of the director expressed that the resolution should be decided at the meeting of the Board. How many directors are required to put the resolution in a Board Meeting, if the number of directors in the company are 15: → Answer: Five Directors
27	Concept: Section 184 (2) requires specific disclosure of interest from a director if he holds more than 2% shareholding of a body corporate with which a contract or arrangement is to be entered into by his company. In

	<p>this case Supriya must be holding shares exceeding Rs. 4,00,000 in SBSL for being considered as an interested director</p> <p>Supriya holds shares worth Rs. 13,50,000 in the capacity as one of the directors of Paridhi Tours and Travels Limited (PTTL) whose paid-up share capital is Rs. 4,50,00,000. Swikriti Bus Suppliers Limited (SBSL) with paid-up capital of Rs. 2,00,00,000 is in the business of supplying tourist buses. Being in need of adding three more tourist buses in its existing fleet of ten buses, PTTL through Supriya approached SBSL for the purpose of purchasing the required buses knowing fully well that Supriya holds certain amount of shares in SBSL making her an interested director. Requirement: Out of the following four options, which one is applicable in the given situation:</p> <p>Answer: Supriya, as interested director, must be holding shares exceeding Rs. 4,00,000</p>
28	<p>Vigil Mechanism:</p> <ul style="list-style-type: none"> (i) Listed companies (ii) Any company which accepts deposits from the public (iii) Any company which has borrowed money from banks and public financial institutions > 50 crore <p>(i.e. Not Applicable to Private Company)</p>
29	<p>Reeta, one of the directors of Lima SuperMarts Limited altered her declaration regarding shareholding in Sunehari Supplies Limited which after alteration stands at 2% and along with co-director Soumesh, it is 2.75%. It so happened that recently Sunehari Supplies proposed to enter into a supply contract worth Rs. one crore with Lima SuperMarts which shall continue for next two years. Which of the following options is applicable in the given situation:</p> <p>Answer: Reeta and Soumesh cannot participate in the Board Meeting in which the supply contract is being discussed.</p>
30	<p>Neelima was an interested director when her company Sagar Suppliers Limited entered into a supply contract worth Rs. 20,00,000 with Srinivas Tubes and Pipes Limited under which the latter company would supply requisite items for full one year to the former company. However, Neelima did not disclose her interest at the time when Board Meeting of Sagar Suppliers Limited where the issue of supply contract was discussed and even participated in the discussion. Which of the following options is applicable in the given situation:</p> <p>Answer: Since Neelima did not disclose her interest, the contract is voidable at the option of Sagar Suppliers Limited.</p>
31	<p>Supriya holds shares worth Rs. 13,50,000 in the capacity as one of the directors of Paridhi Tours and Travels Limited (PTTL) whose paid-up share capital is Rs. 4,50,00,000. Swikriti Bus Suppliers Limited (SBSL) with paid-up capital of Rs. 2,00,00,000 is in the business of supplying tourist buses. Being in need of adding three more tourist buses in its existing fleet of ten buses, PTTL through Supriya approached SBSL for the purpose of purchasing the required buses knowing fully well that Supriya holds certain amount of shares in SBSL making her an interested director. Out of the following four options, which one is applicable in the given situation:</p> <ul style="list-style-type: none"> 1) Supriya, as interested director, holds shares of SBSL of the value exceeding Rs. 1,00,000 but not exceeding 1,50,000. 2) Supriya, as interested director, holds shares of SBSL of the value exceeding Rs. 1,50,000 but not exceeding 2,00,000. 3) None of the Above (ANSWER)
32	<p>In the very first Board Meeting held in the Financial Year 2022-23, Prerna, Sandhya, Jay and Rhitam being directors in Star Traders Limited gave separate notices dated 15th April, 2022 in the specified Form disclosing their shareholding interest in different body corporates. Rhitam, also the Managing Director of the company, wants them to be kept at his residence. Select the suitable option from those stated below as to where to keep such notices disclosing the interest of directors:</p>

	Answer: Such notices shall be kept at the Registered Office of the company.
33	Sec 180 → The Board of Directors of a company shall exercise the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings only with the consent of the company by a special resolution .
34	<p>Sec 176 → no act done by a person as a Director shall be deemed to be invalid if it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification, etc</p> <p>Example., Raghuram had participated in several Board Meetings and assented to various decisions, which had both pecuniary and operational impact. In addition, the Board had passed several resolutions during that period. Accordingly, the Board, in one of its meetings, decided by passing a resolution that the wrongfully appointed Director, Raghuram shall make good the losses, if any, over the period he remained Executive Director and all the resolutions passed during his period and assented to by him shall be valid and stand good (So Decision taken by Board is Correct)</p>
35	<p>Political Contribution shall include amount of expenditure incurred, directly or indirectly, by a company on an advertisement in any publication, being a publication in the nature of a souvenir, brochure, tract, pamphlet or the like, shall also be deemed, where such publication is by or on behalf of a political party</p> <p>So That amount shall also be included in disclosure of “Political party contribution” (Not In Advertisement exp)</p>
36	<p>Section 184: every director shall disclose it's interest (Not relative of director)</p> <p><u>For example:</u></p> <p>Ramesh, the Whole-time Director of LSL, was not an interested party at the time of entering into this Supply Contract with ASPL. However, during the second year of the Supply Contract, Rajesh, (son of Ramesh) purchased about 30% of the equity shares of ASPL through one of his family owned business entities and also lent Rs.25 lakh as unsecured loan to ASPL. Then also Ramesh did not inform LSL or the Board of Directors regarding the new developments since he was of the opinion that there was no need for such disclosure. Comment upon the validity of the statement as to the non- disclosure of interest of Ramesh in compliance with the Companies Act, 2013:</p> <p>→ Ramesh opinion is correct stating that there is no need for such disclosure of the interest of his son, Rajesh, as compliance is only w.r.t the director of the company</p>
37	
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Chp 4: Inspection, Inquiry & Investigation

Sr	MCQ Crux				
1	below ALL indicates the reason for such inspection by the concerned Registrar of Companies: <ul style="list-style-type: none"> - Since no information or explanation was furnished by co. - 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 - 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 				
2	As per Section 206 , Where the CG is of the opinion, that it is necessary to investigate into the affairs of a co: <p>(a) on receipt of report u/s 208.</p> <p>(b) intimation of a SR passed by co. that affairs ought to be investigated; or</p> <p>(c) public interest,</p> <p>it may order an investigation. Not mandatory</p>				
3	for imposition of restriction on securities, application u/s 222 shall be made to NCLT (not CG)				
4	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: <p>(a) a petition for wind up of the co/BC on the ground that it is just and equitable that it should be wound up; or</p> <p>(b) an application under section 241; or</p> <p>(c) both. (Correct option)</p>				
5	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 Registrar through a written notice, shall also furnish such information or explanation to the best of their knowledge.				
6	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.				
7	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 Registrar through a written notice, shall also furnish such information or explanation to the best of their knowledge.				
8	As per Section 209, search and seizure can be undertaken by RoC only after prior approval of the special court <p>Seizure of books by RoC:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Upon info in his possession or someone complaint about the Co.(u/s 209):</td><td style="width: 50%; text-align: center;">Require Order from Special Court</td></tr> <tr> <td style="text-align: center;">In the course of Investigation(u/s 220):</td><td style="text-align: center;">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				
9	To investigate the affairs of sub sy co. CG approval is required u/s 219				
10	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				
11	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				
12	As per Sec 208, the inspector's report shall be submitted to CG . It may include recommendation for further investigation supported with reasons therefor				
13	How the company can impose restrictions on the transfer of shares of the company → make an application to the National Company Law Tribunal (NCLT) under Section 222				
14	Investigator can proceed to investigation of the affairs of subsidiary after obtaining the prior approval of the Central Government .				
15	SFIO submit report to CG				
16	Where, the Registrar has reasonable ground to believe that the books and papers of a company, are likely to be destroyed, mutilated, altered, falsified or secreted, he may, after obtaining an order from _____ for the seizure of such books and papers, seize such books and papers as he considers necessary:				

Answer: SPECIAL COURT

17	Sec 210(1) → Whistle Blower is not a ground for Central Government to make an investigation into the affairs of a company
18	Whether Tribunal have powers to remove the Managing Director , who was appointed by the Board and the shareholders in the General Meeting: → The Tribunal can terminate the service agreement arrived at between the company and the MD.
19	

Chp 5: Compromise, Arrangement & Amalgamation:

Sr.No	MCQ Crux
1	As per Sec 239, books of amalgamated company shall not be disposed off without prior approval of CG
2	In a scheme of compromise or arrangement (Sec 230) : sectoral regular shall make representations within 30 days of receipt of such notice
3	For Scheme of Compromise or Arrangement, Both below requirement need to be fullfill: <ul style="list-style-type: none"> - 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
4	Purchase of share by minority, sum received by the transferor co. shall be disbursed to the entitled shareholders within 60 days of such receipt (via Separate bank account)
5	In Compromise and Arrangement-No Creditors Meeting is required, If 90% of Creditors in value confirms to it.
6	In respect of a scheme of compromise submitted by Neon Colour Prints Limited to the jurisdictional National Company Law Tribunal (NCLT), a meeting of the shareholders was held on the specified date and time and at the designated place. The company had 1200 shareholders holding equity shares of 1,20,00,000 (12,00,000 equity shares of 10 each) who all voted using the prescribed modes. However, 100 shareholders holding 36,00,000 worth of shares voted against the approval of the scheme of compromise. Choose the correct option from those stated below as to whether the scheme of compromise submitted by Neon Colour Prints Limited to the jurisdictional National Company Law Tribunal (NCLT) is to be considered as approved or not: <p>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.</p>
7	The Central Government can file an application before the National Company Law Tribunal (NCLT) stating its objections, that merger of company is not in public interest.
8	Mergers for companies u/s 233 (i.e., Fast track merger) is optional in nature and not mandatory.
9	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
10	<ul style="list-style-type: none"> • 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. • (compromise/arrangement shall be approved by majority of person representing 3/4th in value agree to the SCA [Present and voting])
11	The acquirer, person or group of persons under section 236(1) shall offer to the minority shareholders of the company for buying the equity shares held by such shareholders at a price determined on the basis of valuation by → REGISTERED VALUER (Not Chartered Accountnt)
12	Vinayak Pharmaceuticals Limited decided to amalgamate Super Medicines Limited and accordingly, an application for amalgamation was submitted to the jurisdictional National Company Law Tribunal (NCLT). If the Tribunal is satisfied that the specified procedure has been complied with, it may, by order, sanction the scheme of arrangement leading to amalgamation and may make provision for various matters. From the following options, choose the one which may find place in the order of arrangement leading to amalgamation made by the Tribunal:

	Answer: Super Medicines Limited shall be dissolved, without winding up.- Refer Section 232 (3)
13	In case of listed companies, takeover offer shall be: → As per the regulations framed by the SEBI Refer Section 230(11)
14	A compromise or arrangement may be between: → Company and its Creditors (Not between Company and its Debtors, Company and its Officers)
15	The books and papers of a company which has been amalgamated with, or whose shares have been acquired by, another company under Chapter XV shall: → Not be disposed of without the prior permission of the Central Government
16	The specified strength of creditors (in value) of Cymbark Food Products Limited agreed to the scheme of compromise which the company proposed and accordingly, the said scheme was filed with the jurisdictional Tribunal. In order that the Tribunal may not call a meeting of creditors, by filing which document the creditors need to indicate their intention to Tribunal that they agree and confirm to the scheme of compromise? Answer: By signing an affidavit which indicate that they agree to not calling a meeting. → Refer Sec 230(9)
17	A scheme of compromise was submitted by SP Cement Limited to the National Company Law Tribunal (NCLT). Meeting of the shareholders was held on the specified date and time and at the designated place. The company had 1200 shareholders holding equity shares of Rs.1,20,00,000 (12,00,000 equity shares of Rs. 10 each) who all voted using the prescribed modes. However, 100 shareholders holding Rs.36,00,000 worth of shares voted against the approval of the scheme of compromise. Choose the correct legal position with respect to the said scheme in the given situation: Answer: The scheme of compromise is not approved → Section 230(6) (Wrong Option → The scheme of compromise is approved since shareholders holding more than sixty percent worth of shares in value voted in favour of the scheme)
18	Removal of employee during investigation → company filed approval request to tribunal → but no reply is received → so it's deemed approval → employee can be removed. In this case there is no Remedy available to Employees
19	

Chp 6: Prevention, Operation & Mismanagement:

Sr	Crux of MCQ
1	Failure to declare dividend does not amount to oppression
2	<p>Majority SH, passed SR to alter the AOA and empower BOD to transfer the shares of any shareholder who competes with the business of the company (Both below option are correct):</p> <ul style="list-style-type: none"> - Alteration of AOA is valid, Not oppression, since the Articles are being altered after following the due process of law - Alteration of AOA is valid, Not oppression, since the Articles are being altered in the interest of the company
3	<ul style="list-style-type: none"> • As per sec 244, application shall be made, in case of a company having a share capital, not less than <ul style="list-style-type: none"> - 100 members or - 1/10th of the total number of its members, whichever is less, or - members holding not less than 1/10th of the issued share capital of the company
4	The legal heir is entitled to file a petition under Section 241 (If any person is not eligible to apply u/s 244. But after his death, his legal heir can make an application to Tribunal)
5	company fails to comply with order of NCLT : Fine – Rs. 1 lakh to Rs. 25 lakhs
6	<p>A majority shareholder of company, representing himself as MD of the company although not formally appointed as MD is not an act of oppression.</p> <p><u>i.e., Qn:</u> Mr. Derek Jonathan, a majority shareholder, represented himself to be the Managing Director of Floyd Ceramics Ltd., and also discharged the functions in the capacity as Managing Director. However, he was not formally appointed as Managing Director of Floyd Ceramics Ltd. A group of six members, holding 1/12th of the issued share capital, which amounted to 1/10th of paid-up share capital of the company filed an application with the National Company Law Tribunal (NCLT) claiming that such an act of Mr. Derek Jonathan constituted oppression. The total number of members of Floyd Ceramics Ltd. are seventy-two The group of six members cannot file an application with the National Company Law Tribunal (NCLT) since the given fact pattern does not constitute oppression.</p>
7	ABC Ltd. is a company limited by shares. It has 700 members. For an application under Section 241 relating to the relief in case of Oppression, the minimum members required for making an application before the Tribunal is: → At least 70 members
8	<p>Any member of a company who complains that the affairs of the company are being conducted in a manner prejudicial to public interest he may apply to _____ for relief in case of Oppression</p> <p>Answer: → The Tribunal (Not Central Govt)</p>
9	<p>Class Action as specified in Section 245 of the Companies Act, 2013 shall not be applicable on:</p> <p>Answer: A Banking Company (Not Insurance, NBFC, ARC)</p>

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Chp 7: Winding Up:

Sr	Crux of MCQ
1	Liquidator shall submit its report to Tribunal within 60 days from winding up order.
2	Order for the winding up of a company shall operate in favour of: All the contributories and the creditors of the company
3	Liquidator has shareholding of Company: He can be appointed in X Ltd. by disclosing his shareholding by filing of declaration within 7 days from the date of his appointment by the Tribunal.
4	State, which amongst the following grounds, is incorrect for removal of the Provisional Liquidator or the Company Liquidator, as liquidator of the company: <ol style="list-style-type: none"> Independent working having no conflict of interest. (this is not valid ground) Professional incompetence or failure to exercise due care and diligence in performance of the powers and functions Misconduct Fraud or misfeasance
5	The Periodical reports made by the Company Liquidator to the Tribunal with respect to the progress of the winding up, to be submitted at the end of each ... Quarter , may be reviewed by Tribunal ,...on an application by Company Liquidator
6	Where a winding up order has been made all the property and effects of the company shall be deemed to be in the custody of _____ from the date of the order for the winding up of the company: Answer: Tribunal (Not Liquidator)
7	5 consecutive Year: Q. A company may, on a petition under section 272, be wound up by the Tribunal , if the company has made a default in filing with the Registrar its financial statements or annual returns for: Answer: Immediately preceding 5 consecutive financial years
8	A petition to the Tribunal for the winding up of a company cannot be presented by: Answer: the Chief Executive Officer (i.e. Can be presented by Company, registrar, contributory)
9	If the Registrar intends to file a petition for the winding up of any company, how he shall proceed: Answer: The Registrar shall obtain previous approval of the Central Government
10	Saurabh, after winding up the affairs of Shobhna Plastics Limited in the capacity as company liquidator, made an application to the jurisdictional National Company Law Tribunal (NCLT), for its dissolution. Taking note of the dissolution application, NCLT proceeded to make an order that Shobhna Plastics Limited be dissolved from the date of the order. From the given options, choose the one that shall be applicable in the given situation: Answer: Within a period of thirty days from the date of the order, NCLT shall forward a copy of the order to the Registrar and also direct Saurabh to forward a copy of the order to the Registrar.
11	Where a petition is presented on the ground that it is _____ that the company should be wound up, the Tribunal may refuse to make an order of winding up, if it is of the opinion that some other remedy is available to the petitioners and that they are acting unreasonably in seeking to have the company wound up instead of pursuing the other remedy: Answer: Just and Equitable (NOT → Just and Appropriate)
12	Where a winding up order has been made all the property and effects of the company shall be deemed to be in the custody of - _____ from the date of the order for the winding up of the company Answer: The Tribunal (Not Company Liquidator)
14	Who cannot make a petition to the Tribunal for the winding up of a company:

	Answer: The Independent Director
15	The Company Liquidator , shall be appointed by _____ from amongst the insolvency professionals registered under the Insolvency and Bankruptcy Code, 2016: Answer: The Tribunal (Not Registrar of Companies)
16	Q. ABC Limited was dissolved on January 1, 2020. After two years, on January 1, 2023, the Company creditor, Mr. Patel, applies to the Tribunal to declare the dissolution void. Mr. Patel, had an outstanding amount of Rs. 1 crore owed by ABC Limited. However, before the dissolution of ABC Limited, the company write off the outstanding amount in its books of accounts. Requirement: Suggest your opinion, what will the Tribunal do as per the provision of the Companies Act, 2013 from amongst the given act: I. The Tribunal will makes an order declaring the dissolution to be void. II. Ask the Liquidator to forward a copy of the order, within thirty days from the date thereof, to the Registrar who shall record the same. III. Certified copy of the said order is to be filed by Mr. Patel. IV. The Tribunal will not grant the application. Choose the correct option. ANSWER: IV Only

Chp 8: Misc Provisions:

Sr No	MCQ Crux
1	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 : $90\% \text{ of } 80000(100000-10000AB10000AC)=72000$ which is more than 70000. 90% criteria not fulfilled. So its Amalgamation in the nature of Purchase(Not Merger)
2	B. Real Estate Developers Limited was demerged to B. Reality Constructions and Developers Limited and B, it's a Partial demerger
3	foreign company shall, within 30 days of the establishment of a principal place of business in India, deliver the requisite documents to the specified authority
4	Penalty to foreign co. for failure to deliver docs within time period (Sec 392): - Rs. 1 Lakh to Rs. 3 Lakh AND - Rs. 50,000/day for continuing offence
5	Radix Healthcare (out of India company) has online presence in India, not a foreign company as it has no place of business established in India. (ICAI Answer seems to be incorrect)
6	For declaration u/s 380 i.e. none of the director /authorised representative is debarred from formation of co :Declaration from ALL the DIRETORS and AUTHORISED REPRESENTATIVE (Not Secretary)
7	A company incorporated in India cannot be considered as a foreign company merely because it is a wholly owned subsidiary of a Foreign Company.
8	Foreign company have to file FS within 6 months from the close of the FY

9	<p>If a Foreign Co. is incorporated for more than 2 years even then it is required to mention following in the prospectus:</p> <ul style="list-style-type: none"> - Date and Signature on prospectus - Date and country of Incorp - If co. has PPOB in India then its address - Matters specified u/s 26
10	Dormant Co. : Not filed FS or Annual Return for 2 consecutive years
11	Dormant Co. : Not filed FS or Annual Return for 2 consecutive years
12	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
13	NCLT is empowered to refer, suo motu , any matter proceedings to the Mediation and Conciliation Panel
14	<p>As per section 439, every offence is non-compoundable and Non-cognizable offence except 212(6)</p> <ul style="list-style-type: none"> • 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
16	Tribunal within 2 YEARS amend its order for mistakes apparent from record (suo motu or on application)
17	If the company defaults in filing its FS or Annual Returns for immediately preceding 5 consecutive FYs , the Tribunal may order its winding up on a petition filed by the Registrar
18	Foreign Co. is required to submit various documents to RoC (New Delhi) (Not to - RoC having jurisdiction over companies' Principal Place of Business)
19	Nidhi Limited incorporated → cannot issue Preference Shares.
20	application for the restoration of the name → Any person aggrieved by an order of the Registrar and within 3 years from the date of passing of the order dissolving the company
21	Registered Valuer: Within how many days authority will grant certificate of registration to the applicant to carry on the activities of a registered valuer? → within 60 days of receipt of the application , excluding the time given by the authority for presenting additional documents, information or clarification, or appearing in person, as the case may be.
22	Workman is eligible to file an application for restoration of name of the company in the register of companies but before expiry of 20 years of the notice from the publication in the Official Gazette
23	As per the Nidhi Rules, 2014 , Nidhi Company can acquire or purchase securities of any other company or control the composition of the Board of Directors of any other company in any manner whatsoever or enter into any arrangement for the change of its management
24	Any person aggrieved by an order made by the adjudicating officer for adjudicating penalty may prefer an appeal to _____ - having jurisdiction in the matter: Answer: The Regional Director (Not the Appellate Tribuna) → refer Sec 454(5) of co. act
25	<p>Jitender, Jyot, Lovely, Jaspreet, Satinder, Satvinder and Maninder thought of uplifting the lower and middle-income group persons of Sangrur District in Punjab which led to the formation of Nanak Treasure Nidhi Limited on 22nd September, 2020 in Sangrur with an Authorised Capital of Rs. 50,00,000 and paid-up capital of Rs. 7,00,000. Having a good response from the local residents, after three months of its incorporation, Nanak Treasure Nidhi Limited persuaded two hundred seventy more members to join the Nidhi. By the end of six months, it had an addition of 64 members. At the end of ten months 98 more members joined. No new members joined in the last two months. How many excess members Nanak Treasure Nidhi Limited had in comparison to the minimum required as on 21st September, 2021:</p> <p>Answer: Nanak Treasure Nidhi Limited had two hundred and thirty-nine excess members in comparison to the minimum required as on 21st September, 2021 (Refer Rule 5 (1) (a) of the Nidhi Rules, 2014)</p>
26	<p>Save Money Nidhi Limited was incorporated on 2nd May, 2022 by Raghuveer, his six close relatives and others in Meerut, Uttar Pradesh with a view to provide financial help to lower and middle-income groups. After its incorporation, the company is required to apply to the specified authority for declaring it as a Nidhi. Maximum within how many days of its incorporation, Save Money Nidhi Limited should proceed in this respect:</p> <p>Answer: Maximum within 120 days of its incorporation.</p>
27	After having registered their company Jwala Savings Nidhi Limited with jurisdictional Registrar of Companies, Gwalior, MP, on July 1, 2022, all the promoters being residents of Chhindwara, are interested in getting

	declared their company as a Nidhi . From the following options, choose the one which indicates the authority that will grant Jwala Savings Nidhi Limited the status of a Nidhi, if all formalities are completed: Answer: The Central Government is the authority which will grant Jwala Savings Nidhi Limited the status of a Nidhi, if all formalities are completed.
28	For declaring itself as Nidhi company, Nidhi Limited shall apply to the specified authority maximum within a period of 120 days from the date of its incorporation.
29	Bhalo Paisa Nidhi Limited, incorporated by Biswas, Joy and Salil in Bankura District of West Bengal on 7th June, 2021 to inculcate saving habits in their community, had fifty members at the time of incorporation. It is very well known to them that the membership has to be increased to the specified number but they are not sure about the maximum time limit for increase. You are required to advise them by choosing the appropriate option from those given below: Answer: Maximum by the end of one year from 7th June, 2021, the membership must be increased to the specified number.
30	Suhail Tripathi, Suresh Khanna and their close associates numbering twelve incorporated a joint stock company with an Authorised Capital of Rs. 25,00,000 (divided into 2,50,000 equity shares of Rs. 10 each) and paid-up capital of Rs. 14,00,000 on 4th May, 2022. The company is now in the process of finalising the subsequent legal procedures for its notification in the Official Gazette by the Central Government. Which kind of a company Suhail Tripathi, Suresh Khanna and their close associates are intending to form? Answer: They want to form a Nidhi Company
31	dormant company → a company is formed and registered under the Companies Act, 2013 for a future project or to hold an asset or intellectual property and has no significant accounting transaction, such a company may make an application to the Registrar
32	The Central Government proposed to issue a notification which provided that certain provisions of the Companies Act, 2013 either shall not apply or shall apply with such exceptions and modifications as may be specified in the said notification. It is required that draft copy of such proposed notification shall be laid before each House of Parliament, while it is in session. From the following four options, choose the one which correctly indicates the total period for which the proposed notification shall be laid before each House of Parliament: Answer: The proposed notification shall be laid before each House of Parliament for a total period of thirty days.
33	Krishna Kant, Surya Kant and other persons known to them from close quarters formed Gopala Money Nidhi Limited with a paid-up capital of Rs. 20,00,000 in Gujarat. Choose the correct option from those given below that indicates the nature of activity in which Gopala Money Nidhi Limited would be involved in: a) Gopala Money Nidhi Limited was formed with the object of cultivating the habit of thrift and savings amongst its members b) Gopala Money Nidhi Limited was formed with the object of receiving deposits from its members only. c) Gopala Money Nidhi Limited was formed with the object of lending money to its members only. d) ALL OF THE ABOVE (Answer)
34	The gain by unlawful means of property to which the person gaining is not legally entitled, is called as → Wrongful Gain
35	Rajpal, Satpal, Gopal, Mahipal and another one hundred ninety-six persons of Ambala District of Haryana incorporated a Nidhi company under the name Great Savings Nidhi Limited on 22nd April, 2022. From the following options, select the correct one as to the reason for its incorporation: → Answer: Great Savings Nidhi Limited was formed with the object of cultivating the habit of thrift and savings amongst its members, receiving deposits from and lending to, its members only for their mutual benefit.
36	Mr. High with his friends and relatives incorporated a Nidhi company under the name Dhan Laxmi Nidhi Limited, on 20th August, 2017. As on 31st March 2023, the paid-up share capital of Dhan Laxmi Nidhi Limited was Rs. 95,00,000 (9,50,000 equity shares of Rs. 10 each). Its deposits were to the extent of Rs. 315 crore with 12,000 members. The loans aggregated to Rs. 275 crore. Keeping in view the sufficiency of profits, the company

	declared a dividend of Rs. one per share. Requirement: Enumerate, how much the excess paid-up share capital Dhan Laxmi Nidhi Limited had when it started its operations in 2017 and what shall be maximum amount of dividend that Dhan Laxmi can declare for the Financial Year 2022-23. Answer: : Dhan Laxmi Nidhi Limited had excess paid-up share capital of Rs. 85,00,000 when it started its operations can declare maximum permitted dividend of Rs. two and fifty paise per share.
37	Dhan Bhandar Nidhi Limited having Registered Office in Gorakhpur District of Uttar Pradesh is applying to the specified authority for declaration as a Nidhi company. It is required to attach a declaration along with the application with regard to the fulfilment of ♦fit and proper person♦ criteria for its three directors namely, Lailt, Sohan and Vikas. Choose the suitable option from those stated below as to which attribute(s) of directors (ignoring the various disqualifications) are considered for fulfilling ♦fit and proper person♦ criteria: A) Integrity of Lailt, Sohan and Vikas who are directors of Dhan Bhandar Nidhi Limited. B) Honesty, ethical behaviour and reputation of Lailt, Sohan and Vikas who are directors of Dhan Bhandar Nidhi Limited. C) Fairness and character of Lailt, Sohan and Vikas who are directors of Dhan Bhandar Nidhi Limited. D) All of the above. (CORRECT)
38	: Unnati Nidhi Limited which was incorporated on 05-04-2022, initially had one hundred members but this number was short of minimum stipulated number of members. Maximum within how much time period, this number of one hundred members must be raised by adding new members so that the minimum stipulated number of members is attained by Unnati Nidhi Limited: Answer: The minimum stipulated number of members must be achieved by Unnati Nidhi Limited within a period of one year from the date of incorporation.
39	Swastik and Pratibha of Guna, Madhya Pradesh along with their close friends are planning to get a company registered with starting name as Swastik Pratibha. The company shall be a Nidhi company with an Authorised Capital of Rs. 20.00 lacs. Which of the following options is applicable in the given situation: Answer: The company shall be registered as Swastik Pratibha Nidhi Limited. (Not: The company shall be registered as Swastik Pratibha (Nidhi) Private Limited.)
40	Swarn Vikas Nidhi Limited has its Registered Office in Bhidhan Nagar, West Bengal with over two hundred and fifty members. The company has filed an application in the prescribed form with the specified authority for its declaration as Nidhi status. Maximum within how many days, the specified authority is required to convey its decision to Swarn Vikas Nidhi Limited: Answer: Maximum within 45 days.
41	A Nidhi shall not admit a body corporate or trust as a member. Therefore PQR Traders Private Limited (being body corporate) cannot become a member of Paavan Nidhi Limited.
42	A minor shall not be admitted as a member of Nidhi, But can accept deposit if they are made by the natural or legal guardian
43	Director of Nidhi shall be eligible for re-appointment only after the expiration of 2 years of ceasing to be a Director
44	Auditor of Nidhi: - No Nidhi shall appoint or re-appoint an audit firm as auditor for more than 2 terms of 5 consecutive years - It is worth noting that an auditor (whether an individual or an audit firm) shall be eligible for subsequent appointment after the expiration of two years from the completion of his or its term.
45	7.5% is the highest rate of interest offered on deposits by Nidhi and shall be calculated on reducing balance method

Chp 9: ADJUDICATION, SPECIAL COURTS, NCLT & NCLAT:

Sr No	MCQ Crux
1	As per the Co. Act, 2013, every petition filed before the Tribunal shall be disposed of: within 3 months from the date of its presentation
2	Trial of an offence under the Companies Act, by special court shall be of such an offence: → which is punishable with imprisonment for a term not exceeding 3 years
3	Aggrieved by NCLT order, prefer NCLAT appeal → prefer an appeal against the order passed by NCLT Mumbai within a period of 45 days from the date of order of copy made available to him.
4	National Company Law Tribunal (NCLT) can amend its order to rectify any mistake apparent from the record when such mistake is brought to its notice by the parties and further, the order can be amended by NCLT at any time within a period of 2 years from the date of such order provided no appeal has been made against the said order
5	All offences specified under section 435(1) shall be triable by: → The Special Court
6	The NCLAT shall not hear the appeals against the order of: The District Order
7	The offences where the complainant enters into a compromise and agrees to have the charges dropped against the accused, is called as: → Compoundable Offences
8	Where a company having already been subjected to penalty for default under any provisions of the Companies Act, 2013 again commits such default within a period of - _____ - from the date of order imposing such penalty passed by the adjudicating officer it shall be liable for the second or subsequent defaults for an amount equal to twice the amount of penalty provided for such default under the relevant provisions of this Act: <u>Answer: Three years</u>
9	The provisions of - _____ shall apply to the proceedings before a Special Court: <u>Answer: The Code of Criminal Procedure, 1973 (NOT Companies Act)</u>
10	Which of the following is non-compoundable offence: → a) Penalty of fine only b) penalty of fine or imprisonment c) Penalty of imprisonment or fine or with both d) <u>Penalty of imprisonment only (Answer)</u>

Chp 10: E-Fillings:

Sr No	MCQ Crux
1	nomenclature MCA21 reflects → hat MCA is capable of fulfilling the aspirations of its stakeholders in the 21st century.
2	Electronic form for the specified purposes shall be: → exclusive, or in the alternative or in addition to the physical form
3	SRN stands for: → Service Request Number
4	Required to file financial statements through XBRL : → If it has a paid-up capital of ` 5 crores and above.
5	XBRL → eXtensible Business Reporting Language

SEBI, CORPORATE & ECONOMICS LAWS:

SEBI

Sr	MCQ Crux
1	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
2	JUNE QTR (2022) → unaudited quarterly financial statements → to file → 15th August, 2022 and yes, it can be submitted in unaudited form.
3	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) (I.e., Akshara Builders and Developers Ltd., a company listed on BSE Limited, is contemplating upper revision in the rate of interest of its existing 12% bonds by 1% so as to make them 13% bonds with effect from August 14, 2021. The said proposal is to be laid before the Board of Directors at a Board Meeting to be held on July 14, 2021. → SO INTIMATE BSE → latest by July 3, 2021)
4	SEBI(LODR) Regulation, directorship cannot be in more than 7 listed entities with effect from April 1, 2020,
5	As per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, no acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise _____ of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company: → 25 % or more
6	"Book Building" → A process undertaken to elicit demand and to assess the price for determination of the quantum or value or coupon of specified securities,
7	Where it is not possible to use electronic mode of payment of dividend and the amount payable as dividend exceeds Rs.1500 the payable-at-par warrants or cheques shall be sent by speed post
8	The Investor Protection and Education Fund has been established by: SEBI (Not CG)
9	: Company Secretary → listed entity compliance officer:
10	SEBI(LODR) Regulations, 2015 is not applicable to → Certificate of Deposits
11	"Green Shoe Option" → An option of allotting equity shares in excess of the equity shares offered in the public issue as a post-listing price stabilizing mechanism
12	The SEBI cannot investigate into affairs of: - 1 : Where the transactions in securities are being dealt with in a manner detrimental to the investors 2 : Where the investor has made a good profit in a very short span of time in the securities market (ANSWER) 3 : Where the transaction in securities are being dealt in a manner detrimental to the securities market 4 : Where any intermediary is associated with the securities market who has violated the provisions SEBI Act, Rules or Regulations
13	Which of the following person is not responsible for the compliance of the listing obligations and disclosure requirements of a listed entity: The Factor Manager (Promoters & KMP are Responsible)
14	Every proceeding before the Securities Appellate Tribunal shall be deemed to be: → Judicial Proceeding
15	Special Courts MAY be established by CG under SEBI for Providing speedy trial of offences
16	Which among the following is not a Qualified Institutional Buyer : 1) : A Mutual Fund 2) An Alternative Investment Fund 3) A Non-Systematic NBFC (ANSWER)

	4) A Scheduled Commercial Bank
17	Which among the following is not entitled to make an initial public issue: <p>a) <u>The issuer has an average operating profit of at least 10 crores during the preceding 3 full years (ANSWER)</u></p> <p>b) The issuer has a net worth of at least one crore rupees in each of the preceding 3 full years</p> <p>c) The issue has net tangible assets of at least 3 crore rupees in each of the preceding 3 full years</p> <p>d) The issuer has changed its name within last one year, and at least 50% of the revenue calculated on a restated and consolidated basis for the preceding one full year has been earned by it from the activity indicated by its new name</p>
18	The risk management committee shall meet: → atleast twice in a year
19	SEBI may attach for a period not exceeding 90 days, bank accounts or other property of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of SEBI Act and shall obtain confirmation of the said attachment form → SPECIAL COURT
20	Which among the following is not the prime objective behind the enactment of SEBI Act, 1992: <p><u>ANSWER: Protecting the loss of the investors in trading of securities</u></p>
21	Which among the following shall not be treated as Collective Investment Scheme: <p>a) Any Scheme being a contract of insurance to which the Insurance Act, 1938 applies</p> <p>b) Any Scheme falling within the meaning of Chit business as defined in the Chit Fund Act, 1982</p> <p>c) <u>Any Scheme under which the contributions made by the investors are pooled and utilized for the purposes of the scheme (ANSWER)</u></p> <p>d) Any Scheme made or offered by a co-operative society registered under the Co-operative Societies Act, 1912</p>
22	State within how many days FLY-FISH Limited is required to file a statement giving the status relating to Quarter 4 of the financial year 2022-2023 as to the investors complaints- mentioning number of complaints, pending complaints, disposed complaints and those remaining unresolved at the end of each quarter- <p>It has to file the detailed status as to the investors complaints relating to Quarter 4 of the financial year 2022-2023 within 21st day of April, 2023.</p>
23	"composite issue" means an issue of specified securities by a listed issuer on public-cum-rights basis , wherein the allotment in both public issue and rights issue is proposed to be made simultaneously
24	reasons or disqualifications due to which Pawan Limited become ineligible to make an initial public offer Included all of the above: <ul style="list-style-type: none"> - if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower. - if the issuer, any of its promoters, promoter group or directors or selling shareholders are debarred from accessing the capital market by the SEBI. - if any of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the SEBI.
25	Regarding the revision made by Fire Limited in the price band, it shall extend the bidding (issue) period disclosed in the red herring prospectus for; → minimum period of 3 working days
26	Venus Limited has 12 directors on its board, and Mr. Vinod Kapadia was appointed as managing director just a month ago. Mars Limited, another listed company, holds 12% of the equity shares and paid-up share capital of Venus Limited. → So, they are RELATED PARTY
27	Audit Committee shall consist of at least 3 directors out of which at least 2/3 shall be independent directors

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Meeting	Date & Place of the meeting	No. of member of committee, who attended the meeting
A	18 th May 2021, RO	All 6 members
B	10 th August 2021, RO	All 6 members
C	30 th October 2021, RO	5 members including 3 independent directors
D	10 th Jan 2022, RO	All 6 members
E	15 th March 2022, RO	All 6 members
1	12 th April 2022, RO	All 6 members
2	17 th June 2022, RO	5 members including 3 independent directors
3	8 th July 2022, Shimla (HP, India)	4 members including 2 independent directors
4	11 th Nov 2022, RO	5 members including 2 independent and 1 non-executive directors
5	28 th December 2022, Kannauj (UP, India)	3 director including 1 independent and 1 non-executive directors
6	13 th Jan 2023, Grasse (France)	All 6 members
7	10 th March 2023, RO	1 independent and 1 non-executive director only

Q. Which of following is the correct option that represents those meetings of audit committee convened during 2022-23, which was supposed to be adjourned for want of quorum?

Answer: 5th and 7th meetings only

Q. How many instances of default by Venus Limited in context to number of meetings of audit committee and time gap between such meetings took place during 2021-22 and 2022-23;

Answer: “Once only in 2022-23” i.e., The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The time gap between 3th (8th July 2022) and 4th meeting (11th Nov 2022) is more than 120 days.

29 Financial results of first quarter of 2023-24 need to be reported to stock exchange → “14th August, 2023”

FEMA

Sr	MCQ Crux
1	<ul style="list-style-type: none"> 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) Prior approval of RBI is required when ACTUAL REMITTENCE exceeds \$2.5L : Don't Consider Estimated Expenditure (read qn carefully, whether it's saying Actual expenditure or Estimated Expenditure)
2	As per Sch II (transactions that require approval of CG), <ul style="list-style-type: none"> Remittance of prize money / sponsorship of sports activity abroad by a person other than International/National/State Level sports bodies, if the amt. involved > US\$ 100,000 – Ministry of Human Resource Development. (So remittance of USD 51K to England for Football, do not require approval)
3	Akash Ceramics Limited, an Indian company, holds a commercial plot in Chennai which it intends to sell. M/s. Super Seller, a real estate broker with its Head Office in the USA, has been appointed by Akash Ceramics Limited to find some suitable buyers for the said commercial plot in Chennai which is situated at a prime location. M/s. Super Seller identifies Glory Estate Inc., based out of USA, as the potential buyer. It is to be noted that Glory Estate Inc. is

	controlled from India and hence, is a 'Person Resident in India' under the applicable provisions of Foreign Exchange Management Act, 1999. A deal is finalised and Glory Estate Inc. agrees to purchase the commercial plot for USD 600,000 (assuming 1 USD = ₹70). According to the agreement, Akash Ceramics Limited is required to pay commission @ 7% of the sale proceeds to M/s. Super Seller for arranging the sale of commercial plot to Glory Estate Inc. and commission is to be remitted in USD to the Head Office of M/s. Super Seller located in USA → It is mandatory to obtain prior permission of Reserve Bank of India (RBI) for remittance of entire commission of USD 42,000
4	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
5	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.
6	Rule 15 read with Sec 168(1)- If a co. has already filed DIR 12, a foreign director of such co. resigning from office may authorise in writing: - A practising CA/CS/CMA, OR Any other Resident Director of co. to sign DIR 11 & file the same on his behalf intimating the reason for his resignation.
8	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.)
9	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)
10	Which among the following is not a financial transaction : → <u>Drafting any Sale Agreement of Immovable Property</u> (Acknowledging any debt, Drawing any Bill of Exchange → It's a Financial transaction)
11	Which is not a security as defined in the Public Debt Act, 1944 : a) Shares and Stocks b) Company Deposits (ANSWER) c) : bonds and Debentures d) Government Securities
12	Schedule II → Transactions which require prior approval of the Government
13	importer-exporter code number is allotted by: → The Director General of Foreign Trade
14	Drawal of foreign exchange by any person for the purpose of travel to _____ is prohibited: <u>Answer: Bhutan (Allowed for Pakistan, Afghanistan, Bangladesh)</u>
15	Any person resident in India who had gone out of India on a temporary visit, may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding: → Rs. 25000
16	<u>Statement A</u> : Citizenship is a relevant criterion for the determination of residential status of a person under the Foreign Exchange Management Act, 1999 → INCORRECT (person resident outside India'. Nowhere citizenship has been considered as criterion for determining the residential status) <u>Statement B</u> : Citizenship is not a relevant criterion for the determination of residential status of a person under the Foreign Exchange Management Act, 1999 → CORRECT
17	The remittance against imports should be completed not later than 6 months from the DATE OF SHIPMENT , except in cases where amounts are withheld towards guarantee of performance, etc:
18	The term ' currency ' includes all currency notes, postal notes, postal orders, money orders, cheques, drafts, travellers' cheques, letters of credit, bills of exchange and promissory notes, credit cards or such other similar instruments, as may be notified by the Reserve Bank

19	Capital Account Transactions → A transaction which alters the assets or liabilities, including contingent liabilities, outside India of persons resident in India or assets or liabilities in India of persons resident outside India
20	Where an exporter receives advance payment from a buyer named in the export declaration made by the exporter, outside India, the exporter shall be under an obligation to ensure that the rate of interest, if any, payable on the advance payment shall not exceed 100 basis points above the London Inter-Bank Offered Rate (LIBOR) or other applicable benchmark as may be directed by the Reserve Bank.
21	Raman Logistics Limited, a multi-modal transport operator, is in the process of making foreign remittances to its three overseas agents located at Sweden, Czechia (formerly Czech Republic), and Poland. Which one of the following options is applicable in such a situation: → For making such kind of foreign remittances, Raman Logistics Limited should be in possession of registration certificate issued by the Director General of Shipping.
22	How much foreign currency a person may bring into India at any one time without submitting any declaration: → : USD 5000
23	Any person resident in India who had gone out of India on a temporary visit, may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs.25,000.
24	A person may bring into India from Nepal or Bhutan , currency notes of Government of India and Reserve Bank of India for any amount in denominations up to ` 100/- without any ceiling.
25	It is worth noting that the Liberalised Remittance scheme, allow remittance more than USD 250000 for the purpose of study abroad (if fee of such academic institute is higher than threshold of USD 250,000)
26	The amount representing the full export value of services exported shall be realised and repatriated to India within nine months or within such period as may be specified by the Reserve Bank, in consultation with the Government, from time to time, from the date of export.
27	University fees is USD 27000, but father has remitted USD 275,000 → so Penalty will be applicable → Exceeding 275K ... its 25K , so (25K x 3 times = 75K USD)

FCRA

Sr	MCQ Crux
1	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.
2	Intimation is not required to be given to Central Government regarding the foreign contribution received by him with his brothers being less than the threshold limit of 10 Lakh whereas w.r.t. to chain of worth INR 80,000.
3	Certificate of registration → issued on 1st April, 2023 → validity period for said registration → 31st March 2028
4	Mr Raja, an office-bearer of a political party , receives foreign contribution of Rs. 9 lakh during the financial year 2022-2023 from his sister residing abroad. Mr. Raja is required to inform of such foreign contribution received to the Central Government within how many time period → No intimation is required for such foreign contribution
5	Mr. X has been found guilty of violation of the provisions of FCRA, 2010 → unutilised amount of foreign contribution shall not be utilized, without the prior approval of the C.G
6	The Certificate of Registration granted shall be valid for a period of 5 Year From the date of its issue:
7	The FCRA is not applicable on: <ol style="list-style-type: none"> Indian Citizen while in India Indian Citizen while outside India Foreigner while in India Foreigner while outside India (ANSWER)
8	Every person, who is registered and granted a certificate or given prior permission under this Act and receives any foreign contribution shall not defray as far as possible such sum not exceeding 20% of such contribution, received in a financial year, to meet administrative expenses
9	Donation from Mr. Murugan, a Person of Indian origin who has acquired American citizenship and also is an Overseas Citizen of India cardholder, will be treated as foreign contribution.

10	Contributions made by a citizen of India living in another country i.e. 'Non-resident Indians' from his personal savings through normal banking channels is not to be treated as foreign contribution . In case if Mr. Murugan holds Indian citizenship , he is not a foreigner and therefore, donation given by Mr. Murugan, will not be treated as foreign contribution.
	The Certificate of Registration to the University was given only for the purpose of preparing the educational material (print or soft copy), paying of honorarium to teachers and IT related infrastructure for online classes only. Whether Certificate of Registration can be used for receiving foreign contribution for building the infrastructure of the University Campus -→ No, the purpose for which the Certificate of Registration has been granted, cannot be diverted. The end use of the funds has to ensure to utilise in that purpose only.
11	Foreign contribution so received by the University can be invested in any Mutual Fund Scheme → The surplus funds can invest only debt based secure investments (i.e., No. Speculative activities → A debt-based secure investment shall not be treated as speculative investment.)

IBC

Sr	MCQ Crux
1	Under IBC, an appeal against the order passed by NCLT, shall be filed within a period of 30 days from the date of order to NCLAT
2	No application under IBC against Bank , 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)
3	Under Fast Track Insolvency , only ONE TIME extension can be granted upto 45 Days, (So if first time 30 days extension has been given, another 10 days extension can-not be given)
4	For liquidation order u/s 33 of IBC: Min 66% of Voting Power of FC is required
5	Operational creditor can alter claim within 14 days of its submission to the liquidator.
6	Corporate Debtor : Company itself is a corporate debtor
7	The Information Memorandum is prepared by: → The Resolution Professional
8	The moratorium is not declared by the Adjudicating Authority for: → Suspension of supply of essential goods or services to the corporate debtor
9	An interest or lien created on the property or assets of any person or any of its undertakings or both is called as: "CHARGE" (Not Pledge)
10	All decisions of the committee of creditors shall be taken by a vote of not less than 51% of voting share of the financial creditors.
11	Any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing shall be treated as: Financial debt
12	The moratorium can be declared by the Adjudicating Authority for which of the following act: <ul style="list-style-type: none"> (i) Prohibiting the institution of any suit against the corporate debtor (ii) Prohibiting any action to enforce any security interest created by the corporate debtor (iii) Prohibit the recovery of any property by an owner where such property is occupied by the corporate debtor (iv) Suspension of supply of essential goods or services to the corporate debtor Answer: OPTION (1), (2) & (3)
13	The Committee of Creditors shall be constituted by: → Interim Resolution Professional
14	Who shall conduct the Corporate Insolvency Resolution Process : → Resolution Professional
15	he Adjudicating Authority may allow the withdrawal of application admitted under section 7 → 90% Vote

16	Operational creditor filled resolution → so he may attend the meeting of the committee of creditors in which the resolution plan of the applicant is considered. But here the resolution applicant shall not have a right to vote at the meeting of the committee of creditors unless such resolution applicant is also a financial creditor
17	Lease rental arrear is operational debt in all cases, for the purpose of IBC, 2016.
18	For most of its own-run (Owned and Operated Hangout Casa; other than franchised) outlets the salaries due to employees (chef, assistant chef, waiters and house-keeping staff) were paid in half since the past three months. What is nature of outstanding employee's dues? → These are operational debt in all the case for the purpose of IBC
19	Regarding Committee on creditor (COC): <ul style="list-style-type: none"> - Committee of creditor shall comprise of all the creditors. - Related party shall not have right to representation at committee of creditors. - Those who own both financial as well operational debt, shall also, included in committee of creditors; but only to the extent of financial debt owed by Hangout Casa to such creditors.
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Case Study Based MCQ's:

MCQ Summary of ICAI BOS PORTAL MCQ's

<u>29 - Board meetings</u>	As per section 177, the provisions of Audit Committee is not applicable to JV/WOS/Dormant co.
	As per section 177, if a company ceases to fulfill conditions for 3 consecutive years, then provisions of 177 shall stop to apply.
	As per section 178(8), penalty for contravention of provision of Vigil Mechanism shall be - Rs. 1 lakh for OID and Rs. 5 lakhs for the company
	As per section 178, co. having > 1000 shareholders, debenture-holders, deposit-holders or any other security holder at any time during a FY will have to set up Stakeholder Relationship Committees
<u>28 : Director & Board Meeting</u>	As per section 149(6), a person cannot be appointed as independent director if he himself or his relative is or was KMP or employee of CASH (Company, associate, subsidiary, holding) in last 3FY.
	As per section 197(5), in no case shall the sitting fees of an ID and women director be less than that of other directors. It can either be equal to or more than sitting fees to other directors
	As per section 68, a company shall only buy back its shares if it is authorised by AOA → Co. is required to alter its AoA (Authorisation by AoA is mandatory).
	As per section 177, majority of the directors shall be ID. So if there are 2 non-independent directors, the audit committee is required to have 3 IDs. i.e., → Audit Committee requires majority of ID then just add 1 (one) in the no. of non ID bcoz only then there would be majority of ID in Audit Committee.
	As per section 68, the ratio of aggregate of secured and unsecured debts owed by the company after buyback should not be more than twice the paid up capital and free reserves → i.e., Post Buy Back, co. is required to maintain Debt Equity ratio to 2:1
<u>19 : Nidhi Co:</u>	Body Corporate / Trust can not become the member in NIDHI (i.e., XYZ Ltd)
	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.
	Director's term in NIDHI is 10 consecutive years with 2 years cooling period
	Auditor's term in NIDHI is 5 (Individual.) or 2 terms of 5 (Firm) consecutive years with 2 years cooling period.
<u>18 - Directors & KMP</u>	NIDHI can not accept investment from PROI as it is prohibited under FEMA.
	As per section 190, a company can keep a written memorandum entered into with its manager at its registered office. It will be very much in compliance of law
	As per section 180, board can exercise power to sell its undertaking only with the consent of co. by way of SR
	As per section 176, acts of director shall not be deemed invalid merely on the grounds that it was subsequently noticed that his appointment was invalid by reason of any "defect" or "disqualification"
<u>17 Oppression & Mis-management</u>	As per section 182, Advertisement in any publication of political parties shall be deemed to be a political contribution
	Sec 244: Can file application to tribunal for oppression → 100 member or 1/10 th of total no. of member (w.e.less)
	If director was involved in malpractices → above application is accepted by tribunal (as it was 10 th of no. of share) → so Tribunal have power to terminate Service agreement between Company & Director (i.e., Can remove MD)
	In above case → MD can-not claim any compensation for loss of office

	And also → after above termination → he can-not apply for the post of director in any of the company for a period of 5 year
<u>16 Board Meeting & KMP Etc.</u>	<p>one of the shareholders holding 1000 equity shares, requested the company to furnish him a copy of the Register of Directors and Key Managerial Personnel (KMPs). What is maximum time period within which the copy of said Register needs to be provided to a member → Max 30 days</p> <p>can appoint 20 directors as allowed by the Articles of Association as against the maximum fifteen directors permitted by the Companies Act, 2013 by passing a special resolution.</p> <p>Stakeholder committee require to be appointed → if SH > 1000</p> <p>AOA can be altered by Passing Special Resolution</p>
<u>15 Board Meeting & Power</u>	<p>Director took the loan from the company for 4 years → if company want to increase the loan terms by again 2 year → Special resolution is require</p> <p>The directors convened a Board Meeting to discuss about future plans. It was convened on Friday, the 19 January, 2024 at 10.30 AM at Head Office of the company situated at Bandra, Mumbai. On that day, the required quorum was not present. The meeting was adjourned and no business could be conducted on that day. There was no mention of this topic i.e. adjournment of meeting in the Articles of Association. However, the adjourned meeting was conducted on the scheduled time</p> <p>→ So Adjourned meeting shall be held on → On Saturday, the 27th January, 2024 at 10.30 AM at Head Office situated at Bandra, Mumbai</p> <p>Sec 185: : No loan can be granted by Tea Point Ltd. to M/s. Sooraj and Aakash Tea Distributers in which Vignesh, one of its directors, is partner</p>
<u>14 Companies Act:</u> <u>Directors & Board Meeting</u>	<p>Ordinary director of company is not eligible to get any compensation for loss of office</p> <p>Pvt company → require to appoint Company Secretary (if PUSC > 10 Crore)</p> <p>Sec 183: It's in discretion of company to contribute any amount to national defense fund (no limit)</p> <p>Even though the Limit of Loan is already exceeded as per Sec 186, Still Company can give Loan to employees (without passing SR)</p>
<u>13 Companies Act</u> <u>Inspection, Investigation & Inquiry</u>	<p>Investigation u/s 210 may be ordered by CG and shall be done by → Inspector(Not SFIO/Court/NCLT)</p> <p>Notices was given by registrar to ask information from Ex-Employees → As per section 206 → past employee shall be responsible for providing info/explanation</p> <p>Where a director is convicted, he shall vacate his office in all the companies in which he is a director</p> <p>As per section 209, registrar can carry search and seizure subject to prior approval of Special Court</p> <p>As per section 209, the books seized during search and seizure can be retained for max 180 days</p> <p>On receipt of report u/s 208, CG may order investigation by Inspectors appointed by it</p> <p>After returning the books and papers, Registrar can call for it again for 180 days.</p>
<u>12 & 11: Appointment & KMP's</u>	<p>Appointment of Whole Time CS is mandatory for both Public Co. and Pvt Co. having PUSC > = Rs. 10 crores</p> <p>In case of Govt Co. (defaulted u/s 92 and 137) want to appoint directors more than 15 → Requires GM-SR</p> <p>(Always check shareholding of Company in Case Study → i.e., 51% is hold by Govt .. then it's Govt Company → So Govt Co. rules will be applicable)</p> <p>As per section 149, provision of women director is not applicable to Private companies</p> <p>As per section 180, a company is permitted to <u>alter the terms and conditions relating to outstanding loan of a director</u> in a duly convened →</p>

	<p>General Meeting by passing a Special Resolution</p> <p>As per section 196, No company shall appoint/reappoint MD/WTM or Manager for a term > 5 years at a time</p>
<p>9: Misc Co. Act:</p> <p>(DIN)</p>	<p>Ignore the shareholding held by Govt. company → to check whether any company is Govt. co. or not. → Only holding of CG/SG to be seen to check 51% condition. i.e., The Central Government holds 21% of its paid up share capital while the State Government of Gujarat and Navyug Engineering Limited, a government company, hold 23% and 10% respectively. (It's not Govt Company)</p> <p>A PROI/Non Resident (as per FEMA) can not become a Registered Valuer.</p> <p>As per section 252, Person aggrieved by order of ROC (notifying co. as dissolved) - Can file an appeal to NCLT within 3 years.</p> <p>As per section 250, dissolution shall not affect- liabilities of person involved, realisation of asset, discharge of liability</p> <p>As per section 248, a co may file application to RoC for removal of name - After extinguishing all Liabilities & by SR or obtaining consent of 75% of members in Paid up share capital</p>
<p>8 Appointment & Qualification</p>	<p>If a co.'s name have 'India' and wants to change it to 'British India' → Not Allowed (No Authorised Capital requirement to be fulfilled)</p> <p>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)</p> <p>As per sec 151, Notice shall be sent by small SHs not < Lower of 1,000 or 1/10th Small Shareholder</p> <p>As per section 182, a company (other than govt co. or co. in existence for less than 3 FY) is allowed to contribute any amount directly or indirectly towards political contribution</p> <p>As per section 151, a person proposed to appointed as SSD need not be a shareholder himself</p> <p>To be a Director of the small shareholders, what is the nominal value of shares which such Director is required to own:</p> <p>Such Director is not required to own shares of any nominal value in the company prior to his appointment as small shareholders Director</p> <p>For a board meeting to be conducted after appointment of Mr. Mukund as small shareholder's director, than what is the number of quorum for the board meeting: → FOUR</p>
<p>4: Appointment & Remuneration:</p>	<p>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:</p> <p>As per section 272, contributories can apply when the shares in respect of which he is contributory was devolved to him on death of formal holder. (i.e., Shares inherited from Father after death, even if father was not capable for contributory, But now Son is capable as contributory)</p> <p>As per sec 285, in case of a Co. limited by Shares - contributory shall be liable for unpaid amount on shares held.</p>

	As per section 202, no payment of compensation for loss of office shall be made director is guilty of fraud/breach of trust or gross negligence or management in conduct of affairs of Co., Subsidiary or Holding
	As per section 275, Within 7 days of appointment, liquidator to file declaration disclosing conflict of interest
	As per section 277, on receipt of NCLT's order, RoC shall make an endorsement to that effect in his records and notify it in the <i>Official Gazette</i>

Q (10): DIN : COMPANIES ACT. The Regional Director while carrying out the processing of the DIR-5 form which dealt with the Application for surrender of Director Identification Number, pursuant to section 153 & Rule 11(f) of Companies (Appointment and Qualification of Directors) Rules, 2014, observed that Mr. Brij, an individual, had applied for and obtained two Director Identification Numbers on the Ministry of Corporate Portal as per details given below:

Sr no	No of DIN	DIN	Obtained on
1	First one	DIN 02191513	23 August, 2010
2	2 nd one	DIN 08028478	04 January, 2021

Upon observing the two DINs by an individual, the Regional Director issued directions to the Registrar of Companies (RoC) of the jurisdiction, vide the office letter dated 5 September, 2022 to take necessary action for violation of section 155 of the Companies Act, 2013.

Upon receipt of the directions from the Regional Director, the RoC having reason to believe that the Mr. Brij, had violated the provisions of the Companies Act, 2013, by obtaining more than one DIN. RoC issued a show cause notice to the Mr. Brij on 19 October, 2022 for violation of Provisions of section 155 of the Companies Act, 2013 asking him to show cause as to why penal actions could not be initiated against him for the alleged violation. Mr. Brij had admitted having obtained two DIN(s) in the first place and further he stated that one of the DIN being surrendered and justified his action

1) Does the surrender of DIN in the given case scenario by Mr. Brij is justifiable and held no liability under the Companies Act, 2013. → **No, as Mr. Brij has already been allotted a DIN under section 154, he shall not apply for, obtain or possess another DIN and will be liable for penal action.**

2) State which of the following may be the valid reasons for surrender of the DIN by Mr. Brij in the provided situation:

Statement I: the DIN found is not duplicated

Statement II: DIN was not obtained in a wrongful manner/by usage of fraudulent means here.

Statement III: On an application made by him to surrender his DIN along with declaration that he has never been appointed as director in any company and the said DIN has never been used for filing of any document with any authority.

ONLY STATEMENT III is CORRECT

3) Who shall be considered as liable for issue of more than one DIN to Mr. Brij

Mr. Brij, himself for default in compliance with the provisions of section 152, section 155 and section 156. (Not ROC/CG)

- 4) Compute the total penalty levied on person as per above question. If the Default of the delayed period computed by the Registrar of Companies in this case is of 907 days :

Answer: Rs. 503,500

(i.e., 1st Default penalty: 50000 Rs + Additional Continuance of 907 days * 500 = 453,500 = 503,500)

Q6: (SMALL SHARE HOLDER & APPOINTMENT): Pharma Limited is a company listed with Bombay Stock Exchange. The company is having 500 small shareholders. 50 shareholders with shareholding of 1200 equity shares of Rs. 10 each, have proposed to appoint Amar as a Director as their representative on the Board of Directors of the company. One of the director of the Board contended that appointment of Amar is not valid due to lack of holding of any shares in the company. Based on the above details and referring to the provisions of the Companies Act, 2013, you are requested to answer the following MCQs:

- **Yes Said proposal is VALID**, as 1/10th of 500 Small SH is 50 (and his holding in company is not necessary)
- Even if Shareholder do not Propose, **Company MAY, Suto moto** appoint SSH Director

Q5: (Appointment & Remuneration): PCR Limited has appointed Mr. V, a person resident in India, as a Managing Director who has taken a charge of the post on 1 June, 2021. The remuneration package sanctioned to him is as below:

Sr	Particular	Amount
1	Salary	60,00,000
2	Rent free accommodation	6,00,000
3	Children education allowance	3,00,000
4	Leave Travel Concession Package	3,00,000
5	Premium in respect of insurance taken for indemnification	5,00,000

It has, further, been informed that-

- (a) Mr. V has availed the Leave Travel Concession Package which will not be pro-rated for 2021-22.
- (b) Mr. V is not proved guilty during the financial year 2021-22 with respect to the above insurance policy

Based on the above details and referring to the provisions of the Companies Act, 2013, you are requested to answer the following MCQs:

Q. What would be the amount of yearly remuneration for FY 2021-22 paid by PCR Ltd. to Mr. V, the managing director who is appointed on 1 June, 2021?

Answer: Rs. 60,50,000

Q. If PCR Limited has incurred losses during the financial years 2020-21 and 2021-22 and the effective capital of the company as on 31st March 2021 is in negative, is there any excess remuneration paid to Mr. V and if yes, what would be that excess remuneration?

Answer: Yes, excess remuneration is there of Rs. 10,50,000

Q. Under what circumstances, PCR Limited can waive the excess remuneration paid to Mr. V (if any)?

Answer: A Waiver is approved by a special resolution passed by the company within 2 years from the date the sum becomes refundable.

Q3. (APPOINTMENT OF DIRECTOR):

Lagus Transport Services Limited (LTSL) is operating in the domain of logistics and public transport. The company has pan-India presence. As per its Articles of Association, the company can appoint a maximum of 15 Directors and all of them shall be rotational Directors. Presently, the company has a strength of 14 Directors, of which 9 are executive Directors and the remaining 5 are non-executive Directors. Following information was extracted statements as on 31st March, 2020.

Sr	Particular	Amount in Crore
1	Authorised Share Capital (15,00,00,000 @ Rs.1)	15.00
2	Paid-up Share Capital	8.42
3	Turnover	84
4	Outstanding Loans, Debentures and Deposits (in aggregate)	42

In the Annual General Meeting (AGM), held on 20th August, 2020, Anil, Badal, Chanchal and Damodar were appointed as Directors in place of Mohan, Navin, Om and Prasad by passing a single resolution with simple majority.

It is to be noted that earlier, a motion authorising the appointment of Anil, Badal, Chanchal and Damodar by a single resolution was passed in the meeting and not a single vote was cast against such motion.

Based on the audited financial statements as on 31st March, 2021, following information emerged:

S. No.	Particulars	Amount (₹ in Crores)
1.	Authorised Share Capital (15,00,00,000 Equity Shares of ₹ 1 each)	15.00
2.	Paid-up Share Capital	8.42
3.	Turnover	120.52
4.	Outstanding Loans, Debentures and Deposits (in aggregate)	40.00

It is noteworthy that due to the increased turnover there arose the requirement of appointing two independent Directors. Since the company was required to appoint two independent Directors, the total strength of the Board with such appointments would go up to 16 Directors from the present 14 whereas according to the Articles, the company can have a maximum of 15 Directors. Accordingly, the Articles were altered and the total strength was increased to 20 Directors. After altering the Articles, the company proceeded to appoint four independent Directors instead of the mandatorily required two since it was felt that such step would strengthen the corporate governance to the maximum extent. The independent Directors were:

- (i) Mrs. Eekam, who is considered 'influencer' on supply chain management and has a lot of expertise in the logistics field;
- (ii) Mrs. Prajna who is a marketing expert;
- (iii) Mrs. Ruchita, who is MBA (Finance and Accounting) from IIM, Ahmedabad; and
- (iv) Mr. Amit, who is skilled in developing customised software.

Subsequent to the above developments, the time to hold Annual General Meeting (AGM) approached and it was conducted on 12th August, 2021 through video conferencing after complying with applicable provisions of the Companies Act, 2013 read with General Circular 20/2020, dated 05-05-2020, issued by MCA.

1. In this case scenario, Anil, Badal, Chanchal and Damodar were appointed as Directors by passing a single resolution at the AGM. Is such appointment valid?

(a) The appointment of Anil, Badal, Chanchal and Damodar by a single resolution is valid because beforehand, a motion authorising their appointment by a single resolution was passed in the meeting and not a single vote was cast against such motion.

(b) The appointment of Anil, Badal, Chanchal and Damodar by a single resolution is not valid because passing of resolution by simple majority indicates that it was not passed unanimously.

- (c) The appointment of Anil, Badal, Chanchal and Damodar by a single resolution with simple majority is not valid because such resolution is required to be passed as a special resolution.
- (d) The appointment of Anil, Badal, Chanchal and Damodar by a single resolution is not valid because in no case more than one Director can be appointed by passing a single resolution.

2. In the given case scenario, according to the Articles all the Directors are rotational. Had this been not the case, how many Directors were required to retire at the AGM which was held on 20th August, 2020?

- a) 5 director
b) 4 director
c) 3 director
d) 2 director

3. In the given case scenario, if it is presumed that as on 31st March, 2021, the turnover of the company is ₹ 87.00 crores and the paid-up share capital is ₹ 12.00 crores, would the company be still mandatorily required to appoint two independent Directors?

- a) There is no need to appoint two independent Directors since the aggregate of turnover and paid-up share capital has not crossed the threshold of ₹ 100 crore.
- b) Instead of appointing two independent Directors, the company is required to appoint only one independent Director since the aggregate of turnover and paid-up share capital is above ₹ 90 crores but less than ₹ 100 crore
- c) The company is required to appoint minimum two independent Directors since the paid-up share capital is ₹ 12 crore
- d) The company is required to appoint only one independent Director since the paid-up share capital is below ₹ 15 crore.

4. According to the case scenario, the company altered its Articles of Association so as to increase the total strength of Directors up to 20 from the present 15 Directors. Which of the following options is applicable in such a case of alteration:

- a) The articles were resolution.
- b) The articles were altered by passing an passing resolution followed by approval sought from the jurisdictional Registrar of Companies
- c) The articles were altered by passing a Board Resolution with more than seventy-five percent majority
- d) The articles were altered by passing a special resolution.

5. As on 12th August, 2021, when the AGM of LTSL was held, the total strength of Directors reached to 18 due to the appointment of four independent Directors. When all the Directors are rotational, how many Directors would have got retired at AGM?

- a) Six Directors
b) Five Directors
c) Four Directors
d) Two Directors

Q2. (OPERATION):

Mr. Raj, a director of Gem Ltd. ('Transferor Company') prepared a circular, addressed to all the members of Gem Ltd., disclosing the offer made by Diamond ('Transferee Company') to the members of Gem Ltd. The total members of Gem Ltd. are 40,000, holding total 3,00,000 shares of the company, with face value of ₹ 5 per share, out of which 25,000 shares are held by Diamond Ltd. and 5,000 shares are held by Silver Ltd., a subsidiary of Diamond Ltd. The said circular was presented to the Registrar, Mr. Ramesh, for registration on 24 May, 2022, who refused to register the said circular and he communicated such refusal at the registered address of both the companies on 24 June, 2022. Mr. Raj filed an appeal with the NCLT against such refusal order of Mr. Ramesh on the grounds that, in the impugned order, the reasons for rejection were not mentioned and also the order was communicated to the parties after the expiry of the prescribed time limit. The Tribunal allowed the appeal and in its appellate order, it directed the Registrar, Mr. Ramesh, to register the said circular. The said circular was then registered by Mr. Ramesh on 14 July, 2022 and accordingly, the said circular, containing the offer, was issued on 15 July, 2022, to all the members of Gem

Ltd., which was kept open as per the statutory time limit. In response to the same, the responses of its members were as follows:

1. 30,000 members, holding shares valued ₹ 12,50,000, agreed to the offer made by Diamond Ltd. The consent was given by such members by 10 November, 2022.
2. 8,500 members, holding shares valued ₹ 70,000, did not give their assent on the said offer.
3. 1,000 members, holding shares valued ₹ 20,000, refused to transfer their shares to Diamond Ltd.
4. 500 members, holding shares valued ₹ 10,000, failed to transfer their shares to Diamond Ltd.

Diamond Ltd. gave notice of acquisition to the dissenting shareholders on 20 November, 2022. 5000 of such dissenting shareholders made application to the Tribunal on 5 December, 2022. However, the other dissenting shareholders didn't file an application with the Tribunal within the prescribed time limit. The Tribunal dismissed the applications made by 2000 shareholders, holding total 4,500 shares, and allowed the application made by 3000 shareholders, holding total 3000 shares. Diamond Ltd. again issued notice of acquisition earlier sent to the dissenting shareholders along with transfer deed. The transfer deed was executed by Gem Ltd., on behalf of the dissenting shareholders, with the person

- 1) On what grounds, Tribunal would have allowed the appeal filed Mr. Raj?

Answer: For non-recording of reasons of such refusal, in writing, in the order and also communicating the same beyond the prescribed time limit i.e. after 23rd June, 2022. (Not 24th June)

- 2) By what percentage, the offer would have been considered to be approved and what shall be the total number of dissenting shareholders?

Answer: 92.59% and total number of dissenting shareholders shall be 10,000.

(Refer section 235(1) of the Companies Act, 2013. For calculation of approving shareholders, shares held by Diamond Ltd. and Silver Ltd. not be considered. Therefore, value of shares held by other members = 2,70,000 * 5 = ₹ 13,50,000 and approving shareholders hold ₹ 12,50,000 of value of shares. So, the offer would have been considered to be approved by 92.59% (12.5L/13.5L).)

- 3) What shall the last date available with Gem Ltd. to inform to the dissenting shareholders with the respect to registration of their shares in the name of Diamond Ltd. as well as to pay consideration to the dissenting shareholders received by it from Diamond Ltd.?

Answer: 8th February, 2023 and 6th March, 2023, respectively.

- 4) How many shares Diamond Ltd. shall be entitled to take and not entitled to take, respectively?

Answer : Diamond Ltd. shall be entitled to take 2,67,000 shares and not entitled to take 3000 shares, respectively. (Refer section 235 of the Companies Act, 2013. As the tribunal allowed the application filed by 3000 shareholders, it shall not be entitled to take the 3000 shares held by them.)

7 IBS:

Amrish Patel a renowned businessman of Gujarat started sport business after incorporating Ahmedabad Sport Limited (ASL). Due to stiff competition and lack of facilities/ incentive to sports goods manufacturers in the state, ASL became unprofitable and faced a cash crunch.

Mr. Amrish is also director on board of ASL. ASL was unable to serve the debt, hence financial creditor moved to NCLT with an application for corporate insolvency resolution process and suggested the name of CA. Ranjan (which is a qualified insolvency professional) as interim resolution professional on the first day of March, 2023. Adjudicating Authority after ascertaining the existence of default, accepted the application and appointed CA. Ranjan as Interim Resolution Professional on 12th March 2023.

The first meeting of the committee of creditor held on 28th March, 2023 where a simple majority of financial creditor, approved the appointment of CA. Ranjan as Resolution Professional. Moratorium is also declared in regard to ASL. One of creditor put claim against Mr. Amrish who is personal guarantor. Mr. Amrish, hold credence that section 14 of the Insolvency and Bankruptcy Code, 2016 (IBC) would apply to the personal guarantor as well, as a result of which proceedings against the personal guarantor and his property would have to be stayed, if moratorium declared. He also has started Elite Real Estate Private Limited (EREPL) around 20 year back. Mr. Rajendra who is one among such allottee (of Ashiyana project of EREPL) even file the application under Insolvency and Bankruptcy Code 2016 against EREPL for intimation of CIRP because EREPL and took money from him against allotment of flat with commitment of interest payment if delay is observed in construction schedule, but failed to fulfill its promise. Legal consultant of EREPL are of opinion since he is operational creditor hence cannot file application under section 7. EREPL in compliance to provision enumerated in the Companies Act, 2013, granted loan to ASL to bail out from eroded working capital situation but instead of preventing ASL from insolvency it also started witnessing cash crunch. It defaulted in payments to building material suppliers, who in result advanced an application under section 9 of Insolvency and Bankruptcy Code 2016 for initiation of CIRP. Mr. Amrish immediately conducted a meeting with such operational creditors and assured them payments but also requested them to resolve issue amicably as well as withdrawal of the application they advanced under section 9.

- 1) Is the appointment of CA Ranjan as the interim resolution professional at ASL is valid & if yes then what will be the latest possible date till when he can assume the office of interim resolution professional

Yes, Valid, till the date of appointment of resolution professional (Not 30th March 2023)

- 2) Regarding the credence of Mr. Amrish (as personal guarantor) on effect of moratorium, identify the correct statement out of following;

The credence that section 14 of the Insolvency and Bankruptcy Code, 2016 (IBC) would apply to the personal guarantor as well is invalid.

- 3) Can application advanced under section 9 by building material suppliers against EREPL for initiation of CIRP be withdrawn?

Yes, by adjudicating authority, but only at the application from the applicant under section 9 with the approval of 90% of the voting share of the committee of creditors.

Q1 (FCRA). Sahayata Foundation is a company registered under section 8 of the Companies Act, 2013, mainly engaged in the social activities of providing relief to poor people. A Board Meeting was arranged on 30 April, 2022, which was attended by all the 10 directors of the company, to discuss on the formalities to be fulfilled with the respect to the amounts received or receivable by it, from various sources as under:

- Jim Ltd. to contribute ? 10 lakhs, in which Government of US holds 50% and T-cap Ltd., an Indian Company, holds 49%, respectively, of the nominal value of its share capital. The foreign investment by US Government in Jim Ltd. was made beyond the limits specified under the FEMA, 1999.
- Rasvil Ltd., in which Rasvil Inc., a UK company, holds more than 50% of nominal value of its share capital, to contribute ? 15 lakhs. The foreign investment by Rasvil Inc. in Rasvil Ltd. was made beyond the limits specified under the FEMA, 1999.

- c. A specialized agency of the United Nations, to contribute ? 6 lakhs.
- d. Mr. Christian, an Italian citizen, but a person resident in India, to contribute ? 9 lakhs. Also, Mr. Christian, gifted a wrist watch worth ? 60,000 each to two directors of Sahayata Foundation, as an acknowledgement to their efforts during the tough times of the pandemic Covid-19.
- e. Care-covid Foundation, a Singapore based trust, to contribute ? 4 lakhs
- f. Saam Ltd., in which citizens of US and Canada, hold in aggregate 60% of nominal value of its share capital, to contribute ? 9 lakhs. The foreign investment by such citizens in Saam Ltd. was made within the limits specified under the FEMA, 1999.
- g. Ksuit Inc., a French company, to contribute or pay ? 6 lakhs towards the cost of goods procured from Sahayata Foundation, in the ordinary course of business
- h. Interest of ? 3 lakhs has accrued on the earlier foreign contributions received by Sahayata Foundation, so deposited in the FCRA account with SBI

One director of Sahayata Foundation, Mr. Jayesh, resigned from his offices on 20 May, 2022 and other director Mr. Mahesh, resigned from his office on 29 May, 2022, and the offices, both the directors, remained vacated for the remaining financial year

On 1 June, 2022, a second half yearly board meeting of directors of Sahayata Foundation was called for, which was attended by 4 directors, with respect to discussion of the budget to be allocated for the expenses to be incurred for the purpose of administration of the company, which was decided at 30% of the total contributions received or receivable during the financial year 2022-23. The total contributions of ? 100 lakhs were estimated to be received during the financial year.

1) Which of the aforementioned persons can be considered as a 'Foreign source'?

Answer: Jim Ltd., Rasvil Ltd., Mr. Christian, Care-covid Foundation and Ksuit Inc.

2) What shall be total amount of 'Foreign contribution' received or receivable by Sahayata Foundation during F.Y. 2022-23

Answer : 41 lakhs

3) How much administrative expenses can be defrayed by Sahayata Foundation of the foreign contributions of ? 100 lakhs, received or receivable by it during F.Y. 2022-23, without prior approval and prior approval of which authority shall be required to defray admin expenses above the specified limit?

Answer: 20 lakhs and for defrayal of excess amount, prior approval of Central Government is necessary.

INTEGRATED MCQ's of OLD Course ICAI MCQ Booklet-

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)
10	8.2	All persons to whom notice u/s 230(3) is sent may vote	Within 1 month from receipt of notice

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. ----- RoC Certificate of Active Co. -----	MSC 1 (with Fee and GM SR) MSC 2 MSC 3 (within 30 days end of FY) MSC 4 (with Fee) 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.
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 LOWER
28	15.3	Small Shareholder director requirement (Also requires 14 days meeting notice)	-1000 Small Shareholders -1/10 of Small Shareholder
2	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
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 subdy 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	<p>Calculate Max amount that can be paid to an ED:</p> <p>* Remuneration as per Eff. Cap -----</p> <p>* Dearness Allowance -----</p> <p>* HRA -----</p> <p>* Contribution to annuity fund ----</p> <p>* Reimbursement of tax -----</p> <p>* Remuneration due to Prof. qualif.</p> <p>* Sitting Fee</p>	<p>Max Amount would include: (Y-Yes, N-No)</p> <p>Y-Remuneration as per Eff. Cap i.e. Basic Remuneration</p> <p>N-Dearness Allowance bcoz not included in Sub Part IV of Schedule V, would be included in Basic Remuneration</p> <p>N-HRA bcoz not included in Sub Part IV of Schedule V, would be included in Basic Remuneration</p> <p>Y Contribution to annuity fund bcoz included in Sub Part IV of Schedule V, could be paid over and above the Basic Remuneration</p> <p>Y Reimbursement 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</p> <p>Y Remuneration due to Prof. qualif. bcoz sec 197(4) allows it over and above the Basic</p> <p>N Sitting Fee bcoz it has nothing to do with the remuneration. It can be paid to any director.</p>
38	23.4	Board Resolution is required for removal of ED	
39	23.5	If co. denies inspection or does not maintain contract or memorandum with MD/WTd	<p>Penalty u/s 190(3):</p> <p>-Co. Rs. 25,000</p> <p>-Officer Rs. 5,000</p>
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))
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	<p>-Hand delivery</p> <p>-Post</p>

		(Sec 173(3))	-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	In case of Nidhi co.: - 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	Foreign co. is required to file: -Documents after its incorporation -Annual Return	-Within 30 days (FC-1) -Within 60 days (FC-4)
60	37	In case of Nidhi co. -Minimum paid up equity share capital (Rule 4) -	-Rs. 5,00,000

		<ul style="list-style-type: none"> - 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) ----- 	<ul style="list-style-type: none"> -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	<ul style="list-style-type: none"> -Independent Director/Small SH Director -Director appointed by Proportional Representation (Sec 163) - Nominee Director(Excl.Nominee Director of Non Fin. Institution) <p>Additional Director shall be included but he will be a Non Rotational Director</p>
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)	<ul style="list-style-type: none"> -Listed Co. -Public Co. :: Paid up share capital >=50 Cr. :: Turnover >=250 Cr. :: Borrowing from Bank/PFI >=100 Cr. <p>-All co.-Borrowing from Bank/PFI >=100 Cr.</p>
65	40	<p>In case of Nidhi co.</p> <ul style="list-style-type: none"> -Minimum shares to Saving/RD A/c— - Cooling period of Directors (Rule 17) -Max rate of interest offered by Nidhi on FD/RD (Rule 13) -Some conditions for opening the branch (Rule 10) 	<ul style="list-style-type: none"> -1 Eq share of Rs. 10 -2 years after term of 10 consecutive years -Max rate prescribed by RBI which the NBFC can pay on its public deposits -Only if it has earned PAT continuously during the 3 PFY. IF Nidhi proposes to open >3 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.

➤ ACTUAL MCQ's ASKED in EXAMS ... Based on STUDENTS FEEDBACK (Memory Based MCQ's)

	COMPANIES ACT
1	Small Shareholder notice timelines
2	Whether pvt companies are require to appoint CS ?
3	Age limit for KMPs' ?
4	Political party contribution limit
5	Siting fees to be paid to Women directors
6	Board minutes circulation / draft minutes & it's approval
7	Sec 230 – creditors compromise arrangement
8	Sec 197 – calculation of net profit
9	Max no. of directorship
10	Prevention of operation & mismanagement (i.e., removal of director)
11	Max number of Independent directors in Listed Company
12	Grounds on which ROC can send the written notice & for which it can't
13	Examples related to → whether this will amounts to operation or not ?
14	In which meeting, disclosure of interest by director is require
15	Penalty for not serving notice to any director
16	If contributories failed to contribute the capital, who is liable to pay the unpaid amount
17	Winding up related timelines
18	NIDHI Company Loan
19	NIDHI Company Limits → paid up share capital, max deposit, max loan etc.
20	Quorum for meeting by circulation
21	Women director appointment limit
22	No. of independent directors require
23	Strike-off & Post winding Up – case study
24	Political party contribution limit
25	Case Study reg. Calculation of remuneration payable to Directors/managers
26	Sec 230 – Time limit for OL representation
27	Nidhi Company net owned fund & & effective capital calculation
28	Small shareholders provision
29	Remuneration in case of Inadequate profit
30	Winding Up MCQ's
31	Dormant Company MCQ's
32	SSD Appointment → How many number ? How many days before ?
33	Inspection by Central Govt
34	Compromise arrangement → Objection by members (SFIO)
35	Wind up Qn → Shareholder conditions of 6m out of 18 months
36	Remuneration of women director
37	Can SSD be appointed as manager
38	SSD in 2 companies → not in competitive business
39	Can CG allow compensation to MD removed
40	Time limit for ROC representation to NCLT and For NCLT
41	Power of ROC to conduct investigation
42	Many Winding up Qns
43	MD in case of SEZ
44	Removal of employees for company under investigation
45	Excess remuneration paid to director shall be recovered
46	Women director sitting fees can't be lower from other directors.
47	Member approval regarding borrowing by director.

48	Provision of circulation voting. Full case study
49	Single resolution director appointment. Full case study
50	Sec 234 in compromise and arrangements
51	Minority shareholding related.
52	Sec 198 calculation questions
53	Remuneration through effective capital non executive director
54	Special resolution related point limit vala
55	Employee protection in inspection
56	Nidhi ltd borrowing table and objectives
57	Nidhi- maximum deposits, loan limits,
58	Winding up- settlement for list of contributories
58	Whether appointment of 3 directors via single resolution is valid if around 90% of members who were present at the meeting voted in favour & balance 10 % abstained from voting? (Relates to sec 162)
59	Validity of Resolution passed in contravention of sec 162 - options - valid if OR passed giving ratification, valid if SR passed, valid if ratified by directors, Void always. (Ans - void always)
60	Sec 162 applicable to which of these- options- sec 8, govt co, subds of govt co, pvt co (Ans - applicable to sec 8 co)
61	What's the max number of directors that can be appointed via single resolution? Options - 3, no such limit, some other numbers were given
62	Whether Waiver of the excess remuneration paid is possible & whats time limit ?- (Ans - via SR & 2 years)
63	Till repaying, director to hold money in - options - Trust for co, Trust for shareholders, Trust for shareholders along with interest on excess, xxx (Ans - Trust for co)
64	Max limit of salary payable to other directors if the company has no profit (Effective capital amount was not directly given. Question involved calculating the same from the data given in case study).
65	Is it mandatory for a private company to maintain sec 189 register even if it complied with AR & FS?
66	Mr. A is director of ABC Ltd. Brother of Mr A holds exactly 2% of PUSH in another company (forgot whether it is public/pvt co). Whether another company related party to ABC Ltd?
67	Objection to compromise raised by a shareholder holding 15% & creditor holding 9% debt - whether valid? (Ans - Valid because sh holder has 10% or more & creditor has 5% or more)
68	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? (Ans invalid because of 2 reasons - time limit is 1 month & notice didn't mention the option of post ballot)
69	Class Action (sec 245) is not applicable to whom? (Ans - banking co)
70	Can Company make alteration in MOA which is inconsistent with alteration already made by tribunal- options - yes with leave of tribunal, yes under intimation to tribunal, yes with leave of CG, yes as intimation to no one is required (Ans - yes with leave of tribunal)
71	W.r.t. the manner of utilisation of undue gain recovered which of these is NOT the power of the tribunal? Options - order for repayment to identifiable victims, order for transfer to IEPF, order for giving money to company, order for utilization in such manner as the tribunal may deem fit.
71	Company liquidator appointed by tribunal is selected from - options - list of professionals data maintained by trib, insolvency professionals registered under IBC, xxx (WINDING UP)
72	Dormant co. 1. Min. No. Of directors in dormant public co (Ans - 3) 2. Form for Getting status of active co. (MSC 4) 3. Company didn't have any SAT (ROC fees is not SAT) during last 2 years. Is it active/inactive/ dormant/defunct company? (Ans - Inactive co.) 4. ROC to strike off name of dormant co from register if it remains dormant for how many years? (Ans - 5yrs)
73	What nidhi company can do? Options - Open savings acc with members, open current acc with members, accept deposit from non members, Buy lectures of body corporates (Ans- open savings acc)
74	Apply against order of NCLAT to whom & within How many days & on what matters? (Ans - To Supreme court (Not sessions court/High court) within 60 days on Question of Law matters)
75	REGISTERED VALUER TO BE A RESIDENT IN INDIA
76	Can a SSD eligible for reappointment → No

77	Can SSD be appointed in a competing business → No
78	Whether SSD appointed in one company for period of 3 years and he was appointed also in another company for the period of 2 years. Can he be appointed to do so? → Yes, he can be appointed in Maximum 2 companies provided other company should not compete business with first company
79	Can a SSD be appointed as Human resource manager during the cooling period? → No
80	Can Compensation be given in case of Removal of MD during Winding Up due to default of director → No
81	Is Quorum of Directors should be present in the beginning → No. throughout the meeting
82	Quorum of Sec 8 Company (8 member or 25% of total W.E. lower)
83	Is it mandatory for private company to maintain sec 189 register even if it complied with AR & FS? → Yes
84	By which resolution, board can exercise power related to sell, lease or dispose of undertaking of company 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 FOR BOTH
85	Can Women director sitting fees lower from other directors? → No
87	Whether appointment of 3 directors via single resolution is valid if around 90% of members who were present at meeting voted in favor & balance 10 % abstained from voting? (162) → Yes, as complied "without any vote being cast against it"
88	Can director hold excess remuneration without necessary approval? → Yes & hold it in trust of Company
89	<p>Calculate Effective capital:</p> <p>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</p> <p>Effective Capital = INR 50 + INR 10 crores + INR 30 crores + INR 20 crores - INR 5 crores - INR 2 crores = INR 103 crores</p>
90	<p>Case Study:</p> <p>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:</p> <p>Cost of Furniture: 2,00,000 WDV: 1,00,000 Sale Proceed: 4,50,000 Profit: 3,50,000</p> <p>What is Correct profit: 80,20,000 - 2,50,000 (4,50,000-2,00,000) = 77,70,000</p> <p>Sale Proceed of Old furniture: 70,000 in place of Rs. 4,50,000 What is the correct amount of Profit? 80,20,000 + 30,000 = 80,50,000</p>
91	For the Qtr ended 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.
92	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
93	Can we recover excess remuneration from director after resignation? → Yes
94	Who has the authority to remove the Chairman → Central Govt
95	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
96	As per Sec 229, an employee of the Company posted in social media that the Company was making profits so as to influence probable investors, when on the contrary, the Company was incurring losses. Whether he is liable u/s 447 or not → Liable u/s 447

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97	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? → Central Government
98	Class Action (sec 245) is not applicable to whom? (Oppression, Mismanagement and NCLT) → Banking Company
99	Do NCLT has power to windup? → Yes
100	sec 420, whether rectification can made by NCLT if any appeal is preferred in NCLAT → No
101	Whether minority Director can claim Oppression by Majority Director? → No, Only member can
102	Whether write off debt and not payment of dividend is oppression of member? → No
103	For Oppression, Mismanagement and NCLT, joint holding of 5 shares will be counted as ? → As per Sec 244, Joint holders to be counted as 1 member
104	if later on consent is withdrawn by shareholders, affect on maintainability of petition? → Withdrawl of application during the proceedings will have no impact. Sec. 244
105	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 Yr
106	Sec 230- How many days in which order of tribunal file with roc → 30 days
107	Can MD Claim Compensation if they refuse to join amalgamated company? → No, cannot claim compensation
108	Who must approve a cross-border merger involving an Indian and a foreign company? → both RBI and CG approval is needed for Cross border mergers
109	Can a listed company merge with Foreign LLP? → Yes without any special permission
110	Submission of report by Company Liquidator to tribunal → within 60 days
111	<p>Case Study:</p> <p>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?</p> <p>Yes, as holding for 12 months.</p>
112	Whether special resolution is required to be passed by company in general meeting to dispose of 6% equity holding in Traya Ltd & also to sell @22% assets in traya ltd while doing amalgamation → Yes
113	Form for Getting status of active company → MSC 4
114	Whether NR can be a Registered valuer during Inspection of company subsidiary → No, only resident in India
115	Is Registered valuer has to make valuation as per contract? → No, RV shall make valuation as per valuation standard
116	Can Company make alteration in MOA which is inconsistent with alteration already made by tribunal → Yes with leave of tribunal

SEBI

1	Penalty for SEBI Insiders trading
2	Max no. of Committee In which Directors can be part of
3	Provision regarding SEBI attached the bank accounts
4	SEBI Quarterly compliance dates for Listed co.
5	SEBI Penalties
6	Section 15h
7	Offer Price, prospectus, grievances related penalty
8	LODR & ICDR Time limits
9	11 days limit on change in shareholders right
10	Who can remove member of SEBI Board, Age eligibility, notice of resignation

11	Penalty for unfair trade practices
12	ICDR → minimum application amount to be specified
13	IPO to be open for Min & max time limit
14	LODR → various cases of how many Independent directors
15	Various Cases → when to intimate to Stock exchange ? (time limit)
16	SEBI investigation related Qns
17	Sebi quarterly compliance regulations
18	FPO IPO relate
19	Appeal and penalty - grivence redressal vali
20	Sebi- penalties, investing officer keeping books and accounts
21	Lockin for Promoters contribution post IPO
22	Lockin for promoters holding in excess of minimum promoters contribution
23	Min & max no of days for which IPO to be kept open
24	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
25	Penalty for failure to address grievances
26	Insider trading disclosures are to be maintained by company for minimum how many years. (Ans 5yrs)
27	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 (Ans - report - PART A of sch XVII, DD certf - Form F, 7 days)
28	When issuer shall arrange for CRAs to monitor the usage of issue proceeds? (Ans - issue size > 100 crore)
29	W.r.t. grievance redressal - Company filed with RSE a statement giving the no of investor complaints remaining unresolved AT THE END OF the quarter. Is that right? (Ans - 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)
30	SUBMISSION OF EXPORT DOCUMENTS WITHIN 21 DAYS
31	SEBI MIN. NOTICE TO BE GIVEN BY MEMBER OF BOARD TO RETIRE
32	SEBI 3 CRORE ASSEST AND MONETARY ASSET 50% ICDR
33	SEBI ANCHOR INVESTOR NOT TO BE OFFERED LOWER PRICE THAN ANYONE
34	SEBI DOCUMENTS RETAIN FOR INVESTIGATION
35	SEBI DOCUMENTS REQUESTION BY ASSESSE DURING INV JUD MAG PERMISSION NEEDED
36	Minimum locking period for promoter contribution
37	Power of removing member in hands of which authority?
38	Penalty for fraudulent practice, prior intimation atleast 11 days earlier for alteration, MAMP (for all 3, memorise all anything can come from these 3 topics)
39	IPO announcement in minimum & maximum how many days
40	Can a company issue IPO if ESOP's are outstanding? → Yes
41	When a company is eligible for IPO? (Net tangible asset criteria related question)
42	When to appoint Credit rating Agency → at the time of Public Issue or Rights Issue
43	Time limit to submit a final post-issue report by the lead managers → within 7 days of the date of finalization of basis of allotment or within 7 days of refund of money
44	Make a public announcement to acquire shares at a minimum price → does not amount to insider trading
45	which act applicable in recovery of amounts by attaching Property, bank acc etc us 28A? → Income tax Act
46	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
47	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
48	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)
49	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
50	Insider trading disclosures are to be maintained by company for minimum how many years → 50 Years
51	Lock in for Promoters contribution post IPO → 20% post capital & for 3 years

52	Submission of Quarterly Financial Statements to SEBI in how many days and to unaudited firm also → 15days and to unaudited firm also
53	W.r.t. grievance redressal - Company filed with RSE a statement giving the no of investor complaints remaining unresolved AT THE END OF the quarter. Is that right? → 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
54	Book Building meaning → means a process undertaken to elicit demand and to assess the price for determination of the quantum or value or coupon of specified securities or Indian Depository Receipts, as the case may be, in accordance with these regulations
55	Confirmation of attachment of Bank Account or property taken from → Special Court

FCRA

1	Certificate validity
2	Reporting of receipt in 48 hrs (if received in Delhi A/c or Other a/c → and subsequent Transfer to other a/c)
3	Amount of gift from relative .. which is not considered as Foreign contribution ?WWW
4	Gift of ring is fc or not
5	NR come to India buy gift and give to residents fc or not
6	NR come India ticket expense by residents so FC or not.
7	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 up to ? - options - 15.9.28, 14.9.28, 17.9.28, 16.9.28 (Validity is 5 years from issue. So i think ans is 14.9.28 & not 15.9.28.)
8	Bank shall report receipt of FC to whom to within how many hours? (Ans - to CG (Not RBI) within 48hr)
9	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)
10	in FCRA gift limit received from Relative limits and form plus time
11	BANKING AUTHORITY DISPOSE/UTILISE ASSET FCRA
12	COOLING PERIOD FOR COR FCRA
13	Whether Educational Contributions from foreign university to be Considered as Foreign Contribution → Yes
14	Cooling period in case of surrender/cancellation of COR → 3 yrs
15	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.
16	Can religious trust receive donation from foreign source without FCRA account? → No, trust receive funds from foreign sources into their FCRA account only
17	Bank shall report receipt of FC to whom to within how many hours? → CG (Not RBI) within 48hr (Receipt & utilization of FC)
18	<p>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</p> <p>Q . 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.</p> <p>Q. Money Paid by X to Y is a foreign contribution ? No, as it is payment in normal course for goods and services</p> <p>Q. Is the cheque given by Y Foreign Hospitality? No as FH is in cash or kind taken outside India</p>
19	Mr. X received FC in personal Capacity and used it for Gold Deposit scheme. Can he use? → No
20	Can religious trust receive donation from foreign source without FCRA account? → No, trust receive funds from foreign sources into their FCRA account only
21	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

- 1 IBC Process timeline
- 2 Appointment of resolution professionals (RP)
- 3 Operational Debt
- 4 When can IP professionals can start his work
- 5 Financial creditor (FC), before filing application for IBC → shall sent application to whom ?
- 6 Which FC from CS to have COC voting rights
- 7 To which operational creditor (OC) → notice to be served
- 8 Many Limits like Public notice & etc...
- 9 If approval of IBBI not received within 10 days in case of replacement of IRP
- 10 Time limit of meeting of coc - 7 days
- 11 Voting share for irp - 66%
- 12 Interim resolution work
- 13 Operational creditor kab cirp me jayega
- 14 IBC - coc, public announcement days limits, application acceptance by FC, who all can be included in coc.
- 15 There was a related party amongst the FC. Whether that related party is entitled to vote in meeting of CoC?
- 16 On CIRP initiated by FC, tribunal to ascertain the existence of default in how many days? (Ans 14 days)
- 17 RP TO APPOINT AFTER EXPIRY OF 10 DAYS NAME SENT TO BOARD
- 18 IBC PROFESSIONAL 5% FEES OF TURNOVER PECUNIARY INTEREST CALCULATION
- 19 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)
- 20 IRP name to be proposed to? → NCLT
- 21 Minimum days for public announcement by IRP → within 3 days of his appointment
- 22 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
- 23 Who may be appointed as a provisional liquidator or company liquidator by the tribunal? → Insolvency Professional (IP) required under IBC 2016

FEMA

- 1 Penalty if Contravened USD 2.5 lacs limit
- 2 Commission of Real estate sale
- 3 External commercial borrowings - MAMP
- 4 Sports reward 1 lacs usd limit
- 5 ECB limits
- 6 Case study of OCI Card holder
- 7 Specific Ministry approval require
- 8 Rbi guidelines as property purchase outside india by non resident and residents Proi pri
- 9 domestuc company commercial+ residencial building puchase rbi permission
- 10 ECB - limits, mamp, automatic approval limits
- 11 Case Study 1 Background of case –
A company opened a new office in some foreign country (say eg. Germany). It also has an office in Gurugram. 3 key employees (not citizens of india) were working in gurugram for many past years - A, B, C.
A - Posted to work in Germany permanently. He plans to settle there & doesn't intend to come back to India.
B - posted to work in Germany on a deputation basis will come back to india after 3 months of work.
C - Couldn't recollect his status. Sorry!

	<p>A, B, C - all three want to buy a residential house in germany. Also the company wants to buy a building for office space & another building for residential stay of its other employees in germany.</p> <p>1. Whether a, b, & C can buy such residential buildings & who needs approval? 2. Whether company can buy 2 of those buildings? Whether needs any approval?</p>
12	<p>Case Study 2 - ECB related.</p> <p>INR denominated ECB for repaying WC loan taken in india - permitted or not & if permitted what's MAMP?</p> <p>INR denominated ECB for repaying WC loan taken in india - permitted or not & if permitted what's MAMP?</p>
13	Whether ECB permitted for buying land (or something related to real estate) in india & if permitted what's MAMP?
14	What exchange rate to be used to convert FCY ECB into INR ECB - (Ans - 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)
15	In fema ECB, schedule 3 plus penalty was asked
16	FEMA OVERSEAS INVESTMENT REAL ESTATE
17	A company imported machinery and accepted to pay 5 monthly equal installment payment. Is this a current account or capital account transaction under FEMA ? → Current Account
18	A company declared to dealer that it is going to import machinery and spare parts. It didn't import spare parts. Instead it imported raw material permissible under FEMA. Is the action of entity ? → Is valid after filing revised declaration with the dealer
19	Time limit to file appeal against order of Assistant Director of Enf / deputy Director of Enf. → appeal to special director (appeals) within 45 days from date of receipt of copy of order of AA.
20	In how many days relevant documents given to authorised dealer in case of first shipment/ Export → within 21 days from the shipment
21	Complete write off foreign exchange receivable arising out of export sales is permissible → FEMA
22	Condition for writeoff/ forfeited foreign exchange Receivable under FEMA → Amount should remain outstanding for more than 1 year
23	INR denominated ECB for repaying WC loan taken in india(Other than Foreign equity holder) - permitted or not & if permitted what's MAMP? → 10 Yr
24	<p>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.</p> <p>Ans: John to remit his salary without requiring special permission, the amount to remit is INR 244,000. & Since INR 244,000 is below the limit of INR 2,50,000, John can remit his entire monthly salary of USD 3,000 without requiring special permission from the authorities</p>
25	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
26	A person resident in India earned in foreign as salary 2 years back. Now he wants to utilize this amount in India, is any permission required → No permission required
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 \$250,000 FEMA rule, if yes then penalty? → Yes & penalty up to three times the sum involved in contravention, where such amount is up to Rs. 2,00,000 → Penalty: ₹2,00,000
28	Commission to agent O/s India for sale of residential plot in India → 5% or \$25,000
29	Container Detention Charges exceeded - Permission from which authority? → Ministry of Finance (Insurance Division)

TIME & NUMERICAL LIMITS:

➤ Director's Chapters

Sec	Particular	Limit
149	Company to have BOD	<ul style="list-style-type: none"> - Minimum – Public (3), Private (2) and OPC (1) - Max - 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) & 137(F.S.)]
149(1) + Rule 3	Mandatory appointment of woman director	(i) Listed companies (ii) Public companies having paid up share capital \geq 100 crore (iii) Public companies having turnover \geq 300 crore Vacancy of women director → the earliest not later than: <ul style="list-style-type: none"> • immediate next board meeting. <u>or</u> • 3m from date of vacancy Which ever is Later (WEL)
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.)	<ul style="list-style-type: none"> - Listed public companies - Legal requirement: Independent directors \geq 1/3rd of total number of directors
149(4) + Rule 4	Independent directors (other co.)	Applicability: Following unlisted public co. to have at least 2 I.D.: <ul style="list-style-type: none"> (i) Public companies having paid up capital \geq 10 crore (ii) Public companies having turnover \geq 100 crore (iii) Public companies having aggregate of O/S loans, debentures and deposits > 50 crore. Non-applicability: The following classes of unlisted public companies shall not be required to have any independent director: <ul style="list-style-type: none"> (a) A joint venture (b) A wholly owned subsidiary (c) A dormant company as defined under section 455 of the Act. Legal requirement: Independent directors \geq 2 Not required to appoint I.D. if ceases to fulfil conditions (PUSC, T/O, O/S) for 3 consecutive years
	I.D Disqualified:	<ul style="list-style-type: none"> • no pecuniary relationship other than Remuneration not exceeding 10% of his total income during 2 preceding F.Y/Current F.Y • None of whose relatives: <ol style="list-style-type: none"> 1. Holding a security/Interest of face value not exceeding Rs. 50 Lakh/ 2% of PUC during 2 preceding F. Ys/ Current F.Y 2. Indebted to CASH or P/D > 50 lakhs - 2 FY + CY 3. Given guarantee or provided security for indebtedness of any third person to CASH or P/D >50 lakhs – 2 FY + CY 4. Any other pecuniary relationship with CASH \geq 2% of his Gross T/O OR Total income (P/D not covered) [in aggregate]

		<ul style="list-style-type: none"> Neither himself nor relative: <ol style="list-style-type: none"> Is KMP or employee of CASH – Last 3 FY (Exception: Relative can be employee) 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 >=10% of Gross T/O Holds (with relative) >= 2% of Voting power of Co. (Not CASH) <input checked="" type="checkbox"/> Is the CEO/Director of NPO that o Receives >= 25% of its receipt from CASH or P/D or o Holds VP >=2% of company
		<ul style="list-style-type: none"> Term of I.D. – Upto 5 consecutive years (a term of <5 years is possible) Reappointment – Eligible on passing SR + Disclosure of same in BOD Report No ID to hold office for more than 2 consecutive terms Cooling period – 3 years: (shall not be associated with co in any capacity, directly or indirectly)
150	ID Data Bank & Eligibility test	<p>Specify the Period in application → 1yr, 5yr or Lifetime Renewal application within 30 days of expiry (N.A if lifetime paid)</p> <p>- 50% passing marks</p> <p>Every Individual shall pass an online Proficiency Self-assessment test within a period of 2 years from date of inclusion of his name in the data bank,</p> <p><u>Not Applicable for Below</u></p> <p><u>A. as a director/KMP in one more of the following:</u></p> <ol style="list-style-type: none"> listed public Co. Unlisted Public Co, having a PUC of > =Rs. 10 Cr body corporate listed on RSE/ Country which is a member state of Financial Action Task Force on Money Laundering & regulator of Securities Market where member state is member of International Organization of Securities commissions Bodies corporate incorporated O/S India having PUC of US\$ 2 Million/more Statutory corporations set up by Parliament/State Legislature carrying on commercial activities. (eg LIC) <p><u>B. Atleast for 10 Yrs:</u> Advocate of court, CA in practice, Cost accountant in practice, CS in practice</p>
151	Small shareholders director	<p>Listed companies on appeal by lower of following</p> <ol style="list-style-type: none"> 1000 small shareholder or 10% of total no. of small shareholders. <p>- Listed company MAY have 1 director elected by SSH (NV not more than Rs. 20,000)</p> <p>- Time limit of notice - to be given at least 14 days before meeting</p> <p>- Tenure – 3 consecutive years. Not eligible for reappointment.</p> <p>- Not hold the position of SSD in > 2 companies at the same time</p>
152	2/3 of total no. of director of public co. shall retire at very AGM.	<p>Total no. of director for calculating rotational director shall Include:</p> <ol style="list-style-type: none"> Small shareholder director Additional Nominee director of company incorporated under companies Act 2013.

		<p>Not include:</p> <ul style="list-style-type: none"> (i) Independent director (ii) Nominee director of fin. Inst. Incorporated under special act. (iii) Alternate director
152	Following are non-rotational director	Alternate, nominee, small shareholder, additional, casual & independent.
152	DIR 2 & 12	<ul style="list-style-type: none"> - Consent to Act as Director: DIR 2 (Director to company) - Company shall file such consent to ROC within 30 days of Appointment (DIR 12)
153 to 159	DIN	<ul style="list-style-type: none"> - Max. 3 directors shall be proposed in Form NO. INC-32(SPICe) - CG shall allot DIN within 1 month of receipt of application - If CG finds any defect, Applicant to rectify and resubmit within 15 days - Every existing director to intimate (Form DIR 3B) DIN to the co.(s) wherein he is a director within 1 month of receipt - Intimation of DIN by co. to ROC: Within 15 days of receipt of intimation - Director intimate changes in DIN to co. within 15 days of such change <p>(Rule 12: DIR-3 Changes in particulars of DIR 3 → Intimate to CG within 30 days in DIR 6)</p>
160	Right of Persons other than Retiring Directors	<ul style="list-style-type: none"> - Person shall be eligible for appointment as a director if given a notice in writing before atleast 14 days of meeting at Registered office with duly signed. Deposit of Rs. 1,00,000 - Co. shall inform its members atleast 7 days before GM by serving individual notices - Refund of Deposit If person selected gets more than 25% of total valid cast <p>POINT TO NOTE:</p> <ul style="list-style-type: none"> - For NIDHI company deposit is 10K (not 1 lacs) - Sec 8 Co., BOD has discretion to refund (or may not), even if person has secured = <25% vote
163	Proportional Representation:	<ul style="list-style-type: none"> - Appointment of not less than 2/3rd of total dirs. of co - such appointments may be made once in 3 years
164	Disqualifications for Appointment of Director:	<ul style="list-style-type: none"> - convicted by court of an offence (involving moral turpitude or otherwise) + Sentenced to imprisonment for >=6 months and 5 years has not lapsed from expiry of the sentence - If imprisonment for >= 7 years, then not eligible for appointment. (forever disqualified) - convicted of offences dealing with RPT u/s 188 at any time during last preceding 5 years
164(2)		<p>Not be eligible to be re-appointed as director of that co. or appointed in any other co. for a period of 5 years,</p> <ul style="list-style-type: none"> - Not filed FS or Annual Returns for continuous period 3 FY. b. Failed to repay deposits + Interest (or) redeem debentures on due date + intt. (or) - pay declared dividend AND such failure continues for 1 year or more

165	Limit of directorship:	Max 20 companies at a time (max no. of public co. in which a person can be director shall not exceed 10.) <ul style="list-style-type: none">- For reckoning limit of 10 public cos., those Pvt. co. that are holding/subsdy of public co. shall be included.- For reckoning limit of 20 cos., directorship in dormant company shall NOT be included						
167	Vacation of Office of Director	<ul style="list-style-type: none">- absents himself from all the meetings of BOD held during 12 m with/without seeking leave of absence						
168	Resignation:	<ul style="list-style-type: none">- forward copy of resignation along with detailed reason therefor to the ROC within 30 days from the date of resignation in Form- Co. to intimate ROC in Form DIR 12 within 30 days- Resignation to be effective from (W.e. Later) :<ul style="list-style-type: none">• Date on which notice is received by co. or• date specified in notice (if any)						
169	Notice for removal of director	Notice shall be given atleast 14 days but not 3 month before general meeting & to be..given by - <ul style="list-style-type: none">(i) 1% of total voting power or(ii) Holding paid up share capital of 5,00,000						
171	Member's Right to Inspect	During Business hrs Members shall have right to extract copies & provided within 30 days free of cost.						
173	Meeting of Board:	<table><tr><td>General Rules:</td><td><ul style="list-style-type: none">- First BOD meeting :within 30 days of date of incorp.- Subsequent BOD meeting – Min. 4 meeting in each calendar year (as per SS-1); max gap between 2 meeting = 120 days [Sec 173(1)]</td></tr><tr><td>Section 8:</td><td>At least 1 meeting in every 6 calendar months</td></tr><tr><td>OPC (>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 NOT LESS THAN 90 days [Sec 173(5)]</td></tr></table> <ul style="list-style-type: none">- Draft minutes 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- Notice of BOD meeting: given in writing at least 7 days before the meeting- Video Conference: Dir. intending to participate via VC/AV means may intimate about such participation at the beginning of each calendar year. Such declaration shall be valid for 1 year.	General Rules:	<ul style="list-style-type: none">- First BOD meeting :within 30 days of date of incorp.- Subsequent BOD meeting – Min. 4 meeting in each calendar year (as per SS-1); max gap between 2 meeting = 120 days [Sec 173(1)]	Section 8:	At least 1 meeting in every 6 calendar months	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 NOT LESS THAN 90 days [Sec 173(5)]
General Rules:	<ul style="list-style-type: none">- First BOD meeting :within 30 days of date of incorp.- Subsequent BOD meeting – Min. 4 meeting in each calendar year (as per SS-1); max gap between 2 meeting = 120 days [Sec 173(1)]							
Section 8:	At least 1 meeting in every 6 calendar months							
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 NOT LESS THAN 90 days [Sec 173(5)]							
174	Quorum:	<ul style="list-style-type: none">- Quorum of BOD meeting shall be higher of –<ul style="list-style-type: none">(a) 1/3rd of total strength of directors or(b) 2 directors- U/s 8: Company: Quorum shall be lesser of <u>8 member</u> or <u>25% of its strength</u>- Where interested director > = 2/3rd of total strength of directors, quorum shall be higher of:<ul style="list-style-type: none">(a)No. of non-interested director present at such meeting(b) 2 directors						
175	Resolution can't be passed by circulation	1/3 of total no. of director demands circulation to be decided at meeting.						

177 + Rule 7	Vigil mechanism	(iv) Listed companies (v) Any company which accepts deposits from the public (vi) Any company which has borrowed money from banks and public financial institutions > 50 crore
178	Stakeholders relationship committee	Any company having > 1,000 shareholders, debenture-holders, deposit-holders and any other security holders.
177	Mandatory constitution of audit committee	Applicability: (i) Listed public companies (ii) Public companies having paid up capital \geq 10 crore (iii) Public companies having turnover \geq 100 crore (iv) Public companies having aggregate of outstanding loans, debentures and deposits > 50 crore Non-applicability: 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. Composition of audit committee (i) No. of directors \geq 3 (ii) Majority: Independent directors (iii) Majority: Ability to read and understand financial statement.
	Omnibus approval by AC for RPT:	transactions not > Rs. 1 crore per transaction. Validity of OA – Not > 1 FY. Require fresh approval each expiry of such FY
178 + Rule 6	Mandatory constitution of nomination and remuneration committee (NRC) 1000 Shareholders, debenture, Deposit holder	Applicability: (Same as Audit committee) (i) Listed public companies (ii) Public companies having paid up capital \geq 10 crore (iii) Public companies having turnover \geq 100 crore (iv) Public companies having aggregate of outstanding loans, debentures and deposits > 50 crore Non-applicability: 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. Composition of NRC (i) No. of non executive directors \geq 3 (ii) Majority: Independent directors (iii) Chairperson of co. can't chairperson of NRC.
	Vigil Mechanism	a. Listed co. b. Co. having deposits from public c. Co. having borrowed from bank and PFI s > Rs. 50 crores
181	Charitable funds:	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	Political Contributions:	any amount, Co. prohibited from PC – (a) Govt. co and (b) Co. in existence <3 FY		
184	Disclosure of interest by director	Director (individually or with other directors) holds > 2% of shareholding		
185	Loans to directors	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	Limit on amount of loan/investment	In excess of Higher of - 60% of (PUSC+FR+SP) - 100% of (FR+SP) If aggregate of loans & invst exceeds the limit, SR in GM require		
188	Ordinary Resoln shall be required where the RPT exceeds below specified limit	Sale/purchase/supply of goods/materials, directly or via agent	> = 10% of T/O	
		Selling/disposing/buying property of any kind, directly or via agent	> = 10% of NW	
		Leasing of property of any kind	> = 10% of T/O	
		Availing/rendering of any services, directly or via agent	> = 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	> = 10% of T/O	
		underwriting the subscription of any securities or derivatives of the company	> 1% of NW	
		Place of profit : Monthly Remuneration exceeds 2.5 Lakh		
196	No co. shall appoint/continue with a MD/WTD/Manager who is:	Below age of 21, or Attained age of 70* * 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 not be convicted by a court > sentenced for more than 6 m		
	After above appointment:	A return in Form MR-1 to be filed with RoC within 60 days of such appointment		
197	Total managerial remuneration :	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% of Net Profit	

		<div> <div>1. In case there is a MD/WTG/Manager</div> <div>2. In case there is no MD/WTG/Manager</div> </div> <div>3% of Net Profit</div>		
		receives rem. in excess of limit: refund such excess sums to co. within 2 years or lesser (SR require to waive off)		
		Sitting Fees to Directors shall not exceed Rs. 1Lakh/meeting		
Schedule V	NED and Independent Directors (Loss)		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
		250 cr. & above	120 lakhs + [0.01% * (EC - 250 cr.)]	24 lakhs + [0.01% * (EC - 250 cr.)]
202	Compensation for loss of office of MD/WTG/Manager:	(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.l Calculation: 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	Mandatory appointment of KMP	(iii) Listed companies (iv) Public companies having paid up share capital ≥ 10 crore.		
203(1) + Rule 8A	Mandatory appointment of whole-time CS	Every private company having a paid-up share capital ≥ 10 crore.		
203(1) second pro	Chairman may be appointed as MD/CEO	Public companies having paid up share capital ≥ 100 crore and turnover ≥ 1000 crore which are engaged in multiple businesses and have appointed CEO for each such business.		
204 + Rule 9	Mandatory secretarial audit	(i) Listed companies (ii) Public companies having paid up capital ≥ 50 crore (iii) Public companies having turnover ≥ 250 crore (iv) Every company having outstanding loans or from banks or public financial institutions ≥ 100 crore.		

➤ Inspection, Inquiry & Investigation

213	Investigation into company's affair on application by	Share capital company - lower of following can apply (i) 100 member , or (ii) 10% of voting power No share capital co. : 1/5 of total no. of member
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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:
 - Age < 16**
 - Woman
 - 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	Objection to compromise	(i) Holding 10% or more shareholding (ii) Having outstanding debt 5% or more of total outstanding debt.
233	Fast Track mode of Merger/ Amalgamation	Merger/ amalgamation between: <ol style="list-style-type: none"> 2 or more small Co.s a holding Co. & its WOS Co. (Its 100% of SC) 2 or more start-up Co.s or One/more start up Co. with one/more small Co <p>If ROC/Liquidator has no objections, communicate to CG within 30 days,</p> <p>Scheme is approved by majority representing 9/10th in value in a meeting convened by giving a notice of 21 days</p>
235	Shareholders Dissenting:	has been approved by shareholder* > = 9/10th of value within 4 months , co. may, within 2m after expiry of said 4m , Give NOTICE to dissenting SH that it desires to acquire his shares, Order of tribunal within 1 m from the date on which notice was given & be entitled to & bound to acquire those shares under scheme/ Contract Sum received, Disbursed to entitled SH within 60 days

		Application by Dissenting shareholders: Not made an order i.e., on expiry of 1 month Transferor Co. shall register the transferee Co. as holder of those shares & within 1m of date of regd. inform the dissenting Sh. holders & receipt of amount/
236	Purchase of minority shareholding	<ul style="list-style-type: none"> - An acquirer becoming holder of > = 90% of Issued ESC - Any person becoming 90% majority or holding > = 90% of Issued ESC - Amount to be disbursed to entitled SHs within 60 days - Provided that – Such disbursement shall continue for 1 year if: For some reason, disbursement had not been made within 60 days - minority shareholder is dead or ceases to exist, make offer for sale shall continue to be available for 3 years from date of minority acq. by majority - If prior to trf of Acq., sh.holders holding 75% or more minority of eq. sh. Negotiate to a higher price for trf, without disclosing: Pro rata
239	Preservation of Books and Papers of Amalgamated Companies:	shall not be disposed off w/o prior permission of CG

- 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

➤ Prevention of Oppression and Mismanagement

242	Power of Tribunals	Co. to file certified copy of NCLT order with RoC within 30 days of order
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 5 years except with the leave of Tribunal

Fraudulent preference	Tribunal can set aside any transaction made during fraudulent preference period.	<p>Sec 242 & 243: 3 months before the date of application made for oppression & mismanagement.</p> <p>Sec 328 winding up (preference to creditor): 6 months before the date of application made for winding up.</p> <p>Sec 329 (transfer of property not in good faith): 1 year before the date of application made for winding up.</p> <p>Sec 332 (Creating floating charge): 12 month immediately preceding commencement of winding up</p>
244	Right to apply u/s 241 (oppression)	<p>Share capital company - lower of following can apply</p> <ul style="list-style-type: none"> (i) 100 member, or (ii) 1/10 of total member, or (iii) holding 1/10 of total issued share capital (including preference) <p>No share capital co. : 1/5 of total no. of member (share must be fully paid up)</p>
245	Class action	<p>(a) Share capital company - lower of following can apply</p> <ul style="list-style-type: none"> (i) 100 member, or (ii) 5% of total member, or (iii) Holding 5% of total issued share capital (unlisted co.) (iv) Holding 2% of total issued share capital (listed co.) <p>(b) No share capital co. : 1/5 of total no. of member</p> <p>(c) Deposit holders of any company fulfilling -</p> <ul style="list-style-type: none"> (i) 100 deposit holders, or (ii) 5% of total deposit holders, or (iii) Holding 5% of total deposits

➤ Winding Up:

271	Circumstances in which Co. may be wound up by tribunal:	defaulted in filing with ROC its FS/Annual return for last 5 consecutive F.Ys
272	Petition for winding up	<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 & regd. In his name for atleast 6m during 18 m immediately before commencement of winding Up /have devolved</p> <p>Contributory can file application if he fulfil any of the following</p> <ul style="list-style-type: none"> (i) Held for 6 months or (ii) Originally allocated to him or Inherited the shares
273	Power of Tribunal to approve reject application:	within 90 days

274	filing statement of affairs	Within 30 days (+30 in special circumstance)	
275	Company liquidators & their Appointments	Provisional liquidator shall file a declaration within 7 days of appointment disclosing conflict of Interest/ Independence	
285	Settlement of list of Contributories	A person who has been a member (i.e., Ex-member) shall not be liable to contribute: <ul style="list-style-type: none"> - If ceases to be a member for > = 1 year preceding WUP - In respect of debts + liabilities contracted after he ceased to be a member 	
287	Advisory Committee	Constitution < = 12 members : Contributories/creditors/other person as NCLT made a direct Conduct of meeting within 30 days from date of order of Winding u	
326	Overriding preferential payments	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	Preferential payments	Sequence of Payment as per Winding up	Sequence of Payment as per IBC
		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"> - CG/SG dues (12m) - Salary (due <4m in last 12m) - Accrued holiday rem. - Contributions under ESI (12m) - Compensation for death/disablement - PF/GF/Other fund to EE - Investigation expense u/s 213,216 	3. Salary to EE other than workmen(12m)
		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:	within 1 year 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. created within 12m immediately preceding , charge together with interest on that amount at the rate of 5% p.a.	
352	Company Liquidation Dividend & Undistributed Assets A/c:	dividends payable to any creditor but which had remained unpaid for 6 months after the date on which they were declared/ assets refundable	

356	Power of Tribunal to declare dissolution of company void:	Time within 2 years of the date of the dissolution
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➤ 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:
 - 1 or more citizen of India
 - 1 or more cos. or BC incorporated in India
 - 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
Fine	Rs. 1 lakh to Rs. 3 lakhs	Rs. 25,000 to Rs. 5 lakhs
Additional Fine	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 \geq Rs. **20 lakhs**
 - c) Unencumbered term deposit of \geq **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
- **Branches:**
 - Nidhi company may open branches if it has earned PAT (Profit) → continuously during 3 preceding yr
 - If NIDHI propose to open more than 3 branches → Obtain RD permission & intimate ROC about every branch opening within 30 days of opening

- **Loan:**

When Total amount of deposit from all its member :	Loan to each Member:
< Rs. 2 crore	Rs 2 lacs
Rs. 2 crores - 20 Crores	Rs 7.5 lacs
Rs. 20 crores – 50 crores	Rs 12 lacs
> 50 crores	Rs 15 lacs

Loan can be given to member Against:

Gold, Silver, Jewelry →	Repayment period can't exceed 1 yr
Immovable property →	<ul style="list-style-type: none"> - Repayment ≤ 7 yrs - Loan ≤ 50% of value of such IP - Total loan against IP ≤ 50% of overall O/S loan as on date of BOD approval

- Any Contravention: NIDHI Co. & OID : Fine Up to Rs. 5000 & Further Fine of Rs 500 per day

➤ **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 45 days + 45 days (if sufficient cause) from the date on which order of tribunal made available. Exception: Sec 218 (protection to employee, appeal can be filed within 30 days & 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,

- Where magistrate is a Judicial Magistrate, for a period **not exceeding 15 days**.
- 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:**

- BM along with GM can be hold on last date (September 30) for approval of accounts.
 - Application for change in FY can be made by **holding, subsidiary & associates**.
 - Joint ventures are covered under definition of associates
 - Effective capital **not include** revaluation reserve & share application money for calculating remuneration limit under **section 198**.
 - Effective capital on **last date of previous FY (March 31)** is considered for every case
- (Section 180)**
- **Private co.** can provide further disqualification u/s 164 but **public co.** can't.
 - Interested director of **private co.** can vote in both GM & BM.
 - Interested director of **public co.** can vote in both GM & BM. (if transaction not covered under sec 188 than he can vote)
 - Petition of winding up shall be submitted with registrar & tribunal. Registrar submit this view to tribunal within **60 days** & tribunal gave his decision within **90 days** of application.
 - claim submitted by creditor can be altered within **14 days**.
 - MD can sign FS without any approval.
 - Startup ECB automatic route MAMP = **3 year**
Maximum no. of director = 15 (**not applicable to govt. co.**)

➤ **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
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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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 order of tribunal	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		

Other Penalties of Companies Act:

Section	Nature of contravention	Person responsible	Penalty	Per day if recurring	Max penalty
		Company	25k	100	1 Lac

157(2)	DIN not intimated by company to registrar within 15 days (Sec 156)	OID	Min 25k	100	1 Lac
159	Appointment of D (152) More than 1 DIN (155) & Intimation of DIN (156)	Director	Max 50k	500	
165(6)	No. of directorships (165)	Director		2k	2 Lac
166(7)	Duties of Director not fulfilled (166)	Director	1 Lac - 5 Lac		
167(2)	Person functions as Director even after office vacated	Director	1 Lac - 5 Lac		
172	Sec 149 - 172 (If default under any provision for which no penalty is prescribed)	Company	50k	500	3 Lac
		OID	50k	500	1 Lac
173(4)	Failure to give notice to board meeting	OID	25k		
178(8)	Audit committee (177) SRC NRC -178	Company	5 Lac		
		OID	1 Lac		
182(4)	Political contribution (182)	Company	Max 5 times amount		
		OID	Max 5 times amount		
184(4)	Failure to disclose interest by D	Director	1 Lac		
185(4)	Loans to D (185)	Company	5 Lac - 25 Lac		
		OID	5 Lac - 25 Lac		
186(13)	Loan & Investment by company	Company	25k - 5 Lac		
		OID	25k - 1 Lac		
187(4)	Investments to be held in own name	Company	5 Lac		
		OID	50k		
188(5)	Related party transaction (188)	Any person	Listed co - 25 Lac Other co - 5 Lac		
189(6)	Register of contract - D are interested (189)	Director	25k		
190(3)	Contract of employment with MD / WTD (190)	Company	25k		
		OID	5k		
191(5)	Payment of D for loss of office (191)	Director	1 Lac		
197(15)	Max remuneration in case of absence of profit (197)	Company	5 Lac		
		Any person	1 Lac		
203(5)	Appointment of KMP (203)	Company	5 Lac		
		Director	50k	1k	5 Lac
		KMP	50k	1k	5 Lac
204(4)	Secretarial audit for bigger companies (204)	Company	2 Lac		
		OID	2 Lac		
206(7)	Power to call for info, inspect books	Company	1 Lac	500	
		OID	1 Lac	500	
207(4)	Conduct inspection and inquiry (207)	Director	25k - 1 Lac		
217(6)	Disobeying directions of registrar	Director	25k - 1 Lac		
217(8)	Not producing books, info etc	Any person	25k - 1 Lac	2k	
221(2)	Freezing of assets of company on inquiry and investigation(221)	Company	1 Lac - 2 Lac		
		OID	50k - 5 Lac		
222(2)	Imposition of restriction upon securities (222)	Company	1 Lac - 25 Lac		
		OID	25k - 5 Lac		
232(8)	Failure to file certified copy of tribunal order with registrar	Company	20k	1k	3 Lac
		OID	20k	1k	3 Lac
238(3)	Issue circular before registering with registrar	Director	1 Lac		
242(8)	Alteration of MOA inconsistent with alteration by tribunal	Company	1 Lac - 25 Lac		
		OID	25k - 1 Lac		
243(2)	Termination / Modification of agreements 243(1)(a) / (b)	Director	5 Lac		
		Company	5 Lac - 25 Lac		

245(7)	Failure to comply with order passed by tribunal	OID	25k - 1 Lac		
247(3)	Registered valuer (247)	RV	Max 50k		
		RV (Intention fraud)	1 Lac - 5 Lac		
249(2)	Making an application when not eligible	Company	Max 1 Lac		
347	Disposal of papers and books of company (347)	Any person	Max 50k		
392	Sec 379 - 393A	Foreign Co	1 Lac - 3 Lac	50k	

Matters requiring Ordinary Resolution

Section	
150(2)	Approval of appointment of independent director by the members in the GM.
151	Appointment of Small Shareholders' Director by small shareholders by a listed company
152(2)	Appointment of every director shall be made in GM, unless otherwise expressly provided in the Act.
152(6)(a)	To appoint the rotational directors, not being less than 2/3rd of total number of directors (Applicable to a public company only).
152(6)(b)	To appoint the non-rotational directors in default of, and subject to any regulations in the articles of a public company.
152(6)	To reappoint the retiring director at the AGM.
160	To appoint as a director a person who is not a retiring director.
161(2)	To authorise the Board of directors to appoint the alternate directors (Alternatively, the articles may contain a provision authorising the Board to appoint alternate directors).
169(1)	To remove a director before the expiry of his term of office (This resolution may be passed only if the special notice of the intended removal was given to the company).
169(5)	To appoint a director, (in place of a director removed before the expiry of his term of office) at the meeting at which a director is removed (This resolution may be passed only if the special notice of the intended appointment was given to the company).
181	Authorising the Board to contribute to bonafide charitable and other funds exceeding 5% of average net profits of preceding 3 financial years.
183	To authorise any person to contribute to National Defence Fund or any other fund approved by the Central Government for the purpose of National Defence (Alternative, this power may be exercised by the Board, whether by passing a resolution in Board meeting or by passing resolution by circulation or by delegating this power to any person).
188 + Rule 15	Approval for entering into related party transactions exceeding the prescribed limits.
191	Payment of compensation to a director for loss of office in connection with transfer of undertaking, property or shares
192	Entering into any arrangement involving non-cash consideration
196(4)	Approval of appointment, remuneration and other terms and conditions of managing director or whole time director or manager.
First proviso to Sec. 197(1)	To authorise the payment of remuneration exceeding 11% of net profits of the company to the directors and manager (subject to Schedule V).
197(4)	To approve the remuneration payable to the directors or manager (Alternatively, the articles may contain a provision authorising such payment of remuneration).

Matters requiring Special Resolution

Section	
149(1)	Appointment of directors exceeding 15.
149(10)	Reappointment of independent director on completion of his term of office.
165(2)	Members may specify any number of companies (less than 20) in which a director of the company may act as directors.
180(1)(a)	To give consent to the Board of directors to sell, lease or otherwise dispose of the whole, or substantially the whole of one or more undertakings of the company (This resolution is to be passed by postal ballot if the provisions of section 110 are applicable to the company).

180(1)(b)	To invest the compensation received by the company as a result of any merger or amalgamation (except in case of investment of compensation in trust securities).
180(1)(c)	To give consent to the Board of directors to borrow moneys exceeding the aggregate of the paid-up capital free reserves and securities premium account.
180(1)(d)	To give consent to the Board of directors to remit or extend time for repayment of any debt due by a director.
185	To advance any loan to, or give any guarantee or provide any security in connection with any loan taken by, any person in whom any of the director of the company is interested.
185	To approve a scheme providing for giving of loans by the company to its managing director or whole time director
186(3)	Power to make loan, investment, guarantee or security exceeding the limit given u/s 186 (2) (The special resolution is to be passed by postal ballot if the provisions of section 110 are applicable to the company).
Second proviso to Sec. 197	Payment of remuneration to a whole time director or a managing director or the manager exceeding — (a) 5% of net profits, if there is only one of them; or (b) 10% of net profits, if there is more than one whole time director, managing director or manager, taken together.
Second proviso to Sec. 197	Payment of remuneration to a director who is neither a whole time director nor a managing director exceeding— (a) 1% of net profits, if the company has employed a managing director or whole time director or manager; or (b) 3% of net profits, if the company has not employed any managing director, whole time director and manager.
196(3)	To appoint a person as managing director or whole time director or manager who has attained the age of 70 years.
197(4)	To approve the remuneration payable to managing director or whole time director, or manager, if the articles require such approval by a special resolution (Alternatively, the articles may contain a provision authorising such payment of remuneration).
197(10)	Waiver of recovery of any excess remuneration drawn or received by a director (The special resolution is to be passed within 2 years from the date the excess remuneration becomes refundable).
210(1)	To resolve that investigation into the affairs of the company be conducted (On receipt of intimation of special resolution, the Central Government may order investigation).
212	To resolve that investigation into the affairs of the company be conducted (On receipt of intimation of special resolution, the Central Government may order investigation by the Serious Fraud Investigation Office).
455	Application to the Registrar for obtaining the status of a dormant company.

Matter requiring approval of members — No vote cast against the resolution

Section	
162	Appointment of 2 or more directors by a single resolution can be made only if a resolution that the appointments shall be so made, is first passed without any vote being cast against it.

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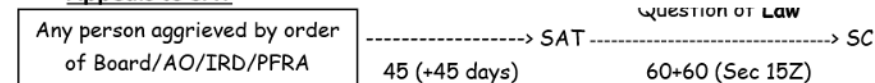
- SEBI Board **consists of:**
 - :: A Chairperson (nominated by CG*)
 - :: 2 members Officers of Ministry
 - :: 1 member from RBI
 - :: 5 members (atleast 3 Whole time) Nominated by CG
- **Terms of Office and other Conditions (Sec 5)**
 - (1) **Term of Office for Chairman & Whole-time members**
 - 5 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 agreement with his client , fails to enter into such agreement	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore.
15C	If any listed company or any person who is registered u/s 12, after having been called upon by the Board, to redress the grievances of investors , fails to redress such grievances within the time specified by the Board, such company or intermediary	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore.

15D	<p>If any person, who is:</p> <ol style="list-style-type: none"> 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 obtaining such CoR registered as a CIS u/s 12 but fails to <ul style="list-style-type: none"> comply with the T&C of CoR to make an application for listing of its schemes as provided for in the regulations governing such listing dispatch unit certificates of any scheme in the manner provided in the regulation governing such dispatch refund the application monies paid by the investors within the period specified in the regulations Invest money collected by such CIS as per regulations 	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore
15E	If AMC or MF company fail to comply restriction of AMC	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore
15EA	<p>If any person fails to comply regulation wrt:</p> <ul style="list-style-type: none"> - Alternate investment fund (AIF) - Infrastructure investment fund - Real estate investment trust <p>Or direction issued by board</p>	<p>Rs. 1 lakh + Rs. 1 lakh / day, Upto Higher of:</p> <ul style="list-style-type: none"> - 1 Crore - 3X of gain made due to such non-compliance
15EB	If investment advisor / research analyst fails to comply with regulation / direction issued by Board	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 contract notes in the form and manner specified by the stock exchange of which such broker is a member	Rs. 1 lakh up to Rs. 1 Crore
15F	fails to deliver any security or fails to make payment of the amount due to the investor as per the regulations	Rs. 1 lakh + Rs. 1 lakh / day up to Rs. 1 Crore
15F	charges an amount of brokerage 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	<p>If any insider who:</p> <ol style="list-style-type: none"> either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price-sensitive information; or communicates any unpublished price-sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or counsels, or procures for any other person 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	<p>If any person, who is required under this Act/rules/regulations, fails to:</p> <ol style="list-style-type: none"> disclose the aggregate of his shareholding in the body corporate before he acquires any shares of that body corporate; or make a public announcement to acquire shares at a minimum price; or make a public offer by sending letter of offer to the shareholders of the concerned company; or 	Rs. 10 lakhs up to (Higher of Rs. 25 Crores or 3X amount of profit made)

	d. make payment of consideration to the shareholders who sold their shares pursuant to letter of offer	
15HA	If any person indulges in fraudulent and unfair trade practices relating to securities	Rs. 5 lakhs up to (Higher of Rs. 25 Crores or 3X amount of profit made)

- **Appeals to SAT**



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)

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➤ **SEBI LODR:**

❖ **AUDIT COMMITTEE UNDER LODR REGULATIONS**

Composition:	No. of Directors:	Minimum 3 Directors
	Independent (ID):	Atleast 2/3rd of the members of audit committee
	O/s Superior Rights (SR)	in case of a listed entity having outstanding SR (Superior Rights) equity shares, the audit committee shall only comprise of independent directors .
	Literacy:	<ul style="list-style-type: none"> • All members of Audit Committee shall be financially literate and • At least one member shall have accounting or related financial management expertise (Also refer Note 1 & 2 Below)
	Chairperson:	<ul style="list-style-type: none"> • Shall be an independent director and • he/she shall be present at AGM to Answer shareholder queries
	Secretary:	Company Secretary shall act as the secretary to the committee
	At Discretion invite:	The Audit Committee at its discretion shall invite the: <ul style="list-style-type: none"> • Finance director or the head of the finance function, • head of internal audit and a • Representative of the statutory auditor and • Any other such executives to be present at the meetings of the committee, • However, the Audit Committee may meet without the presence of any executives of the listed entity
Meeting:	No. of meet:	<ul style="list-style-type: none"> • Shall meet at least 4 times in a year & • Not more than 120 days shall lapse between two meetings
	Quorum:	Greater of following: <ul style="list-style-type: none"> • 2 members or • 1/3rd of the <u>members of the Audit Committee</u>,

	But there should be a minimum of 2 ID present
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❖ AUDIT COMMITTEE UNDER SECTION 177 of COMPANIES ACT:

Applicability:	<ul style="list-style-type: none"> Every listed public company All Public Companies Having: <ul style="list-style-type: none"> ✓ Paid-up capital ≥ 10 crore rupees or more ✓ Aggregate, outstanding loans, debentures and deposits, > 50 crore rupees ✓ Turnover ≥ 100 crore rupees or more <p>However, following class of unlisted public companies shall not be covered:</p> <ol style="list-style-type: none"> 1) a joint venture; 2) wholly owned subsidiary; and 3) a dormant company as covered u/s 455. 	
Composition:	No. of Directors:	Minimum 3 directors
	Independent (ID):	Majority
	Literacy:	Majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.

Comply w.r.t. limited review / audit report:	Case:	Then Auditor Shall Before such resignation,
	If the auditor resigns within 45 days from the end of a quarter of FY:	Issue the limited review/ audit report for such quarter
	If the auditor resigns after 45 days from the end of a quarter of a FY:	Issue the limited review/audit report for such quarter as well as the next quarter
	if the auditor has signed the limited review/ audit report for the first 3 quarters of a FY:	Issue the limited review/ audit report for the last quarter of such FY as well as the audit report for such FY

VERIFICATION REGARDING COMPOSITION OF BOARD:

Composition:	<ul style="list-style-type: none"> Comprises an optimum combination of executive and non-executive directors Non-Executive Director (NED): ≥ 50% of BOD Woman Director: at least 1 woman director top 1000 listed entities shall have at least 1 independent woman director 	
NED:	<ul style="list-style-type: none"> Shall not appoint a NED who has attained the age of 75 years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice. 	
No. of Directorship:	<p>Directors of listed entities shall comply with the following conditions w.r.t maximum number of directorships including any alternate directorships:</p> <ul style="list-style-type: none"> Not be a director in more than 7 listed entities Notwithstanding the above, any person who is serving as a whole time director / managing director in any listed entity shall serve as an independent director in not more than 3 listed entities (whose EQUITY are listed) 	
Independent Directors:	Where chairperson is NED:	at least 1/3 rd of the Board should comprise of ID
	Other than NED Chairman:	at least 1/2 nd of the Board of Directors should comprise ID

	if the regular NED Chairperson is a promoter <u>or</u> is related to promoter <u>or</u> person occupying management positions at the Board level <u>or</u> at one level below the Board:	at least 1/2 nd of the Board of Directors should comprise ID
	outstanding SR equity shares:	at least 1/2 nd of the Board of Directors should comprise ID
In case above computation results directors in Fraction, then do Upper Round off		
No. of director:	Board of directors of the top 2000 listed entities: shall comprise of ≥ 6 directors	
Chairperson:	<u>(This point is DELETED - There is not special eligibility now)</u>	
Appointment of BOD: SH Approval	The listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors [or as a manager] is taken at: <ul style="list-style-type: none">• Next general meeting or,• within 3 months from the date of appointment, <u>whichever is Earlier.</u>	
ID- NED:	<ul style="list-style-type: none">• An independent non-executive director, apart from receiving remuneration, should not have had/ should not have any material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the 3 immediately preceding FY or the current FY.• Also, such independent director, either by himself or with any of his relatives should not be a material supplier, service provider or customer or a lessor or lessee of the listed entity, and• Should not also be a substantial shareholder of the listed entity. In determining 'not a substantial shareholder', he (<u>together with his relatives</u>) should not own 2% or more of total voting power of the listed entity.	
The top 500, 1000 & 2000 entities shall be determined on the basis of market capitalisation , as at the end of the immediate previous financial year.		

➤ **OBLIGATIONS w.r.t EMPLOYEES including SENIOR MANAGERIAL PERSONS, MANAGEMENT, DIRECTORS KEY & PROMOTERS:**

Meeting:	1) Board shall meet at least 4 times a year, maximum time gap of 120 days between any 2 meetings. The quorum for every meeting of the BOD of the top 2,000 listed entities shall be 1/3rd of its total strength or 3 directors , whichever is higher, including at least one independent director. The participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of such quorum. The top 2,000 entities shall be determined on the basis of market capitalisation, as at the end of the immediate previous financial year.
ID:	2) The independent directors of the listed entity shall hold at least 1 meeting in a FY , <u>without the presence of non-independent directors and members</u> & all the independent directors shall be present at such meeting 3) An independent director who resigns or is removed from the BOD of the listed entity shall be replaced by a new ID at the earliest but not later than 3 months from the date of such vacancy. 4) An ID shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his/her knowledge or not acted diligently

Committees:	5) <ul style="list-style-type: none"> A director shall not be a member in more than 10 committees, or A director shall not act as Chairperson in more than 5 committees ➤ For purpose of above limit, Only PUBLIC COMPANY shall be consider (whether Listed or not), and all other companies shall be excluded i.e., Pvt, foreign co., high value debt listed entities ➤ Committee here means only audit committee & the Stakeholders' Relationship Committee
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➤ **MEETING OF BOD (Sec 173 of Co.Act):**

1st Meeting :	Shall hold meeting of BOD within 30 days of date of incorporation
Subsequent:	<ul style="list-style-type: none"> Minimum 4 meetings Not more than 120 days gap between 2 consecutive meeting
Sec 8 Co. :	Shall hold at least 1 meeting within every 6 calendar months .

➤ **Nomination & Remuneration committee [Regulation 19]**

Constitution:	<ul style="list-style-type: none"> Board of Directors of every listed public company shall constitute the Nomination and Remuneration Committee Comprise of at least 3 directors, all shall be NED and Independent Director: <table border="1"> <tr> <td>Normal or SR Listed:</td><td>At least 2/3rd of the committee</td></tr> <tr> <td>Chairperson:</td><td>Chairperson of listed entity can become member of NRC, but can-not become chairman of NRC</td></tr> <tr> <td>Quorum:</td><td>either 2 members or 1/3rd of the members of the committee, <i>whichever is greater</i>, including at least one independent director in attendance.</td></tr> <tr> <td>Meet:</td><td>The NRC shall meet at least once in a year.</td></tr> </table> 	Normal or SR Listed:	At least 2/3rd of the committee	Chairperson:	Chairperson of listed entity can become member of NRC , but can-not become chairman of NRC	Quorum:	either 2 members or 1/3rd of the members of the committee, <i>whichever is greater</i> , including at least one independent director in attendance.	Meet:	The NRC shall meet at least once in a year.
Normal or SR Listed:	At least 2/3rd of the committee								
Chairperson:	Chairperson of listed entity can become member of NRC , but can-not become chairman of NRC								
Quorum:	either 2 members or 1/3rd of the members of the committee, <i>whichever is greater</i> , including at least one independent director in attendance.								
Meet:	The NRC shall meet at least once in a year.								

➤ **Stakeholder Relationship committee [Regulation 20]**

Meaning & Constitution:	<ul style="list-style-type: none"> Look into various aspects of interest of shareholders, debenture holders and other security holders Chairperson: NED Atleast 3 directors Independent Director: <table border="1"> <tr> <td>Generally:</td><td>At least 1 ID</td></tr> <tr> <td>In case of listed entity having outstanding SR equity shares</td><td>2/3rd of the committee</td></tr> <tr> <td>Meeting:</td><td>shall meet at least once in a year.</td></tr> </table> 	Generally:	At least 1 ID	In case of listed entity having outstanding SR equity shares	2/3rd of the committee	Meeting:	shall meet at least once in a year.
Generally:	At least 1 ID						
In case of listed entity having outstanding SR equity shares	2/3rd of the committee						
Meeting:	shall meet at least once in a year.						

Risk Management committee - RMC

➤ **Applicable:**

- On **top 1000 listed entities**, determined on the basis of market capitalisation, as at the end of the immediate previous financial year &
- High Value Debt listed company**

- The BOD shall constitute a Risk Management Committee, Constitution are as follows:
- RMC shall have **minimum 3 members** with
 - **majority** of them being **members of the BOD**,
 - including **at least 1 independent director** and
 - **in case of a listed entity having outstanding SR equity shares, at least 2/3rd** of the RMC shall comprise independent directors.
- Chairperson: shall be a **member of the BOD** and senior executives of the listed entity may be members of the committee
- Meeting:
- shall meet **at least twice** in a year
 - not more than **180 days** shall elapse between any 2 consecutive meetings.
- Quorum: Higher of below
- either **2 members** or
 - **1/3rd** of the members of the committee
- Including **at least one member of the board** of directors in attendance.

Information to Shareholders [Regulation 36]

Time Period:	shall send annual report not less than 21 days before the annual general meeting
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Comparison of Audit Committee as per LODR vs Sec 177 of Companies Act, 2013

Particulars	As per LODR	As per Sec 177 of the Companies Act, 2013
Applicable to	All listed companies	<ul style="list-style-type: none"> • All Listed Companies • Unlisted Public Co. with: • Paid up share capital ≥ 10 cr or • Outstanding loans, borrowings or debentures > 50 crore or • Turnover ≥ 100 crore *Limit once applicable to apply for 3 consecutive years
Min. no. of directors	3	3
Min. Independent directors	2/3 rd	Majority
Financial Literacy	All	Majority including chairperson
Chairperson	Chairperson shall be ID and has to be present at the AGM	To be financially literate
Secretary	CS of co. to be the secretary	No such provisions
Meetings	At least 4 times in a year with a maximum gap of 120 days	No such provisions

Quorum	2 or 1/3 rd , whichever is higher with minimum 2 ID to be present	No such provisions
Additional requirements	The committee may invite finance executives to the meeting.	No such provision

Summary of all the committees

	Audit Committee	Nomination and Remuneration Committee	Stakeholder Committee	Risk Management Committee (Applicable to Top 500 cos.)
Number of members	Minimum 3	At least 3, All NED (Non-executive Director)	Min. 3 directors	majority of members
Number of ID	2/3 rd	At least 50%	At least 1	At least 2/3 rd
Chairperson	ID	ID	NED	Has to be member of BOD
Meeting	At least 4 Max gap 120 days	At least once in a year	At least once in a year	At least once in a year
Quorum	Higher of 1/3 rd or 2 members At least 2 ID mandatory	Higher of 1/3 rd or 2 members At least 1 ID mandatory	Not mentioned in Regulation	Not mentioned in Regulation
Additional Points	All Members – Financial Literate At least 1 member – Financial Mgt. expertise	Chairperson of co. may be appointed as member but not chair NRC	This committee looks into complaints of the investors	Senior Executives (Non-director) may be a member

Summary of above quarterly compliances:

Within __ days from the end of each the quarter	Statement / Reports to be filed with RSE by Listed Entity
21 days	Report on Corporate Governance in format specified by BOD
21 days	Statement showing number of investor complaint : 1. Pending at the beginning of the quarter 2. Received during the quarter. 3. Disposed of during the quarter. 4. Remaining unresolved during the quarter
21 days	Statement showing holding of securities and shareholding pattern separately for each class of securities. (Also, to be disclosed one day prior to listing and within 10 days of any capital restructuring scheme of the listed entity resulting in change >2% of the total PUSC)
45 days (other than last quarter)	Quarterly and YTD standalone financial statement
For such period till which the issues proceeds are fully utilized or purpose achieved	Quarterly statement for public issue, right issues, preferential issues , etc. a. indicating deviations in the use of proceeds from the objects stated in offer documents or ES to the notice of GM b. indicating variations (category wise such as Capex, Sales and Marketing, working capital, etc.) between projected utilization of fund made in OD / ES to notice of GM vs actual utilization of fund

Summary of above annual compliances:

Time Limit	Compliance with Stock Exchange
Within 60 days from end of FY	Entity to submitted AUDITED standalone financial results for the FY along with audit report and Statement on Impact of Audit Qualifications (applicable only for audit report with modified opinion)
Not later than the day of commencement of its dispatch to shareholder	Submit to stock exchange + Publish on website – A copy of annual report sent to shareholders along with notice for AGM
Within 48 hours of AGM	In the event of any changes to Annual Report , revised copy along with detailed explanation for such changes

Summary of above prior intimations to RSEs:

Intimation to RSE at least ___ days before meeting (excluding date of intimation & date of meeting)	Where the following proposal is due to be covered in the BOD meeting:
2 working days	<ul style="list-style-type: none"> • Proposal for buyback of securities • Proposal for voluntary delisting • Fund raising by way of FPO, ADR, GDR, Convertible Bonds, Debt issue, preferential issues, etc. • Declaration / Recommendation to declare dividend • Issuance of convertible securities incl. convertible debentures. • Declaration of bonus securities where such proposal is communicated to the board of directors of the listed entity as part of the agenda papers;
5 days	Financial Results
7 working days prior to record date	Notice of Record date and the purpose of record date
11 working days	<ul style="list-style-type: none"> • Alteration in form of securities or rights of the holder thereof • Alteration in date on which the interest or redeemable amount of debenture will be payable

➤ SEBI OTHERS:**Eligibility requirements for an initial public offer (Regulation 6)**

- (a) it has **net tangible assets of at least three crore rupees**, calculated on a restated and consolidated basis, in each of the preceding three full years (of twelve months each), of which not more than fifty per cent are held in monetary assets:

Provided that if more than fifty per cent of the net tangible assets are held in monetary assets, the issuer has utilised or made firm commitments to utilise such excess monetary assets in its business or project:

Provided further that the limit of fifty per cent on monetary assets shall not be applicable in case the initial public offer is made entirely through an offer for sale;

- (b) it has an **average operating profit of at least fifteen crore rupees**, calculated on a restated and consolidated basis, during the preceding three years (of twelve months each), with operating profit in each of these preceding three years;
- (c) it has a **net worth of at least one crore rupees** in each of the preceding three full years (of twelve months each), calculated on a restated and consolidated basis
- (d) if it has **changed its name** within the last one year, **at least fifty per cent of the revenue**, calculated on a restated and consolidated basis, for the preceding one full year has been earned by it from the activity indicated by its new name.
-

SR Equity Shares

If an issuer has issued ²SR equity shares to its promoters/founders, the said issuer shall be allowed to do an initial public offer of only ordinary shares for listing on the Main Board subject to compliance with the provisions of this Chapter and these clauses—

- (i) the issuer shall be intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value addition;
- (ii) the net worth of the SR shareholder, as determined by a Registered Valuer, shall **not be more than rupees one thousand crore**.
-

- (vi) the SR equity shares shall have **voting rights** in the ratio of a minimum of 2:1 upto a maximum of 10:1 compared to ordinary shares and such ratio shall be in whole numbers only;
-

ISSUE OF WARRANT

- (c) the **price or formula for determination of exercise price of the warrants shall be determined** upfront and disclosed in the offer document and at least twenty-five per cent. of the consideration amount based on the exercise price shall also be received upfront;

Provided that in case the exercise price of warrants is based on a formula, twenty-five per cent. consideration amount based on the cap price of the price band determined for the linked equity shares or convertible securities shall be received upfront.

- (d) in case the **warrant holder does not exercise the option** to take equity shares against any of the warrants held by the warrant holder, **within three months** from the date of payment of consideration, such consideration made in respect of such warrants shall be forfeited by the issuer.
-

PROMOTERS CONTRIBUTION

Minimum promoters' contribution (Regulation 14)

The promoters of the issuer shall hold at least **twenty per cent of the post-issue capital**:

Provided that in case the post-issue shareholding of the promoters is less than twenty per cent, **alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies** registered with Insurance Regulatory and Development Authority of India, **may contribute to meet the**

LOCK IN:

1. Lock-in of specified securities held by the promoters (Regulation 16)

- (1) **Specified securities are not transferable:** The specified securities held by the promoters shall not be transferable (hereinafter referred to as "lock-in") for the periods as stipulated hereunder:
- (a) minimum promoters' contribution including contribution made by alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India referred to in proviso to sub-regulation (1) of regulation 14- shall be locked-in for a period of **eighteen months from the date of allotment** in the initial public offer:
-

2. Lock-in of specified securities held by persons other than the promoters (Regulation 17)

The **entire pre-issue capital** held by persons other than the promoters **shall be locked-in for a period of six months** from the date of allotment in the initial public offer.

ISSUANCE CONDITION:

Opening of the issue (Regulation 44)

- (1) **Time period for opening of public issue:** Subject to the compliance with the provisions of the Companies Act, 2013, a public issue may be opened **within twelve months** from the date of issuance of the observations by the Board under regulation 25;
-

Minimum subscription (Regulation 45)

- (1) The **minimum subscription** to be received in the issue shall be at least **ninety per cent of the offer** through the offer document, except in case of an offer for sale of specified securities:

Provided that the minimum subscription to be received shall be subject to the allotment of minimum number of specified securities, as prescribed under the Securities Contracts (Regulation) Rules, 1957.

Period of subscription (Regulation 46)

- (1) An **initial public offer** shall be kept open for at least **three working days** and not more than **ten working days**.
- (2) In case of a **revision in the price band**: The issuer shall extend the bidding (issue) period disclosed in the red herring prospectus, for a **minimum period of three working days**, subject to the provisions of sub-regulation (1).
-

The stabilisation process shall be available for a period not exceeding 30 days from the date on which trading permission is given by the stock exchanges in respect of the specified securities allotted in the public issue

FPO:**3. Eligibility requirements for further public offer (Regulation 103)**

- (1) **When an issuer shall be eligible?** An issuer shall be eligible to make a further public offer, **if it has not changed its name in the last one year** period immediately preceding the date of filing the relevant offer document:
-

- (2) The **amount for general corporate purposes**, as mentioned in objects of the issue in the draft offer document and the offer document, **shall not exceed twenty five per cent of the amount** being raised by the issuer.

Explanation—For the purposes of this regulation, "project" means the object for which monies are proposed to be raised to cover the objects of the issue.

5. Additional conditions for an offer for sale (Regulation 105)

Only such fully paid-up equity shares may be offered for sale to public **which have been held by the selling shareholder(s) for a period of at least one year** prior to the filing of the draft offer document:

ISSUE OF CONVERTIBLE DEBT INSTRUMENTS AND WARRANTS

1. Eligibility of issuer to make FPO of convertible debt instruments

An issuer shall be eligible to make a further public offer of convertible debt instruments **if its equity shares are already listed;**

Provided that it is **not in default in payment of interest or repayment of principal amount** in respect of debt instruments issued by it to the public, if any, **for a period of more than six months.**

4. Conversion of optionally convertible debt instruments into equity share capital (Regulation 109)

Where the **value of the convertible portion** of any listed convertible debt instruments issued by an issuer **exceeds ten crore rupees** and the issuer has not determined the conversion price of such convertible debt instruments at the time of making the issue, **the holders of such convertible debt instruments shall be given the option of not converting the convertible portion into equity shares:**

2. Minimum promoters' contribution (Regulation 113)

(1) The promoters shall contribute in the public issue as follows:

- a) either to the extent of **twenty per cent. of the proposed issue size or to the extent of twenty per cent. of the post-issue capital;**
-

(2) **In case of a public issue or composite issue of convertible securities**, the minimum promoters' contribution shall be as follows:

- a) the promoters shall contribute **twenty per cent.** as stipulated in clause (a) or (b) of sub regulation (1), as the case may be, either by way of equity shares or by way of subscription to the convertible securities:
-

6. Securities ineligible for minimum promoters' contribution (Regulation 114)

(1) For the computation of minimum promoters' contribution, the **following specified securities shall not be eligible:**

- (a) **specified securities acquired during the preceding three years**, if these are:
 - i) acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction; or
 - ii) resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum promoters' contribution;
-

- (b) **promoters' holding in excess of minimum promoters' contribution shall be locked-in for a period of six months:**

Provided that in case the majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure, then the lock-in period shall be one year from the date of allotment in the initial public offer.

- (3A) In an issue made through book building process, the allocation in the non-institutional investors' category shall be as follows:

- (a) **one third** of the portion available to non-institutional investors shall be reserved for applicants **with application size of more than two lakh rupees and up to ten lakh rupees;**
- (b) **two third** of the portion available to non-institutional investors shall be reserved for applicants **with application size of more than ten lakh rupees :**

- (4) In an issue made other than through the book building process, allocation in the net offer category shall be made as follows:

- (a) **minimum fifty per cent. to retail individual investors ; and**
- (b) **remaining to:**
 - (i) **individual applicants** other than retail individual investors; and
 - (ii) **other investors** including corporate bodies or institutions, irrespective of the number of specified securities applied for;

THE SECURITIES AND EXCHANGE BOARD OF INDIA **(SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS)** **REGULATIONS, 2011**

Threshold limits for acquisition of shares/voting rights:

- (1) No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty-five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.

Thus, accordingly, an acquirer, who (along with PACs, if any) **holds less than 25% shares or voting rights in a target company** and agrees to acquire shares or acquires shares which along with his/ PAC's existing shareholding **would entitle him to exercise 25% or more shares or voting rights** in a target company, will need to make an open offer before acquiring such additional shares.

AQUISITION OF CONTROL

A **Voluntary Open** offer under Regulation 6, is an offer made by a person who himself or through Persons acting in concert, if any, **holds 25% or more shares or voting rights in the target company but less than the maximum permissible non-public shareholding limit.**

➤ **FEMA:**➤ **Prohibition on drawl 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: a. creation of Chairs in reputed edu. Inst., b. contri to funds (not being an invst. fund) promoted by edu. Inst; and c. contri to a technical inst./body in the field of activity of the donor co	> Lower of 1% of Forex Earnings during last 3 FY or \$5Mn
Sale of flats/ plots in India	Commission (per transaction) to agent abroad for sale of residential flats or commercial plots in India	> Higher of \$25,000 or 5% of Inward Remittance
Consultancy per project	Remittance for any consultancy w.r.t Infra projects and	> \$10Mn per project
	For other consultancy procured from o/s India	> \$1 Mn per project
Pre-incorp expense	Remittance as reimbursement of pre-incorporation expense	> Higher 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 31st 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 & Repatriation 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"> • MAMP = 3 years • Call/Put options on ECB not to be exercised prior to completion of MAMP • For specified cases, separate MAMP: 	
	Category	MAMP (in yrs)
	ECB raised by mfg. co. < \$50 Mn per FY	1
	ECB raised from foreign eq. holder for WCP, GCP or repayment of Rupee loans	5
	ECB raised for: (i) WCP or GCP (ii) on-lending by NBFCs for WCP or GCP	10
	ECB raised for: i. repayment of Rupee loans availed domestically for capex ii. on-lending by NBFCs for capex	7
	ECB raised for: (i) repayment of domestic Re. loans availed for purpose other than capex (ii) on-lending by NBFCs for other than capex	10
	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	Prepayment charge/ Penal interest , if any, for breach of covenants, not > 2 % over and above the contracted rate of interest on the o/s principal amount and will be outside the all-in-cost ceiling .
Limit:	Limit and leverage: <ul style="list-style-type: none"> All eligible borrowers can raise ECB up to \$750 Mn or equivalent per FY under the automatic route. In case of FCY ECB raised from direct foreign eq. holder, ECB liability-equity ratio for ECB raised under the automatic route cannot exceed 7:1. [Ratio N.A. if o/s ECB (total incl. proposed) < \$5Mn]

➤ **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)

“Overseas Direct Investment” or “ODI” means investment

- 1) by way of acquisition of **unlisted equity capital** of a foreign entity, or
- 2) subscription as a part of the memorandum of association of a foreign entity, or
- 3) investment in **10 % or more** of the paid-up equity capital of a **listed foreign entity** or
- 4) investment with control where investment is **less than 10% of** the paid-up equity capital of a listed foreign entity;

- **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**

➤ **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

➤ **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 $\geq 3/4$ th 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 daysbut 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 $\geq 10\%$ 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 relevant time, if:

- Related Party (other than just employee) – During 2 years preceding ICD
- Person other than related party – During 1 year preceding ICD

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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

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- 7) Fully **Highlighted & Bold**
- 8) Completely as per **ICAI language**
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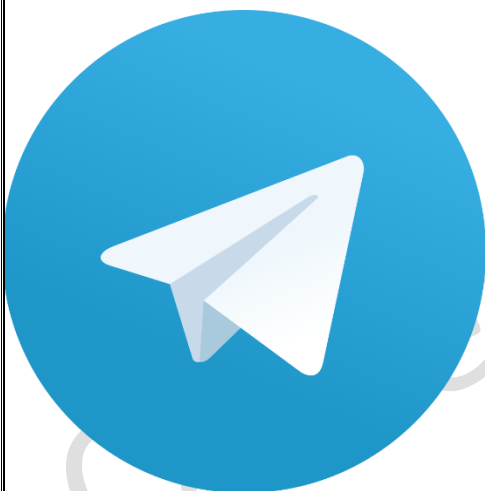


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