

EDITION 6

SET-A

SPOM

Corporate & Economic Laws

450+
REPEATED QUESTIONS

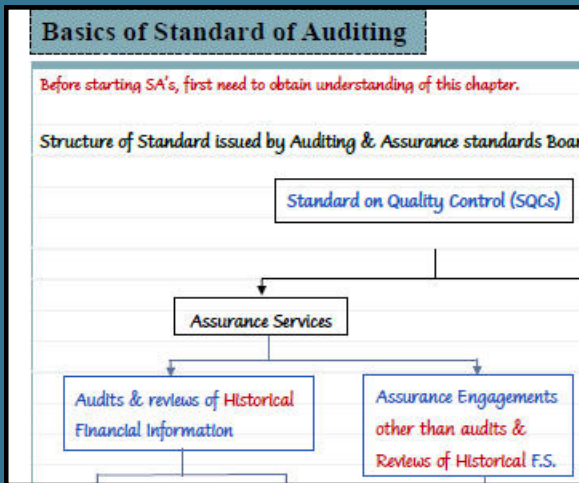


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- If one partner gone outside India, then another partner can sign audit report on behalf of him after review.
- EP select EQCR & participation in making decision for ET is to be avoided by EQCR.
- Complete & proper documentation should be maintained on issues involved & results of consultation.
- Where two or more different reports are issued of same subject matter of entity, firm's policies & procedure should be considered for assembly of final engagement as if it were separate engagement.
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SPOM- SET A

IMPORTANT

- SET-A exam doesn't have any fixed topic wise weightage, thus need to cover atleast 80% of portion.
- This compilation is designed in such as way that it is useful at own for ~60+ marks, but it is advised to read time limits and penalties compilation also to prepare for any adverse situation.
- If you have enough time to prepare, it is advised to first go through the revision lectures then read the repeated questions twice.

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Ace Your Exams, Good Luck !!

Company Law

Sr No.	Questions	Answers
1	Can a SSD eligible for reappointment	Not Eligible
2	Can SSD be appointed in a competing business	No
3	Whether SSD appointed in one company for period of 3 years ad he was appointed also in another company for the period of 2 year. Can he appointed to do so?	Yes, he can apointed in Maximum 2 companies provided other company should not in compete business with first company
4	Can a SSD appointed as Human resource manager during the cooling period?	No
5	a) How many Small share holders should apply to appoint Small share holder director	either 1000 small shareholders or 1/10th of the small shareholders whichever is lower
6	b) and time limit of notice of intention?	at lease 14 days before meeting
7	Can CFLO be given in case of Removal of MD during Winding Up due to default of director	No
8	Is Quorum of Directors should be present in the beginning.(174)	No. through out the meeting
9	Section 174, Quorum vs SEBI Quorum	Normal: 1/3rd or 2 director SEBI: 1/3rd or 3 director including 1 ID
10	Quorum of Sec 8 Company	8 member or 25% of total W.E. lower
11	Applicability of Secretarial audit (204)	Listed; PUSC >= 50Cr; T/O >= 250Cr; O/s Loan/Borrowing >= 100cr
12	A person is a qualified Company Secretary, can he be cfo and compliance officer at the same time?	Yes
13	Circumstances where Special Notice by members is required (169)	Removal of Director & Special Notice at least 14 days before meeting
14	Is it mandatory for private company to maintain sec 189 register even if it complied with AR & FS?	Yes
15	which resolution pass to increase limit of max no of directors (more than 15 director)	Special Resolution
16	SR to increase limit of max no of directors not applicable to	Govt co & Sec 8 co
17	By which resolution, board can exercise power related to sell, lease or dispose of undertaking of company (180) or A company wishes to dispose of part of its undertaking under two different schemes: Dispose of 6% undertaking and Dispose of 22% undertaking under a compromise scheme.	Special Resolution for both
18	Can Women director sitting fees lower from other directors?	No
19	Provision for applicability women Director in a company	Every listed company and every other public company with a paid-up share capital of ₹100 crore or more, or a turnover of ₹300 crore or more
20	The turnover of XYZ Components Limited as on the last date of latest audited financial statements is 400 crore rupees. 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. From the following options, choose the one which indicates the date by which the vacancy of the woman Director must be filled by XYZ Components Limited.	10-Oct-21
21	Approval regarding borrowing by director. (185)	Member's Special Resolution
22	When RBC considered as deemed passed? (175)	Approved by majority of Directors
23	When resulation of RBC put up in meeting? (175)	>=1/3 of total director require that resolution decided in meeting

Company Law

Sr No.	Questions	Answers
24	Whether Political contribution can be approved by board through resolution by circulation? (175)	No, only board resolution through Board meeting
25	how much Director can require to discuss matter in BM instead of Resolution by circulation ?	1/3rd of all director (VR/No VR)
26	Question related to Proportional representation (163)	2/3 and 3 years
27	Question related to Proportional representation on removal of directors.	cannot be removed
28	Question related to Proportional representation It has done through SYSTEM OF CUMULATIVE	Valid
29	Penalty on contravention of duties of Directors(166)	Rs. 1 lakh to 5 Lakh
30	Penalty if director continue to function when office if vacated (167)	Rs. 1 lakh to 5 Lakh
31	No. of days in which office need to vacated from the date of order	30 days
32	Can 2 or more director be appointed by single resolution in GM ? (162)	No unless a proposal is passed without any vote caste against it for that resolution
33	Whether appointment of 3 directors via single resolution is valid if around 90% of members who were present at meeting voted in favour & balance 10 % abstained from voting? (162)	Yes, as complied "without any vote being case against it"
34	Validity of Resolution passed in contravention of sec 162	Void Always
35	Sec 162 applicable to which of these Companies : a)Sec 8 Co., b) Govt Co., c) Subsidiary of govt co, d)Pvt co.	Section 8 Company
36	Notice for meeting sent 15 days before date of meeting & it mentioned the options to vote as - vote by self / proxy - whats validity of notice?	invalid because timelimit is 1 month & notice didn't mention option of post ballot
37	Whether Waiver of the excess remuneration paid is possible & whats time limit ?	By passing Special Resolution & within 2 years
38	Can director hold excess remuneration without necessary approval?	Yes & hold it in trust of Company
39	Case Study :- Tribunal ordered that a person is not fit & proper person to hold office. Further it ordered for termination of some agreements & made alteration in MOA	
40	a) Whether such person not fit under sec 242(4) be appointed by CG again in same company within 5 yrs.	cannot be appointed without leave of tribunal
41	b) Can Company make alteration in MOA which is inconsistent with alteration already made by tribunal- options	yes with leave of tribunal
42	c) W.r.t. the manner of utilisation of undue gain recovered which of these is NOT power of tribunal?	Order for repay money to Company in which person was employed
43	Class Action (sec 245) is not applicable to whom?	Banking Company
44	If company removed such employee without getting permission from tribunal, is the act valid?	Not valid as the investigation is pending
45	PQR Limited filed with NCLT to terminate an employee during proceedings. No objections were received within 30 days, and now the company is debating if they can proceed with the termination.	PQR Limited contention regarding no approval received within 30 days then company can proceed to take proposed action against the employee is correct
46	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
47	Normally appeal against order of NCLT to whom & within how many days ? (other than section 218)	To NCLAT within 45 days (+45 days extention)

Company Law

Sr No.	Questions	Answers
48	Mr. A is director of ABC Ltd. Brother of Mr A holds exactly 2% of PUSC in another company. Whether another company is related party to ABC Ltd?	No
49	Can ID be appointed for 3rd term, any cooling period applicable ?	No & Cooling Period: 3 Years
50	Whether a person related to promoter of a company be appointed as ID in that co. or its subsidiary.	No
51	Calculation of donations to Charitable funds limit	5% of avg 3 yr net profit
52	Minimum no. of director in Top 2000 listed entities	6 Directors
53	BM Quorum of a TOP 2000 Listed Entity?	1/3 or 3 directors whichever is higher and shall include 1 ID
54	Sec 212,Cases when CG will appoint SFIO for investigation	Report of Registrar u/s 208, SR by Co., Public Interest, Request by CG SG Dep.
55	Is banker bound to give information required to the Central Government	Yes only info related to Co/BC which is under investigation
56	Period of custody of Inspection books vested by civil court or How many days inspector can keep records and documents during inspection/ inquiry?	180 days
57	Period of custody of books and papers in case of investigation	till conclusion of investigation
58	Sec 219, whose prior permission is required for inspector to investigate subsidiary co.?	Central Government
59	Sec 244, minimum requirement for application to Tribunal	Having Share Capital: Lower of - 100 members or 1/10th of total members;or 1/10th of total issued capital Not having share capital: - 1/5th of total members
60	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
61	Dormant company accepting advances for future contracts. Can it still be called a inactive company. ?	SAT, so active company
62	whether O/s GST Paid is SAT (Significant accounting transaction) or not?	Payment made to fulfill requirement of other law = not a SAT
63	Min. No. Of directors in dormant public co	3 Director
64	Form for Getting status of active co.	MSC 4
65	Company didn't have any SAT (ROC fees is not SAT) during last 2 years. Is it active/inactive/ dormant/defunct company?	Inactive Company
66	ROC to strikeoff name of dormant co from register if it remains dormant for how many year?	5 years
67	Fail to file of financial statements/annual reports for how many consecutive years to consider as dormant company	2FY
68	Company didn't file FS & AR for FY 18-19 & 19-20, not doing any accounting transactions. Q. whether co to be called, a)dormant co b)inactive	Dormant Co.

Company Law

Sr No.	Questions	Answers
69	If co got the status of Dormant co on 30th September 2020, after much time ROC will strike off the name of co from register of cos. A) 30th September 2021 b)30th September 2022 c) 30th September 2023 d)30th September 2025.	d)
70	Is ROC need CG permission to strikeoff Company	No
71	If company making regular ROC payment, no any significant transaction Is inactive or active company?	Inactive Company
72	Sec 247 - Registered Valuer penalty in both cases	Penalty: 50,000 In case of defraud: Jail upto 1 year & fine: 1 lakh to 5 lakh
73	Sec 421, No. of days in which Appeal can be made to NCLAT & SC	45 days (+45 extension) & 60 days (+60 extension) respectively
74	One can appeal to the Supreme Court when it is a question of Law or fact?	Question of Law
75	sec 420, whether rectification can made by NCLT within 2 year if any appeal is preferred in NCLAT	No, Tribunal cannot amend order
76	NCLT rectification of order limit	2 year from date of order
77	Submission of report by Company Liquidator to tribunal	within 60 days
78	Who may be appointed as provisional liquidator or company liquidator by tribunal?	IP required under IBC
79	Liability of contributories who transferred partly paid up shares before 1 yr of WUP	the company has to duly notify the amount due on shares/debentures to the transferee
80	Who can be appointed as RV out of 4 options a). PROI b). imprisoned for 2 months, c). imprisoned for 7 months, d). valuation exam passed beyond 3 yrs related	imprisoned for 2 months
81	Sec 236, If Minority shareholder offered a price for purchase of share & not disposed within stipulated time, he will able to receive the amount upto?	Disbursement shall continue for 1 year
82	If the director is removed by a tribunal considered unfit, the period for disqualification	5 years or less than 5 years as specified.
83	Whether NR can be a Registered valuer Inspection of company subsidiary	No, only resident in India
84	Sec 230- How many days in which order of tribunal file with roc	30 days
85	No. Of Directors to be retire by rotation	1/3rd out of Rotational Director
86	AA Ltd. had its name removed by the ROC. The stakeholders want to know the time limit for filing an application for restoration with the NCLT.	Yes, Person aggrieved by order of ROC within 3 years
87	Under compromise, who ordered for the meeting of creditors	Tribunal
88	Objection to compromise raised by a shareholder holding 15% & creditor holding 9% debt - whether valid?	Valid because sh holder has 10% or more or creditor has 5% or more
89	Tenure of FD Granted by Nidhi Co.	6month to 60 month
90	Pvt co. Can become member of nidhi co?	No, only individuals are allowed
91	Amount of Loan that can be given by Nidhi Co. if deposit is less than 2 crore	2 lakh
92	Amount of Deposits that can be accepted by Nidhi co.	Not more than 20 times of NOF
93	X & Y have shares of nidhi company jointly in their names and in the application X name appears first while in the register of members Y name appears first. To whom the loan can be given?	Y, because his name appear first in Register of member
94	In case of Nidhi company dividend paid should be	not more than 25%

Company Law

Sr No.	Questions	Answers
95	Nidhi company penalty	Nidhi Co & Officer in default Fine upto Rs. 5,000 & further fine of Rs. 500/day
96	Reappointment of Nidhi company directors only after	Cooling period of 2 years
97	<p>Case Study related to Nidhi Company: Paid up SC: 23Lakh Free Reserves: 2 Lakh Assets : 10 Lakh Deposit accepted till now: 1.5 Cr Q1: Maximum additional deposit it can further accept Q2. Amount of loan it can be given if deposit of member are 1.5Cr</p>	<p>A1: 3.5Cr A2: 2Lakh</p>
98	<p>Case Study:XYZ Nidhi Company has the following financial details: Paid-up Share Capital: INR 10 crores Free Reserves: INR 2 crores Accumulated Losses: INR 1 crore Investments in other Nidhi Companies: INR 1 crore Question:Based on the above information, calculate the Net Owned Funds and Effective Capital.</p>	<p>Net Owned Funds: Paid-up Share Capital + Free Reserves - Accumulated Losses NOF: 11 Crore Effective Capital: 10 crore</p>
99	<p>What a nidhi co can do? A) Open savings acc with members b)open current acc with members, c) accept deposit from non members, d) Buy securities of body corporates</p>	<p>Open savings acc</p>
100	<p>Maximum how much interest Vinayak Strotram Nidhi Limited can offer on fixed and recurring deposits accepted from its members?</p>	<p>Vinayak Strotram Nidhi Limited is permitted to offer interest on fixed and recurring deposits at a rate not exceeding the maximum rate of interest that a Non-Banking Financial Company can pay on its public deposits.Refer Rule 13 Nidhi rules</p>
101	<p>Case Study:ABC Ltd. has the following financial details: Equity Share Capital: INR 50 crores Preference Share Capital: INR 10 crores Free Reserves: INR 30 crores Securities Premium: INR 20 crores Accumulated Losses: INR 5 crores Preliminary Expenses not written off: INR 2 crores Question:Based on the above information, calculate the effective capital for determining managerial remuneration as per the Companies Act, 2013.</p>	<p>Effective Capital = INR 60 crores + INR 30 crores + INR 20 crores - INR 5 crores - INR 2 crores = INR 103 crores</p>
102	<p>Case Study:XYZ Ltd. has provided the following details: Net Profit (as per Section 198 of the Companies Act, 2013): INR 200 crores Managerial Remuneration limit as per Section 197 of the Companies Act, 2013: 11% of the Net Profit Question: Determine if the provided profit is correct and calculate the permissible managerial remuneration.</p>	<p>Net Profit: INR 200 crores Permissible Managerial Remuneration: 11% of INR 200 crores = INR 22 crores</p>

Company Law

Sr No.	Questions	Answers
103	<p>Case Study:PQR Ltd. has incurred a loss and provided the following details: Effective Capital: INR 50 crores As per Schedule V of the Companies Act, 2013, the remuneration can be paid up to INR 60 lakhs if effective capital is between INR 5 crores to INR 100 crores. Question:Based on the above information, calculate the permissible managerial remuneration.</p>	84Lakh
104	<p>A director has the following directorships: 7 public companies 2 unlisted companies 3 private listed companies Question: How many directorships can he accept in public and private companies as per Section 165 of the Companies Act, 2013?</p>	Maximum directorships in public companies (including Pvt Co. which are subsidiaries/ holding of public companies): 10 Maximum directorships in private companies: 20
105	Can a Non resident person become MD of Indian Company?	Yes with approval of CG
106	Legal position of Mr. Jack (NR) for being appointed as MD of company which is in SEZ	Valid, as condition of resident of india not applicable to SEZ company
107	Penalty in case of violation of provision of political contribution (182)?	Co: 5X amount contributed Officer in default: Jail 6 Month and 5X amt contributed
108	Non Executive Managerial Remuneration if Effective capital is 245 crs	24 Lakhs
109	<p>Case Study: ABC Ltd. has reported a net profit of Rs 80,20,000 for the financial year. However, this figure includes an amount received from the sale of old office furniture. The management needs to determine the correct profit as per Section 198 of the Companies Act, 2013, which involves adjusting for certain specified items. The details provided are as follows Cost of Furniture: 2,00,000 WDV: 1,00,000 Sale Proceed: 4,50,000 Profit: 3,50,000</p>	
110	a) What is the correct amount of Profit?	7,770,000
111	b) Given a net profit of Rs 80,20,000 Sale Proceed of Old furniture: 70,000 in place of Rs. 4,50,000 What is the correct amount of Profit?	8,050,000
112	In case of Material Subsidiary, what is requirement for the appointment of Independent Director?	At least 1 ID shall be appointed
113	Can Charitable Trust contribute Rs. 4,80,000 if it exceed 5% of Avg Profit?	Yes by passing Ordinary Resolution
114	As per Sec 197(3), is the sum payable to director exclusive or inclusive of sitting fee?	Exclusive of sitting fee but according to Schedule V
115	Can MD Claim Compensation if they refuse to join amalgamated company?	No, can't claim compensation
116	Whether write off debt and not payment of dividend is oppression of member?	No
117	Is Directors or employees liable to provide info during Investigation even if they left before?	Yes, they are liable to provide information
118	An employee is posting on social media about profits of the company but in reality company in under losses. Liable under which act?	Liable under Section 447

Company Law

Sr No.	Questions	Answers
119	Whether a foreign subsidiary of a Co incorporated in India is resident in India or outside India	Resident in India
120	Can Dormant co have auditors & if yes is rotation applicable?	Yes, audited within 30 days from end of FY & rotation not applicable
121	Representation of notice of striking off of name by Company to ROC within how many days?	30 days
122	C.S. from winding up Eg: How much amount can be realized from the following past members to pay dues at the time of winding up of co as on 01-04-2023	1) a past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding up 2) No contribution shall be required from any past or present member exceeding the amount, if any, unpaid on the shares in respect of which he is liable as such member
123	There were 3 shareholders with unpaid call amounts. a) Ram was member till march 2023, had unpaid call of 5 lakh. At the time of him leaving the company, the liability of company was 3 lakh. b) Shyam was a member till may 2023, had unpaid call of 10 lakh. At the time of him leaving the company, the liability of company was 8 lakh. c) Mohan was a member till july 2023, had unpaid call of 15 lakh. At the time of him leaving the company, the liability of company was 12 lakh. In april 2024, application for liquidation was filed against the company. In June 2024, tribunal ordered liquidation Q. Who is liable for how much ? A. Ram is liable for 3, Shyam - 8, Mohan - 12. B. Ram is liable for 5, Shyam - 10, Mohan - 15 C. Ram is not liable. Shyam is liable for 8, mohan - 12 D. Ram is not liable. Shyam is liable for 10, mohan 12	A. Ram is liable for 3, Shyam - 8, Mohan - 12.
124	A person resident in India earned in foreign as salary to years back. Now he wants to utilize this amount in India, is any permission required	No permission required
125	Can IRP maintain bank accounts of Co?	Yes
126	Is Investigation under Sec 210 (CG power to Investigation) is mandatory?	No, discretion of CG to investigate untill received from tribunal court
127	Who have the power to investigate under 210	Central Government
128	Govt Co. amalgamated into Non govt Co. what is status of New Co.?	Government Company
129	Is RV has to make valuation as per contract?	No, RV shall make valuation as per valuation standard
130	The appointment of MD who is ineligible to appoint is Oppression or Mismanagement?	Mismanagement
131	Whether minority Director can claim Oppression by Majority Director?	No, only Member can

Company Law

Sr No.	Questions	Answers
132	T Ltd is Listed entity and Wholly Owned Subsidiary of A Ltd, So whether ID to be appointed or not?	Yes, ID is appointed as it is listed company also
133	H Ltd has Wholly owned subsidiary S Ltd. Both are listed. 'A' is promoter/director of H Ltd. 'B' is related to 'A'. Can 'B' be ID of any of these Cos	No, bcz ID should not be related to P/D of CASH
134	Case Study: GlobalTech Inc., a U.S.-based technology company, seeks to merge with Innovate Solutions Pvt. Ltd., an Indian software development firm. Both companies see strategic benefits in this merger, such as expanded market reach and enhanced technological capabilities. However, during an internal board meeting at Innovate Solutions, the CEO, Mr. Rajesh Mehta, contends that the merger cannot proceed, even with the approval of the Central Government (CG).	
135	a) Is the CEO's contention that an Indian company cannot merge with a foreign company, even with the approval of the Central Government, correct?	No, the CEO is incorrect because cross-border mergers are allowed with the approval of the Reserve Bank of India.
136	b) Who must approve a cross-border merger involving an Indian and a foreign company?	RBI
137	How much Security Deposit of Candidature is required for proposal to appoint himself as a director?	1,00,000 & prior 14 days notice
138	Failed to send Board meeting notice, Penalty _____	Penalty on officer whose duty to send notice, ₹25000
139	whether same ID can be appointed for listed entity and its wholly owned subsidiary	Yes, no restriction
140	ID appointed from data bank maintained by CG such appointment needs to be approved at board meeting as well as general meeting, or only general meeting?	only General Meeting
141	Reappointment of ID for 3rd term as it has served 1st term of 3 yrs and 2nd term of 4 yrs, whether allowed	No
142	Do NCLT has power to windup??	Yes NCLT has authority to windup a company
143	Mr. X is MD of XYZ company, he mismanaged the affairs of company and he was removed from the company. CG has power to allow him a) To work in any company including XYZ company b) To work in any company excluding XYZ c) To work anywhere	b)
144	Can a foreign LLP be merged with listed co. RATA Ltd? (Sec 234)	YES bcz LLP is Body corporate & sec 234 covers amalg, merger of foreign Body corporate
145	Draft minutes will be circulated within _____	15 days to all directors
146	and draft minutes approved by director in _____	7 days
147	In which situations are managing directors or whole-time directors not eligible to be appointed by the company?	Detained for any period under conservation of foreign exchange and prevention
148	ROC has send a notice and no information is received or Inadequate information is received or information is received is unsatisfactory then _____	may call the company for another notice in writing

Company Law

Sr No.	Questions	Answers
149	<p>Case Study: XYZ Ltd. has the following financial details: Authorized Share Capital: ₹40 crore, Paid-up Share Capital: ₹40 crore, Debenture Redemption Reserve: ₹40 crore, Revaluation Reserve: ₹20 crore, and Profit and Loss Account: (₹20 crore).</p>	
150	a) What is the Effective capital?	60 Crore
151	b) Based on the above computation, what is the yearly remuneration in case of a managerial person?	60 lakh in case of MD/WTD/Mgr 12 lakh in case of NED
152	<p>Case Study: An unlisted public company with a turnover of ₹420 crore has 7 directors, including Satish (Chairperson) who is an independent director, and Veena (Woman Director).</p> <p>a) How many additional independent directors need to be appointed to fulfill regulatory requirements?</p>	1 independent directors and no other woman director as already 1 is appointed.
153	b) If all directors are members of the audit committee, including Satish (Chairperson) and Veena (Woman Director), how many other independent directors need to be appointed to fulfill regulatory requirements?	3 Director
154	For the quarter ended 30th June 2023, ABC Ltd. needs to file its compliance report. The management is determining whether an audited or unaudited report is allowed and by what deadline.	15th August 2023, unaudited report is also allowed.
155	<p>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 and 1 leaving via video conferencing.</p> <p>What is the implication for the validity of the Board of Directors meeting?</p>	Not valid, the quorum requirement was not met after the directors left
156	ABC Limited has the following shareholding: Central government: 24%, State government: 25%, Government company: 22%.	No, because the combined government shareholding does not exceed 50%.
157	<p>ABC Ltd. has a subsidiary whose income is 12% and net worth is 18% of consolidated. Mr. Abhay, an independent director of ABC Ltd., is a director of the subsidiary.</p> <p>Is this in accordance with corporate governance requirements?</p>	No other appointments required as already one independent director is on the board of the subsidiary
158	<p>Case Study: ABC Limited, a company facing financial difficulties, has a diverse group of shareholders. One of these shareholders, Mr. Sharma, holds partly paid shares in the company. Mr. Sharma has been a shareholder for over a year and is concerned about the company's ongoing viability. He is contemplating filing a petition for the winding up of ABC Limited. The legal team at ABC Limited is reviewing the eligibility criteria for shareholders to file such petitions, specifically focusing on whether holders of partly paid shares have the right to initiate winding up proceedings. They are particularly considering the duration of shareholding and the payment status of the shares</p> <p>Can a person holding partly paid shares file for the winding up of ABC Limited?</p>	No, as shares are not fully paidup
159	Who can raise Objection to compromise scheme	Member having $\geq 10\%$ PUSC or Crs having O/s debt $\geq 5\%$ of total

Company Law

Sr No.	Questions	Answers
160	Will objections raised by shareholders and creditors sustain under Sec 230 or 231?	Objections raised by shareholders and creditors will sustain under Section 230 of the Companies Act, 2013, provided they meet the specified thresholds (at least 10% of the shareholding or 5% of the total outstanding debt).
161	Whether Company can take copies in case of Book seized?	Yes, co is allowed to take copies of documents seized
162	Inspector can enter and seized books and paper after obtaining permissiion of _____	Special Court
163	Where all the directors of a company resign from their offices then ____	the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting
164	Independence director declaration of Independence_	First BOD meeting First BOD meeting of every year any change in circumstances
165	Can ID have stock option?	No
166	A director going abroad. Can his son appoint as alternative director if earlier appointment is rejected	Yes if Board is authorised by articles / resolution by GM
167	Mr. Q, a Director of PQR Limited, is proceeding on a foreign tour covering entire Europe for four months. He proposes to appoint Mr. Y as an alternate Director to act on his behalf during his absence. The Articles of Association of PQR Limited provide for the appointment of alternate Directors. Mr. Q claims that he has a right to appoint alternate Director of his choice. Which of the following options is applicable in the given situation:	Claim made by Mr. Q to appoint Mr. Y as alternate Director is not valid as the authority to appoint alternate Director has been vested in the Board of Directors only.
168	Punishment for not complying order under section 206	Co. & OID: ₹1L + add fine ₹500/day
169	Case Study: When the tribunal terminates a director of X Ltd , who's not fit and proper on the application of CG (Sec 243)	
170	a) When Tribunal order shall file with RoC?	Within 30 days from tribunal order (not from receipt of order by co)
171	b) Will he get terminated from all companies or X ltd only?	Terminate from all companies for a period of 5 yrs from date of order and No compensation of loss even if there is an agreement between co and director, coz tribunal order overrides agreement.
172	c) Can CG permit him again to hold the office?	CG may, with leave of the tribunal (not suo moto), permit him to hold all the offices (not just X ltd) before 5 yrs.
173	Case Study: related to Removal of directors	
174	a) Whether Notice is send to all director?	Special notice for removal sent to concerned director only (not to all directors)
175	b) Term of new director in place of removed director	hold for remaining period for which removed director would have been held if he had not been removed.
176	Corporate debt restructuring approval required by	75% of secured creditor
177	how much consent of creditors to dispense with meeting of creditors? Sec 230	90% of Crs in value

Company Law

Sr No.	Questions	Answers
178	Condition 1- Public prosecutor has been given the opportunity to oppose the application to release the accused person. Condition 2- Special Court is satisfied that there is reasonable ground to believe that the accused is not guilty of offense and that he is not likely to commit offense while on bail Which of these conditions are to be satisfied under section 212(6)?	Both
179	Limit on director to serve as Independent director in listed entity?	Normally upto 7 listed entities if ID is MD/ WTD then upto 3 listed entities
180	Case study related to Vacancy of ID by death a) Same as the appointment of New ID b) By BOD in their meeting, c) No need to appoint as existing ID are as per Co. act, d) It depends on BOD to appoint or not to appoint a director in case of death	Answer depend on question, check limit of ID after death: if listed - 1/3rd or if Unlisted Public Co whose: PUSC: ≥ 10 cr, T/O: ≥ 100 cr, O/s loan, deposit, debenture > 50 cr - 2ID
181	Mr A is director of ABC Ltd. Brother of Mr A hold 2% of PUSH in another Co. whether another co. is related party to ABC Ltd?	Refer Proviso of sec 188, Ans: If another Co is Public co then such company is not related party to ABC ltd If another Co is Pvt Co. then such company is related party to ABC Ltd
182	Case Study: Number of directors 20, some ID, 1 nominee by SBI, 2 nominee by FI setup under parliament act, 1 additional director and 1 managing director.. required Rotation and retired. calculate Rotational & non rotational D , how many will be retired ? [figures changed]	TNOD = $20 - 2 = 18$ Rotational D = $18 * 2/3 = 12$ Non Rotational D = $18 - 12 = 6$ Retiring D = $12/3 = 4$
183	Can Ashu(director) be appointed as director in other Co. if his Co. failed to file FS for 2 consecutive years & fails to repay loan from FI for 2 years ?	Yes as per 164(2) disqualified if not filed FS/AR for 3 consecutive year and loan from FI not consider in 164(2)
184	Sec 230: Voting by proxy, postal ballot (1 month from doron), in person...time limit of sending notice to shareholders	No time limit
185	Sec 244: Right to apply u/s 241 (oppression) in case of no share capital	1/5th of person on register of member
186	who all are liable to contribute to the capital in case contributories fail to contribute the unpaid amount ?	directors /managers whose liability is unlimited.
187	Two sons got shares equally from deceased father. Can they sign WUP petition and will they be contributaries? (Sec 272)	Yes Bcz shares originally allotted / held+regd in his name for 6 months in last 18 months before WUP/devolved on him on death of former SH
188	When a copy of Petition is submitted to ROC u/s 272 in how many days shall ot submit its view to NCLT ?. In how many days shall Tribunal reply ?	ROC to submit its view in 60 days, tribunal to dismiss/ int order/wup order within 90 days from date of presentation of petition.
189	Liability of unpaid shareholders. Can they choose not to pay if asset is sufficient.	Yes
190	Time Limit on AA to admit the application of winding up	90 days
191	who can be contributories in case of winding up (272)	Holder of fully paidup share
192	Advisory committee consitute how many number of members in Winding Up	Maximum 12 member

Company Law

Sr No.	Questions	Answers
193	Cost and expenses of winding up fall in which sequence of payment as per winding up	first payment: Workmen dues Second payment: Cost & Expense
194	A bank has a claim on company's assets of Rs 10 cr (Secured creditor). The workmen dues are 2.5 cr. Liquidator realised 8 cr from company's asset. The workmen due's are parri pasu with secured creditors due's. Q. How much compensation is available to workmen ? A. 1.6 cr B. 1.5 cr	1.6 Cr
195	If company is applying to Tribunal for winding up then tribunal _____	Ask company to send representation within 30 days (+30 days ext) via preparation of Statement of affairs,
196	When can ROC give application for winding up	When authorised by CG
197	When the affairs of a company have been completely wound up and it is about to be dissolved:	Disposal of books and papers as per the directions of Tribunal. Such BOA to be preserved for 5 years from Date of dissolution.
198	Time to respond to Form STK 1	within 30 days from date of notice
199	Can a Cancelled COR co. can recover its dues?	Yes
200	Before applying to NCLT for removal of name, can Co. continue the existence of the liability ?	No, liability should extinguish first
201	Section 248(5) Once the name of co. is strike off, then also do Tribunal have right to wound up the co.	Yes
202	Time limit for Board Meeting	First meeting: within 30 days of Incorporation Subsequent Meeting: 4 meeting in each F.Y. & maximum gap of 120 days Small & Dormant Co.: One meeting in each half calender year
203	What is the Director Age limit without shareholder approval	70 years
204	Time limit within which director casual vacancy to be filed including managing director	Filed by BOD at the Board meeting & need to approve by member in subsequent GM
205	Approved method of payment incase of donation to Political party	Bonafede trust , A/c payee cheque, ECS method
206	Limit for Bonafide donation to national defence fund and approval from shareholders criteria	No limit on payment of defence fund and approval required from person exercising power of BOD or power of the company in G.M.
207	Who shall evaluate the independence of the independent director?	Every director except the director who is subject to evaluation
208	There will be a case study where list of directors and the type will be mentioned and question will be "Who is required to give independence declaration in the first BM of the next FY?	All the independent directors including small share holder director
209	Case Study: Paavan Nidhi Limited having registered office at karol bagh.....click for whole case study	
210	1) From the case scenario, it is observed that PQR Traders Private Limited has applied for becoming a member of Paavan Nidhi Limited. What is applicable in this situation	PQR Limited cannot become member of Paavan Nidhi Limited

Company Law

Sr No.	Questions	Answers
211	2) Piyush, one of the Directors of Paavan Nidhi Limited has raised objection on acceptance of deposit amounting to ` 1,00,000 in the name of Rudra, a minor, and negotiations initiated by his father Mr. Kshitij to make him a member of the Paavan Nidhi. From the following options choose the one which is applicable in the given situation:	Paavan Nidhi Limited may accept deposit in the name of Rudra, a minor, since it is made by Mr. Kshitij, a member and the father of Rudra but being minor, he cannot be made a member.
212	3) From the case scenario, it is evident that Padam, the senior-most Director, has been honoured by Paavan Nidhi Limited to hold Directorship for a term up to ten consecutive years. After relinquishing his office as Director at the expiry of ten years, when can Padam be re-appointed as Director of the company.	Padam shall be eligible for re-appointment only after the expiry of two years of ceasing to be a Director.
213	If M/s A & A Associates, a firm of auditors, has been appointed as auditors of Paavan Nidhi Limited for a term of five years commencing from FY 2016-17 to FY 2020-21 and if the company is desirous of re-appointing the said firm of auditors for another term of five years commencing from FY 2021-22. then what is applicable in such case	M/s A & A Associates can be re-appointed as auditors for another term of five years since a Nidhi company is permitted to appoint or reappoint any auditing firm for two terms of five consecutive years.
214	The rate of interest charged on loan given by Nidhi can be;	Seven and half per cent above the highest rate of interest offered on deposits by Nidhi and shall be calculated on reducing balance method
215	J, member wanted to see the agreement of MD but they excused that they didn't have written agreement and co is paying for his insurance. Can we consider this in remuneration and can co denies for agreement checking with MD	Yes we can consider this is remuneration & Company can deny for agreement checking with MD
216	Can BOD appoint a managing director for lifetime. Whether OR / SR?	No MD cannot appointed for life time
217	Penalty of not having DIN.	upto ₹50,000 + 500 per day
218	Quorum required for meeting conducted through circular resolution?	No Quorum required for Circular resolution. Only majority of director required to approve any resolution
219	A women director was paid 60k while all other male directors were paid 70k. Is this vaild ?	No. Women director can't be paid less than other directors.
220	The company will be hiring Mr greg aged 75 years old for his expertise. Q. Is it vaild ? A. With permission of members by SR B. With permission of members by OR C. By approval by the board	A. With permission of members by SR
221	Q. In WHICH OF THE following situation central government may not do a SIFO investigation. A. When board passes a resolution requesting investigation. B. When required number of members under the law, request investigation C. When state government / central government requests it. D. When ROC files a written report after inspecting companies books of accounts, requesting CG for an investigation	When board passes a resolution requesting investigation.
222	MD of the company wants to buy a machine from director, Mr A. He appoints Mr. B as registered valuer. Mr. A bought the same machine from a partnership firm 48 months ago in which spouse of Mr. B was a partner. Q. Is appointment of Mr B as registered valuer vaild ?	No, Cannot appointed

Company Law

Sr No.	Questions	Answers
223	<p>A company in its article writes that it can't donate more than 5 lakh to a national defence fund. Company's articles are silent on donation to charitable trusts.</p> <p>Q. Through which mode donations can be made ?</p>	<p>For political parties, donation can be made through any instrument specified for this purpose or account transfer, for national defense and charitable funds donation can be made through bank.</p>
224	<p>A company has 1000 members. 201 members file application to tribunal for mismanagement and oppression.</p> <p>Q. Asked about limit of members required to file such an appeal. Is this appeal valid ?</p>	<p>Yes appeal is valid</p>
225	<p>A company has taken a loan from bank for 4 crore in 2019. Due to deteriorating condition, the company defaulted. In 2023, the bank filed for liquidation to AA(adjudicating authority). The bank sent notice to company's registered office only.</p> <p>Q. Is the notice valid ?</p> <p>A. No, Bank needs to send notice to both registered office and Board of directors.</p> <p>B. No, Bank needs to send notice to both registered office and ROC.</p> <p>C. No, Bank needs to send notice to both registered office and Central Government.</p> <p>D. Yes, only registered office needs to be served the notice.</p>	<p>No, Bank needs to send notice to both registered office and Board of directors.</p>
226	<p>Tribunal appointed liquidator without notice or opportunity of being heard to the company.</p> <p>Q. Is it valid ?</p> <p>A. Yes. If the tribunal has special reasons to do so recorded in writing.</p> <p>B. Yes. If the tribunal has special reasons to do so in writing or oral.</p> <p>C. No. Opportunity of being heard has to be given in all cases.</p> <p>D. No. Tribunal can't appoint liquidator without notice.</p>	<p>A. Yes. If the tribunal has special reasons to do so recorded in writing</p>
227	<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. From the following four options, choose the one which indicates as to who shall be deemed to be the first Directors of KAL when nothing is mentioned in the Articles?</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>
228	<p>Mr. Nagarjuna, one of the directors of MGT Mechanics Limited, due to his own business interests, decided to resign as director and accordingly, sent his resignation letter dated 12th June, 2021 to the company stating that he intends to resign w.e.f. 15th June, 2021. Since no communication in relation to his resignation was received from MGT Mechanics Limited, 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. Correct date from which his resignation will be effective:</p>	<p>18th June, 2021</p>

Company Law

Sr No.	Questions	Answers
229	Mr. John is a director of MNC Ltd., which had accepted deposits from public. The financial position of MNC Ltd. took a southward turn and became bad to worse and ultimately, it failed to repay the deposits which fell due for payment on 10th April, 2018 and such repayment has not been made till 5th May, 2019. Another company JKL Ltd. wants to appoint the said Mr. John as its director at its annual general meeting to be held on 6th May, 2019. You are required to state with reference to the provisions of the Companies Act, 2013 whether Mr. John can be appointed as a director of JKL Ltd.	Mr. John will not be eligible to be appointed as a director of JKL Ltd.
230	The Board of Directors of Capable Hospitality Services Limited has entrusted Mr. Vikas, the newly appointed Managing Director (MD) of the company, with some powers. However, Mr. Vikas is not interested in discharging administrative functions as authorised by the Board of Directors, since he is of the view that he should have been entrusted with substantial powers of the management. Which one is correctly applicable in relation to the functions Bank Limited, the main banker of the company.	To sign the financial statements of Capable Hospitality Services Limited
231	On June, 20, 2019, Mr. Anil Mehra was appointed as Manager of PQR Music Systems Limited for a period of five years. The management of PQR Music Systems Limited decided to re-appoint him as Manager before the completion of his tenure. On which indicates the date on which his re-appointment will be considered valid?	24-Jun-23
232	Director of Serious Fraud Investigation Office, shall be an officer to the Government of India having knowledge and experience in dealing with matters relating to corporate affairs, not below the rank of -	Joint Secretary
233	The investigation conducted under section 212(3) wherein investigation continues beyond the time prescribed in the order of investigation and report has not been submitted to central government, shall be -	Valid
234	In case of oppression and mismanagement, how many members can apply to the Tribunal:	Not less than 100 members of the company or not less than one-tenth of the total number of its members, whichever is less. i.e. 50 members are required to file an application with the Tribunal. Refer Section 244
235	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. Refer Section 242 Powers of Tribunal

Company Law

Sr No.	Questions	Answers
236	<p>Supriya holds shares worth ₹13,50,000 in the capacity as one of the directors of Paridhi Tours and Travels Limited (PTTL) whose paid-up share capital is ₹4,50,00,000. Swikriti Bus Suppliers Limited (SBSL) with paid-up capital of ₹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. which one is applicable in the given situation</p>	<p>Supriya is not an interested director as in order to be considered as an interested director Supriya was required to have holding of shares exceeding ₹ 4,00,000 in SBSL. Refer Section 184</p>
237	<p>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:</p>	<p>Super Medicines Limited shall be dissolved, without winding up .</p>
238	<p>Mr. Amar is holding the post of directorship in following Listed entities - LE 1, LE 2, LE 3, LE 4, LE 5 LE 6, and LE 7 as on January 2020. He received an offer of directorship from LE 8 in April , 2022. Whether Amar can join the LE 8?</p>	<p>No, as per the SEBI(LODR)Regulation, directorship cannot be in more than seven listed entities, Mr. Amar cannot.</p>
239	<p>Mr. D holds directorship in 10 Public Companies and 11 Private Companies as on 31.05.2022. One of the above Private Company is a dormant Company. Further on 30.06.2022 a Private Company has become a subsidiary of a Public Company. In the light of the provisions of the Companies Act, 2013 examine and decide the validity of holding directorship of Mr.D with reference to number of directorship as on 31.05.2022 and as on 30.06.2022.</p>	<p>Holding of directorship of Mr. D as on 31.05.2022 is valid whereas holding of directorship of Mr. D as on 30.06.2022 is not valid Refer Section 165 of the Act</p>
240	<p>Out of the total strength of six Directors of SQ Transformers Limited, five are attending a Board Meeting to consider the investment of funds of the company. The resolution relating to investment shall be taken as passed in which of the following cases</p>	<p>When all the five Directors of SQ Transformers Limited attending the meeting consent to such investment of funds. Refer Section 186 of the Act</p>

Company Law

Sr No.	Questions	Answers
241	Mr. Ravi, an Inspector appointed under the Companies Act, 2013, started investigations into the affairs of A Innovative Solutions Ltd. During the process of investigation, Mr. Ravi came across certain facts and information regarding the transactions made by A Innovative Solutions Ltd. with its subsidiary company B InfoTech Solutions Ltd. Based on the information so collected from the investigation, Mr. Ravi wanted to investigate the affairs of B InfoTech Solutions Ltd. also. Find the correct answer from the provided options, whether Mr. Ravi can proceed with the investigation of the affairs of subsidiary company B InfoTech Solutions Ltd. in the light of the applicable provisions of the Companies Act, 2013.	Mr. Ravi shall be able to proceed with the investigation of the affairs of B InfoTech Solutions Ltd. after obtaining the prior approval of the Central Government.
242	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:	Gopala Money Nidhi Limited was formed with the object of lending money to its members only
243	Shrenik Ltd. is a listed entity and comes under the top 2000 listed entities (as of 1st April, 2020). The Board consists of 10 directors. Abhijit, one of the directors of the company has celebrated his 75th Birthday on 10th June 2022. By virtue of his rich qualifications and experiences, the company want to continue him. What procedure is to be followed by the company:	The Company has to pass a special resolution to this effect.
244	Priti, on 1st September, 2021 went to UK for doing one year MBA course. Her MBA course completed on 31st August, 2022 and she returned India on the next day. What shall be her residential status for the FY 2022-23 and 2023-24	Resident outside India for FY 2022-23 and Resident in India for FY 2023-24
245	person as MD in holding company it is also MD in another company ?	he shall not hold office in more than one company except subsidiary company
246	legal position of director	principal & agent
247	abc pvt.limited appointed as director in 123 limited	invalid , only individuals become a director
248	With whom CG file application if it's of opinion scheme not in public or creditors interest?	it may file an application to Tribunal.
249	When can a winding up order not be called a notice of discharge?	Winding up order shall be deemed to be notice of discharge except when business of company is continued.
250	In case a Valuer becomes interested in any property, stock etc. of company, he may be appointed as Registered Valuer of company after a cooling off period of: -	3 yr
251	The nature of liabilities of entity which comes from a transaction on operation, are: -	operational debt.

SEBI ACT, LODR, Insider Trading

Sr No.	Questions	Answers
27	When issuer shall arrange for CRAs to monitor the usage of issue proceeds?	issue size > 100 crore
28	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
29	<p>Case Study: A CA, who is an auditor of DEF Ltd., learns of significant unpublished price-sensitive information (UPSI) about the company. He passes this information to his friends before it is made public.</p> <p>Question: Determine if this action constitutes insider trading and state the penalty as per SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	<p>Yes, this action constitutes insider trading.</p> <p>Penalty: Rs 10 lakh upto higher of: 25 crore or 3X profit made</p>
30	For a company to be eligible to make an Initial Public Offering (IPO), what should be the minimum net tangible assets?	3 Crore in each of 3 preceeding year
31	<p>Case Study: ABC Ltd. is planning to make a public issue and is considering offering shares to anchor investors. As per SEBI regulations, what should be the price offer to anchor investors?</p>	the price offered to anchor investors should be the same as offered to the public.
32	<p>Mr. X is a director in several companies and is also a member of various committees in these companies. He is currently a member of 12 committees across different companies.</p> <p>Question: As per SEBI regulations, what is the maximum number of committees a director can be part of?</p>	10 committee
33	<p>Case Study: SEBI has ordered the attachment of bank accounts of XYZ Ltd. due to non-compliance with regulatory requirements.</p> <p>Question: Under which circumstances can SEBI attach the bank accounts of a company?</p>	For failure to pay fines
34	<p>PQR Ltd., a listed company, is preparing its quarterly compliance report for submission to SEBI.</p> <p>Question: By what date must the quarterly compliance report be submitted to SEBI?</p>	Within 15 days of the quarter end
35	By what date must the quarterly compliance report be submitted to Stock Exchange	Within 45 days of the quarter end
36	Penaly of Section 15EB, Where Investment/ research analyst failed to comply regulation	Min 1L & 1L/day Upto Max. ₹1 cr
37	Is a legal representative of deceased person liable as an heir to provide for penalty under sec 15H & Insider Trading	legal representatives shall only be liable to pay when a penalty has been imposed before the death of an accused person

SEBI ACT, LODR, Insider Trading

Sr No.	Questions	Answers
38	which act applicable in rocovery of amounts by attaching Property, bank acc etc us 28A?	Income tax Act
39	How to appoints recovery office to recover claim?	Officer of Board empower through Order
40	Deceased person transferred FD to his married 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 and Spouse, other than for adequate consideration (Major Child & Sister not include)
41	Minimum application value under SEBI (ICDR) Regulations	Not less than 25% of issue price
42	XYZ Limited, a publicly listed company, is planning a new share issue to raise capital for its upcoming projects. The company initially set the issue price based on market conditions and regulatory guidelines. However, due to recent market volatility, XYZ Limited is considering adjusting the issue price to make the shares more attractive to potential investors. The company wants to understand the regulatory requirements and constraints on adjusting the issue price after it has been initially set. The management is particularly concerned with the time frame within which these adjustments can be made, especially in terms of upward and downward adjustments. What are the regulatory guidelines regarding the adjustment of the issue price after it has been initially set?	The company can adjust the issue price both upward and downward within 3 days.
43	How many days revision of price can be made	at any time up to 3 working days prior to the opening of the offer.
44	Minimum value of application money to be set during IPO	10K to 15K
45	CS related to Book Building (BB) Issue 1) In case of Voluntarily BB Process? 2) In case of Compulsory BB Process?	1) not more than 50% allocate to QIB 2) at least 75% allocate to QIB
46	When to appoint Credit rating Agency	at the time of Public Issue or Rights Issue
47	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
48	Member and chairperson limits for committees of listed company?	Not be member of more than 10 committee or Chairperson of more than 5 committee 10/5 limit include public company only (whether listed or not)
49	Which of the following does not amount to insider trading	Make a public announcement to acquire shares at a minimum price
50	AC of listed entity review FS of material subsidiary, what are the matter they review?	Particularly Investment made by subsidiary Co
51	No. of Copies of draft offer documents	3 copies
52	When a company is eligible for IPO? (Net tangible asset criteria related question)	>= 3 crores with atleast 50% monetary assets
53	Can a company issue IPO if ESOP's are outstanding?	Yes

SEBI ACT, LODR, Insider Trading

Sr No.	Questions	Answers
54	Every co shall notify the particulars of "trading by Promoter/PG/D" to SE on which Securities are listed within ____ days of receipt of disclosure or from becoming aware of such information.	2 trading days
55	Case Study: A company defaulted to pay penalty, SEBI attached 2 bank account out of 4. Out of 2 Bank account, 1 account was already defaulted (or not involved in fraud) Is this attachment valid?	not correct bcz only attach acc which is involved in fraud.
56	Officer took note of examination.but DID NOT READ IT TO other person. Valid??	NOT VALID, bcz Notes of any examination shall be taken down in writing and shall be read over to, or by, and signed by, the person examined, and may thereafter be used in evidence against him.
57	Person to order for impounding	Magistrate or Judge of such designated court in Mumbai
58	Which code applicable for Search & seizure	Code of Criminal Procedure, 1973 (2 of 1974) relating to searches or seizures made under that Code.
59	What can be SEBI action in case of insider trading including, suspension of trading of stock, attaching bank account, impounding & retain of money and securities	SEBI can pass these order during inspection or inquiry & need to obtain confirmation from special court within 90 days.
60	Period of attachment incase of attachment of bank account during insider trading Inspection/ Inquiry by SEBI	upto 90 days
61	A company has 1 chairperson, 2 executive director and 3 independent MALE director. The company will be listed on the stock exchange and will come under top 2000 listed company. Q. Suggest ideal combination of directors ? A. 3 independent director including a women executive director B. 3 independent director including a women independent director C. 2 independent director	3 independent directors including a woman independent director.
62	Raman is a member and director of a pharmaceutical company. The company proposed to raise capital for strengthening its structure and reputation in the market. Such matter came for approval before Board for consideration. Specify the correct statement in the light of the above situation as per the provision under the SEBI Act, 1992:	Member being a director with pecuniary interest, shall disclose his interest but shall not take any part in any decision of the Board

FCRA

Sr No.	Questions	Answers
1	Charitable trust applied for registration. Certificate of registration issued on 15.9.23. It is sent via post. Trust received it on 17.9.23. This Reg Certificate is valid upto ?	14.09.2028 (5 year from the date of issue)
2	Cooling period in case of surrender/cancellation of COR	3 years
3	FC from relatives more than 10Lakh in FY then inform to CG in which form?	FC-1 & within 3 months
4	Certificate of registration valid for	5 years
5	Scholarship received from foreign university for studying abroad	Exempt from obtaining permission
6	In case of emergency medical aid of more than 1Lakh then intimate to CG within _____	1 month
7	FCRA Account open in which bank for receiving FC	SBI, New Delhi
8	Period of Suspension of COR	180 Days (+180 days extended)
9	Renewal of Certificate of Registration within _____	6month before expiry
10	Person aggrieved from confiscation of FC of more than 10 lac may appeal to _____	High court within 60 days
11	Fee of compounding or revision of order (only online mode)	Rs. 3000
12	Case Study: Y (India) sold goods to X (Singapore). X came to India. X bought a ring in India for RS 90,000. Y called X for dinner, and X gave that ring to Y. X made payment to Y for the goods, and Y gave a cheque to X for the travel cost. X took that ring to market for its valuation and it was 1,10000. X's wife is using that ring.	
13	Qs 1. Ring given by X to Y is foreign contribution?	Yes. as per its market value it is more than 1,00,000 and he did the valuation the same day.
14	Qs 2. Money Paid by X to Y is a foreign contribution.	No, as it is payment in normal course for goods and services
15	Qs 3. Is the cheque given by Y Foreign Hospitality?	No as FH is in cash or kind taken outside India
16	Sec 4, Is scholarship provided by foreign university to PRI comes under FC	Yes
17	Sec 14A, If FCRA registration is surrendered, it is deemed to have expired/effective date of surrender on _____	Date of acceptance by CG.
18	Sec 14A, cooling period for fresh reg. once existing registration is surrendered	3 year
19	Sec 15, Upon Surrender/Cancellation Whether banking authority can utilize/dispose the assets of FC.	Yes, if it considers necessary and in public interest, the activities of the person, as the Central Government may direct ,may utilise the foreign contribution or dispose of the assets created out of it in case adequate funds are not available for running such activity
20	Bank shall report receipt of FC to whom to within how many hours?	CG (Not RBI) within 48hr
21	Bank report to CG of transaction relating to _____	Receipt & utilisation of FC

22	A person received 25 lakh FC in FCRA acc in delhi sbi & then transferred 10 lakh to his non fcra acc for utilization. He also received 5 lakh FC in his non fcra acc with canara bank. Which of these 3 transactions are violates FCRA Act?	Can receive FC only in FCRA Acc - so 25 lakh valid, but 5 lakh violates Act and one can transfer money to Non FCRA Acc for utilization. So 10 lakh valid
23	Mr. X received FC in personal Capacity and used it for Gold Deposit scheme. Can he use?	No
24	Can religious trust receive donation from foreign source without FCRA account?	No, trust receive funds from foreign sources into their FCRA account only
25	Related to Case Study: What should a bank authority do on the direction of the Central Government in case of Best Trust and Great Trust?	In case of Best Trust, dispose of the assets created out of FC; for Great Trust, utilize the FC.
26	Can PROI lend to a firm in India as advance amount	Allowed under FCRA bcz advance payment is part of payment in OCOB. However, Ensure compliace with RBI & FEMA regulations.
27	Donation of RS 10 lakh by OCI card holder to educational institute, when he was alumni ? (exemted / Outside purview of FCRA ?)	FC
28	Case Study: Mr. Arjun, an Indian citizen, has been residing in the United States for the past five years. He wishes to support an NGO in India that works for environmental conservation. To inquire about the NGO and its donation process, Mr. Arjun contacts his friend Mr. Sanjay, an NRI living in Singapore. Mr. Arjun transfers \$1000 to Mr. Sanjay, requesting him to donate the amount to the NGO on his behalf. Mr. Sanjay transfers the specified amount from his personal savings through authorized banking channels to the NGO's account. Based on the facts, how would the donation made by Mr. Arjun through Mr. Sanjay be classified under the Foreign Contribution regulation?	Donation made by Mr. Arjun through Mr. Sanjay is not considered a Foreign Contribution, as the transaction is done via NRI account
29	XYZ an Indian PARTNER ship Firm made an associate with Chinese firm {ABC} Mr A and Mrs A came to India and visited Taj Mahal Purchased one Diamond ring worth Rs.75k and given that article as gift to MR.X at this time the market value is 1.1lakh whether is FC or not	Yes FC
30	Mr.X Incurred 1,25,000 for travelling expense in india on behalf of Mr A(FOREIGNER) reimbursed by Mr A(Foreigner) , Whether it's FC or not?	Yes FC
31	MR A a Singapore resident gave loan USD 200000 to parntership firm in India for buying villa . IS IT PERMISSIBLE in FCRA?	Permissible
32	Donation of Rs. 10 lakh by a person working abroad from his own personal savings to his college in india in which he has studied, in the college alumini	If he has indian citizenship (NRI) then not considered as FC otherwise treat as FC
33	Alexander Philip, a foreign citizen, has made donations in kind to his known residentIndians for their personal use. When shall such donation in kind be excluded from the definitionof 'foreign contribution' considering the relevant provisions of Foreign Contribution (Regulation) Act, 2010?	A donation in kind by a foreign citizen to a resident Indian shall be excluded from the definition of 'foreign contribution', if the market value, in India, of such article, on the date of such gift, is not more than ₹ 1,00,000.

FEMA

Sr No.	Questions	Answers
1	Approval from which ministry req in case of remittance of prize money/sponsorship	Human Resources Department (Department of Youth Affairs & Sports)
2	P&I club threshold limit exceeded - Permission from which authority?	Ministry of Finance (Insurance Division)
3	Container Detention Charges exceeded - Permission from which authority?	Ministry of Surface Transport (Director General of Shipping)
4	Time taken by AA to dispose complaint from the date of receipt	within 1 year
5	ODI to be made from which channel? Or fund for making ODI can be form	Bank and Financial Institutions (Authorised dealer bank)
6	Limit for LRS+CAT	\$250,000
7	Time limit of returning unused forex to Government	upto \$2000: No time limit above \$2000: 180 days
8	Commission to agent O/s india for sale of residential plot in India	5% or \$25000
9	ABC Ltd. is planning to pay a commission to an agent abroad for facilitating an export transaction What is the maximum commission ABC Ltd. can pay if the inward remittance is USD 10,00,000?	USD 50,000
10	Case Study: A company opened new office in some foreign country (say eg. Germany). It also has office in Gurugram. 3 key employees were working in gurugram for many past years - A, B, C.. All 3 were sent to Germany for setting up the business there. A - Citizen of Germany and posted to work in Germany permanently. He plans to settle there & don't intend to come back to India. B- Citizen of germany & posted to work in Germany on deputation basis will come back to india after 3 months of work. C- Indian who has been located in Germany branch A, B, C - all three want to buy 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.	
11	a) Can Mr. A, Mr. B, Mr. C purchase residential house in Germany. Does it have to take any prior permission of Central Government or RBI	Yes all 3 can purchase residential property without any approval
12	b) Can Mr. A, Mr. B, Mr. C purchase office space in Germany. Does it need to take any prior permission of Central Government or RBI for the same	Yes all 3 can purchase residential property without any approval
13	c) Whether an Indian company can purchase residential property abroad and whether the indian company can purchase office abroad? If yes, then with /without permission of RBI.	Company being indian entity having overseas office can acquire IPOI for business purpose & for residential purpose of its staff without approval.
14	Case Study: ABC Ltd. has earned a commission from the sale of real estate property to a foreign entity. Question: Is the commission earned from the sale of real estate to a foreign entity subject to FEMA regulations?	Yes
15	A person resident outside India wishes to invest in real estate in India. What are the limits and prior approvals required as per FEMA regulations?	Prior approval from the Reserve Bank of India (RBI)
16	Can PRI invest in foreign company whose biz is real estate of construction & leasing residential complex	Prohibited. Require prior permission of RBI

17	Case Study : ECB	
18	1) MAMP of ECB raised by manufacturing Co for working Capital purpose of USD 55 million	Normally: 3 years Manufacturing Co less than \$50M : 1 year Taken for WC purpose: 10 year So, MAMP = 10 years
19	2) eligible amt of ECB loan	\$750M
20	3) whether rupee ECB used for repayment of loan taken in India	Permitted but refinancing not allowed
21	4) Whether ECB permitted for buying land or engaging in real estate activities in India? If permitted, what is the Minimum Average Maturity Period (MAMP)?	ECB is not permitted for buying land or real estate activities.
22	MAMP for ECB raised upto 300 crore for the purchase of P&M?	7 years
23	5) What exchange rate to be used to convert FCY ECB into INR ECB	at rate prevailing on date of agreement for such change or at a rate less (not more) than that prevailing rate if agreed by lender
24	A company borrowed ECB from outside India. The same company is interested in investing in a startup outside india. What money can company use to invest in this startup ?	ECB money cannot be used. They can use Domestic fund. Equity fund, retained earning, etc
25	Sponsorship of Sports activity programme outside india limit and approval for remittance of fund	\$100000 - Human Resources Department (Department of Youth Affairs & Sports)
26	Whether Foreign Office controlled by PRI is PRI/PROI or Mr. Harsh, residing in India, established ABC Limited and later opened a branch in Australia named AUS for warehousing purposes, controlled by him. What is the residential status of AUS?	PRI
27	While importing any product, There was a dispute and the money for machinery was held. For how long can the company pay interest on the machinery ?	3 years.
28	A person has come to India for a job. As per FEMA regulations, what is the maximum amount he can export without permission?	INR 250,000.
29	XYZ Ltd. has contravened the foreign exchange limit by making a payment of USD 3 lakhs without proper authorization under FEMA. Question: What is the penalty for contravention of the foreign exchange limit under FEMA?	penalty up to three times the sum involved in contravention in case amount quantified, where such amount is up to Rs. 2,00,000 in case amount not quantified. Penalty: 3X
30	Mr. X sent through authorised dealer \$2,80,000 to his daughter for study. College fee is \$1,00,000 w/o approval under LRS scheme. Did Mr. X contravene \$250000 FEMA rule, if yes then penalty?	Yes & penalty up to three times the sum involved in contravention in case amount quantified, where such amount is up to Rs. 2,00,000 in case amount not quantified Penalty: \$90,000 if this Q says -\$ 280000 is required by university, NO penalty applies.

31	Estimated foreign education fee- \$200000 Send for personal expense - \$60000 Need to guide the sender the limits under FEMA, 1999 under Schedule 3	invalid as , limit under Schedule 3 funder LRS is _ 250000 and and hence contravention of act and penalty 30000
32	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.
33	Mr. X, a non-resident residing in America, purchased properties in America. He has now come to India and wants to settle here. He intends to sell the properties in America and invest the proceeds in foreign securities.	Mr. X must obtain permission from the Reserve Bank of India (RBI) for repatriating the sale proceeds and investing in foreign securities
34	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.	John to remit his salary without requiring special permission, the maximum amount is set at INR 244,000. & Since INR 243,990 is slightly below the limit of INR 244,000, John can remit his entire monthly salary of USD 3,000 without requiring special permission from the authorities.
35	Odi investment in co., which is engaged in selling and leasing of residential and commercial properties Option a) ODI can be made by PRI, in such co engaged in real estate activity, after approval from CG Opt b) can't be made , as such co is engaged in leasing of commercial property which is a real estate activity Opt c) can't be made, as such co. Is engaged in real estate activities and selling of residential houses is a real estate activity	Option A)
36	Case Study: Canada based company 'PS' has a manufacturing business in India with headquarters in Mumbai. They also have a branch in Thailand and the Thailand branch is controlled by Mumbai headquarters. What is the residential status of Mumbai branch and Thailand branch?	PRI
37	Condition for writeoff/ forfeited foreign exchange Receivable under FEMA?	Amount should remain outstanding for more than 1 year
38	Financial commitment limit for automatic route in FEMA	not exceed 400% of net worth as per last B/S or \$1 billion W.E. Lower
39	International Tourism Association require Bank guarantee of \$5,00,000. The Guarantee: a) permissible to extent of \$1,00,000 b) cannot issued c) permissible to extent of \$2,50,000 d) permissible to extent of \$5,00,000	C) (need to check)
40	Complete write off foreign exchange receivable arising out of export sales is permissible	FEMA
41	In how many days relevant documents given to authorised dealer in case of first shipment/ Export	within 21 days from the shipment
42	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.

43	<p>A company declared to dealer that it is going to import machinery and spare parts.</p> <p>It didn't import spare parts. Instead it imported raw material permissible under FEMA. Is the action of entity ?</p> <p>A. Is valid after filing revised declaration with the dealer.</p> <p>B. Is valid after taking permission from rbi</p> <p>C. Is valid after taking permission from CG.</p> <p>D. is under contravention of FEMA</p>	A. Is valid after filing revised declaration with the dealer
44	<p>A company imported machinery and accepted to pay 5 monthly equal installment payment.</p> <p>Is this a current account or capital account transaction under FEMA ?</p>	Current Account
45	<p>In September, 2020, Mr. Purshottam Saha visited Atlanta as well as Athens and thereafter, London and Berlin on a month-long business trip, for which he withdrew foreign exchange to the extent of US\$ 50,000 from his banker, State Bank of India, New Delhi branch. In December, 2020 he further, withdrew US\$ 50,000 from SBI and remitted the same to his son Raviyansh Saha who was studying in Toronto, Canada. In the first week of January, 2021, he sent his ailing mother Mrs. Savita Saha for a specialised treatment along with his wife Mrs. Rashmi Saha to Seattle where his younger brother Pranav Saha, holder of Green Card, is residing. For the purpose of his mother's treatment and to help Pranav Saha to meet increased expenses, he requested his banker SBI to remit US\$ 75,000 to Pranav Saha's account maintained with Citibank, Seattle. In February, 2021, Mr. Purshottam Saha's daughter Devanshi Saha got engaged and she opted for a 'destination marriage' to be held in August, 2021 in Zurich, Switzerland. While on a trip to Dubai in the last week of March, 2021, he again withdrew US\$ 35,000 to be used by him and Devanshi Saha for meeting various trip expenses including shopping in Dubai. Later, the event manager gave an estimate of US\$ 2,50,000 for the wedding of Devanshi Saha at Zurich, Switzerland. Which option do you think is the correct one in the light of applicable provisions of Foreign Exchange Management Act, 1999 including obtaining of prior approval, if any, from Reserve Bank of India since Mr. Purshottam</p>	In respect of withdrawal of foreign exchange on various occasions from his banker State Bank of India and remitting the same outside India during the financial year 2020-21, Mr. Purshottam Saha is not required to obtain any prior approval
46	Overseas Investment as per the Foreign Exchange Management (Overseas Investment) Rules, 2022 means:	Financial Commitment and Overseas Portfolio Investment ('OPI') by a PRII
47	The bench mark rate for calculating the all in cost for foreign currency ECBs is amended, due to Libor transition made vide circular dated 8.12.2021, by	50 bps
48	Mr. X, a person comes to India on 1st June 2019 for visiting his parents. However, his parents fall sick and he stays till 31st March 2020. Thereafter he continues to stay in India. He decided to live in India for next 6 months by the time his parents recovers. In the light of the given case, determine the correct residential status of Mr. X from the given statements.	His stay in India is neither for employment, nor for business, nor for circumstances which show that his stay in India for an uncertain period. In FY 2019-20, he is a PROI as he did not reside in India for more than 182 in FY 2018-19

IBC

Sr No.	Questions	Answers
1	In how many days public notice to be given after appointment of IRP	3 days
2	Conduct of CoC meeting within ____ of its Constitution	7 days
3	In how many days NCLT accept the admission of application	14 days
4	Approval or disapproval communication by NCLT in _____	7 days
5	IRP name to be proposed to?	NCLT
6	Deemed approval will be considered if IBBI don't respond in _____	10 days
7	In the case of the replacement of an Interim Resolution Professional (IRP), if the approval of the Insolvency and Bankruptcy Board of India (IBBI) is not received within the stipulated time, what should be the next course of action?	the existing IRP shall continue to function until such approval is received.
8	Quorum of COC	33% of voting right
9	Eligibility of IRP	Same as independent director
10	Time limit of completion of CIRP	within 180 days + after passing resolution of >66%, extension of 90 days may allowed by AA mandatory complete in 330 days
11	In how many days CD shall bring in notice of dispute after OC deliver Demand Notice	10 days
12	If operational creditor send demand notice to corporate debtor and they dont reply, what is to be done?	Proceed with application to NCLT
13	Coc decision taken by vote not less than ____% of voting share of FC	51%
14	Notice period of meeting of COC	5 days
15	Composition of Committee of creditor	All FC's only (in case FC not exist then 18 largest OC, 1 representative each of Workmen & Employee)
16	Whether Date of acceptance of application by NCLT = Date of Insolvency Commencement date	Yes
17	____ % voting required for withdrawal of application	90%
18	____ % Voting for appointment of IRP as RP	66%
19	How many % vote reqd to replace RP?	66%
20	On CIRP initiated by FC, tribunal to ascertain existence of default in how many days?	14 days
21	There was a related party amongst the FC. Whether that related party is entitled to vote in meeting of CoC?	No right to participate or vote in COC meeting
22	Case Study: GHI Ltd. is undergoing insolvency proceedings, and a resolution professional needs to be appointed. Question: Who appoints the resolution professional in an insolvency case?	Committee of Creditors (CoC)
23	Case Study: JKL Ltd. has filed an insolvency application due to unpaid operational debt owed to various suppliers and service providers. Question: Which of the following qualifies as operational debt under IBC?	Amount owed for supply of goods and services

24	Who is Corporate Debtor and Operational Debtor?	Identify based on given C.S.
25	Whose name shall be furnished with the application before the adjudicating authority by financial creditor?	Insolvency Resolution Professional
26	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
27	Is a foreign creditor required to submit certificate from Institution to file application to NCLT	No
28	Is IRP can raise Interim finance?	Yes but not encumber any assets against finance without authorisation by COC
29	A financial creditor, which does not have a account in India whether he is able to file under IBC?	FC should give a self declaration that no payment has been received by him for such unpaid debt
30	Mr. X was appointed as IRP but after formation of CoC, Mr. Y was appointed as RP by CoC, NCLT sent communication to IBBI on 5th date of month and acceptance came on 20th date of month, when can Mr.Y start working and till then what will Mr. X do?	Mr. Y can work after acceptance of IBBI i.e. on 20th of month and till then Mr. X can continue
31	DEF Ltd. has defaulted on its loan repayments. Various stakeholders are considering filing an application under the Insolvency and Bankruptcy Code (IBC).	Financial creditors and operational creditors
32	Can employee/member of statutory audit team etc be IRP	No
33	Basis of initiating CIRP	Financial creditor or operational creditor with demand notice issued
34	Who all shall be served the notice of COC meeting?	FC, RP, IRP, Authorised Representative of CD, Authorised representative of OC(if applicable)
35	The liquidator said he will immediately commence process after his appointment. Q. What does immediately mean ? Or No of days within which liquidator has to call COC meeting ? A. 3 days B. 6 days C. 7 days	C: 7 Days
36	Tribunal appointed Mr Ram as IRP(Intermediate resolution professional). COC presented the name of Mr shyam as RP(Resolution professional). The tribunal appointed Mr Shyam as RP pending confirmation from the board of the company. Q. Is the appointment of Mr Shyam as RP valid ? A. yes, pending confirmation from the board. B. Yes. It is vaild C. No invaild D. CIRP proceedings will be suspended while board takes decision	A. yes, pending confirmation from the board.

37	date of commencement of IRP process	insolvency date
38	trade unions file application behalf of workman	refer sec-3(23) IBC -2016
39	CDR scheme with creditors approval? ?	at least 75% secured creditor (sec-230)

Other Questions - Company Law

RV has to passed the valuation exam within 3 years proceedings the date of making application for registration

Powers of RV

Power of registrar to remove name of Company from ROC (Secc248)

Sec 212, Offence Covered under section 447: "Cognizable & Non-Bailable

Bail provision under section 212

Can Tribunal give order of winding up if it feels it to be just and equitable without notice or calling of representation from company?

If **no information or explanation is furnished** to the Registrar within the time specified or

if **information or explanation furnished is inadequate** or

if the Registrar is satisfied on a scrutiny of the 128 documents furnished that an unsatisfactory state of affairs exists in the company and does not disclose a full and fair statement

ROC may, by another written notice, call on the company to produce for his inspection such further books of account, books, papers and explanations as he may require at such time/place.

Read Section 206(4), ROC is satisfied of info available.....

Sec 186 : to invest funds of co board resolution passed with **consent of all directors**

Section 237 CG has power to amalgamate companies in public interest

Sec 277: With respect to all companies - On receipt of the copy of order of appointment of provisional liquidator or winding up order, the **Registrar shall make an endorsement to that effect in his records relating to the company and notify in the Official Gazette** that such an order has been made, and In the case of a listed company, the Registrar shall intimate about such appointment or order, as the case may be, to the stock exchange or exchanges where the securities of the company are listed.

Inactive company when applys for obtaining status of DC , it becomes DC.