

SPOM Set A

Law Paper — Detailed Answers

CA Final · Exam Window: 26 March – 30 March 2026

Based on student-recalled questions across 6 Sets (Set A only)

Answers researched with reference to Companies Act 2013 | SEBI Act & Regulations |
FEMA 1999 & RBI Master Directions | FCRA 2010 | IBC 2016

Acts Covered	Companies Act 2013, SEBI, FEMA, FCRA, IBC 2016
Sets Covered	Set 1 (26 Mar) · Set 3 (27 Mar) · Sets 4-7 (30 Mar)
Total Questions	60+ questions with statutory answers
Compilation	NextGen Career Circle — CA Final SPOM

PART I — COMPANIES ACT 2013

Q1 — Rotation of Directors

Which directors are liable to retire by rotation, and how is the rotational requirement calculated?

Legal Basis: Section 149(6), 152 of Companies Act 2013; Rule 14 of Companies (Appointment and Qualification of Directors) Rules 2014

At every AGM, one-third of such directors as are liable to retire by rotation shall retire.

- At least 2/3 of the total number of directors shall be liable to retire by rotation.
- The remaining directors (including Independent Directors) are NOT liable to retire by rotation.
- Directors retiring by rotation are eligible for re-election at the same meeting.
- If the number is not exactly divisible by three, the number nearest to one-third shall retire.

1/3 of rotational directors retire at every AGM; at least 2/3 of total directors must be rotational directors.

Note: Independent Directors, Nominee Directors, and directors appointed by Small Shareholders are NOT counted in the rotational directors.

Q2 — Women Director — Mandatory Appointment

Which companies are mandatorily required to appoint a woman director?

Legal Basis: Section 149(1) proviso; Rule 3 of Companies (Appointment and Qualification of Directors) Rules 2014

The following classes of companies shall appoint at least ONE woman director:

- Every listed company.
- Every public company having paid-up share capital of Rs. 100 crore or more; OR turnover of Rs. 300 crore or more.

Listed companies and public companies with paid-up capital \geq Rs. 100 crore or turnover \geq Rs. 300 crore.

Note: If a vacancy of woman director is created, it shall be filled within 3 months from the date of vacancy or the date of next Board meeting, whichever is later.

Q3 — CFO (KMP) — Appointment and Reappointment

Can a CFO appointed for 2 years in Term 1 be reappointed? Can a KMP be reappointed before expiry of his term?

Legal Basis: Section 203 of Companies Act 2013; Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

CFO is a Key Managerial Personnel (KMP) under Section 203.

- A CFO is appointed by the Board of Directors and holds office at Board's discretion unless stated otherwise.
- If CFO's appointment is for a fixed term (e.g., 2 years in Term 1), he can be reappointed for further term(s) after the expiry of Term 1.
- A KMP CANNOT be reappointed before expiry of his current term unless he resigns or his appointment is terminated.
- The Board must pass a resolution for any appointment/reappointment of KMP.

CFO can be reappointed after expiry of Term 1. Reappointment BEFORE expiry of term requires resignation first, then fresh appointment by Board resolution.

Note: Section 203(3): A whole-time KMP shall not hold office in more than one company except in its subsidiary company. This restriction does not apply to a Managing Director.

Q4 — Appointment and Reappointment of CEO / MD

What are the rules governing appointment and reappointment of MD/CEO/WTD?

Legal Basis: Section 196, 197, Schedule V of Companies Act 2013

- An MD/WTD/Manager is appointed for a term not exceeding 5 years at one time.
- Reappointment: Can be reappointed for further term not exceeding 5 years at a time.
- Reappointment shall NOT be made earlier than 1 year before expiry of the current term.
- Approval required: Board of Directors → Shareholders by Special Resolution in General Meeting.
- If company has no profits or inadequate profits: Approval of Central Government (through Regional Director) or compliance with Schedule V conditions required.

MD/CEO can be appointed for max 5 years; reappointment can be made not earlier than 1 year before expiry of current term by Board + Shareholders' special resolution.

Note: If MD/CEO is to be appointed as Chairperson also — SEBI LODR Reg 17(1B) prohibits this for top 1,000 listed companies (by market cap) as of April 1, 2022.

Q5 — Independent Directors — Eligibility and Limits

Is a step-sister a relative? What are the shareholding eligibility limits? How many companies can an ID hold office in?

Legal Basis: Section 149(6), 165 of Companies Act 2013; SEBI LODR Regulation 16, 17, 25

DEFINITION OF RELATIVE under Companies Act [Section 2(77)]: Step-sister IS a relative.

- Relatives include: spouse, father (incl. step-father), mother (incl. step-mother), son (incl. step-son), daughter, son's wife, daughter's husband, siblings (brother/sister including step-brother/step-sister).

SHAREHOLDING LIMIT for Independent Director [Section 149(6)(c)]:

- An ID should NOT hold 2% or more of total voting power of the company.
- The limit of Rs. 50 lakh (pecuniary interest) applies to the 3-year period preceding appointment.
 - An ID shall not have pecuniary relationship exceeding Rs. 50 lakh or 2% of gross turnover/total income, whichever is lower, during 3 financial years preceding appointment.

MAX NUMBER OF DIRECTORSHIPS [Section 165]:

- Maximum 20 directorships in total (excluding Sec 8 and Dormant companies).
- Out of 20, maximum 10 shall be Public Limited Companies.

Step-sister IS a relative. Shareholding limit = 2% of PUSC. Max: 10 public companies + 20 overall (excluding dormant and Sec 8 companies).

Q6 — Independent Director — Sitting Fees vs Other Directors

A company paid lower sitting fees to Independent Directors compared to other directors, passed a Board resolution and altered the AOA. Is this valid?

Legal Basis: Section 197(5) of Companies Act 2013

Section 197(5) explicitly provides:

- An Independent Director shall NOT be entitled to any stock options.
- However, the fee payable to Independent Directors shall NOT BE LESS THAN the fee payable to other directors.
- This is a statutory right that cannot be contracted out or overridden by AOA or Board resolution.

INVALID. Paying lower sitting fees to Independent Directors than other directors violates Section 197(5). Neither a Board resolution nor alteration of AOA can override this statutory provision.

Q7 — Dormant Company**When can ROC issue a notice for non-filing of financial statements? What makes a company dormant?****Legal Basis: Section 455 of Companies Act 2013; Companies (Miscellaneous) Rules 2014**

A company can obtain DORMANT STATUS if it:

- Has not been carrying on any business or operation, or
- Has not made any significant accounting transaction during the last 2 financial years.

ROC CAN ISSUE NOTICE/STRIKE OFF under Section 248 if a company:

- Has not filed financial statements or annual returns for 2 consecutive financial years.
- Has not responded to ROC communications for a continuous period of 2 years.

DORMANT COMPANY — Annual Compliance:

- Must file Return of Dormant Company (Form MSC-3) once every FY within 30 days of end of each FY.

ROC issues notice if company fails to file financial statements for 2 consecutive years. A company becomes dormant if no significant transaction for 2 FYs.

Q8 — Two Layers of Investment — Restriction**What is the restriction on two layers of investment companies?****Legal Basis: Companies (Restriction on Number of Layers) Rules 2017 under Section 2(87) of Companies Act 2013**

No company (other than exempted ones) shall have more than 2 layers of subsidiaries, where subsidiaries are investment companies.

EXEMPTIONS — The restriction does NOT apply to:

- A company acquiring a company incorporated outside India through a subsidiary incorporated outside India (unlimited layers allowed).
- Banking companies.
- NBFCs (Non-Banking Financial Companies).
- Insurance companies.
- Government companies.
- Sec 8 companies.

Maximum 2 layers of investment subsidiaries. Exceptions include NBFCs, banks, insurance companies, Sec 8 companies, and foreign acquisition chains.

Q9 — Appointment of Liquidator by Tribunal**What is the due date for the Tribunal to appoint a Company Liquidator after winding up order?****Legal Basis: Section 275 of Companies Act 2013**

Under Section 275(1): At the time of passing a winding-up order, the Tribunal shall appoint an Official Liquidator or a Liquidator from the panel maintained by the Central Government as the Company Liquidator.

The Tribunal shall appoint the Company Liquidator at the TIME OF PASSING the winding-up order itself (i.e., simultaneously with the winding-up order). The appointment must happen within 7 days of the order.

Q10 — Winding Up — Fraudulent Preference to Creditors**Is a preference given to certain creditors during the last 4 months prior to winding up valid?****Legal Basis: Section 327 of Companies Act 2013**

Under Section 327(1): Any transfer, mortgage, charge, delivery of goods, payment, execution, or other act relating to property by a company within 6 months before the commencement of its winding up shall be deemed a fraudulent preference of its creditors and is invalid if the company was unable to pay its debts at the date.

- If preference is made to a related party (connected person): within 2 YEARS before winding up commencement is deemed fraudulent preference.

Preference given in the last 4 months (which is within 6 months) before winding up = INVALID / Fraudulent preference under Section 327.

Note: Connected persons include directors, their relatives, body corporates controlled by directors, etc. For them, the look-back period extends to 2 years.

Q11 — Winding Up — Inspection of Books by Liquidator**Can a Company Liquidator allow any contributory or creditor to inspect the audited books? Can inspection be done through authorized representatives?****Legal Basis: Section 469 of Companies Act 2013**

Under Section 469 of Companies Act 2013:

- The Company Liquidator SHALL keep proper books of accounts and allow any creditor or contributory to inspect them.
- Inspection may be by the creditor/contributory themselves OR through their authorized representative.
- The Company Liquidator shall send audited accounts (of receipts and payments) to the Tribunal, ROC, and also to every creditor and contributory.

YES — any creditor or contributory CAN inspect books, including through authorized representatives. Audited documents MUST be sent to NCLT and ROC. A copy of the summary must also be sent to creditors and contributories.

Q12 — Oppression and Mismanagement — Members Required for Application**What is the minimum number of members required to file an application for oppression and mismanagement?****Legal Basis: Section 244 of Companies Act 2013**

Under Section 244(1):

For a company having SHARE CAPITAL:

- • Not less than 100 members, OR
- • Not less than 1/10th of the total number of members (whichever is less), OR
- • Members holding not less than 1/10th of the issued share capital (provided they have paid all calls and sums due on their shares).

For a company WITHOUT SHARE CAPITAL:

- • Not less than 1/5th of the total number of members.

For share capital companies — minimum 100 members or 1/10th of total membership (whichever is less), or holders of 1/10th of issued share capital.

Q13 — Approval of Director Appointment — Board and General Meeting**What is the process for approval of director appointment — by Board and Shareholders?****Legal Basis: Section 152(2), 160 of Companies Act 2013**

- • Ordinary directors are appointed by shareholders in GENERAL MEETING by Ordinary Resolution.
- • Additional Director: Appointed by Board in between two AGMs — holds office up to the next AGM.
- • Director appointed to fill casual vacancy: Appointed by Board, subject to confirmation at the next GM.
- • Managing Director/Whole-Time Director: Requires Board resolution FIRST, then shareholders' approval (Special Resolution for companies with inadequate profits).
- • FIRST DIRECTORS: Named in Articles of Association — no GM approval needed.

General directors → appointment by Ordinary Resolution at GM. MD/WTD → Board approval first, then shareholders' Special Resolution. Additional directors → Board appointment, ratified at next AGM.

Q14 — Fast Track Merger — Approval for WOS**What approvals are required for a fast track merger in case of a Wholly Owned Subsidiary (WOS)?****Legal Basis: Section 233 of Companies Act 2013; Companies (Compromises, Arrangements and Amalgamations) Rules 2016**

Fast Track Merger under Section 233 applies to:

- Merger between two small companies, OR
- Merger of a holding company with its wholly-owned subsidiary (WOS).

Approvals required for fast track merger:

- Board of Directors resolution from both companies.
- Members' approval: By special resolution OR approval of members holding at least 90% of total number of shares in writing.
- Creditors' approval: By majority representing 9/10th in value agreeing in a meeting, or Tribunal approval.
- Notice to ROC and Official Liquidator — objections within 30 days.
- Central Government approval (through Regional Director) — No objection within 60 days = deemed approval.
- NO NCLT approval required (unlike Section 232).

For WOS fast track merger — Board resolution + Members' special resolution (or 90% written consent) + Creditors' approval + Central Government (Regional Director) — NO NCLT approval needed.

Q15 — Compromise & Arrangement — Dissenting Shareholders**What is the time limit to send notice to NCLT and pay consideration to dissenting shareholders in a scheme of merger?****Legal Basis: Section 235 of Companies Act 2013**

Under Section 235 of Companies Act 2013:

- The transferee company notifies the dissenting shareholders about the scheme.
- Dissenting shareholders must intimate their willingness to have their shares acquired within 1 month of notice.
- Time to acquire shares from dissenting shareholders: Within 4 months from the date of sanction of the scheme.
- Consideration must be paid to dissenting shareholders within the same 4-month period.
- Notice to NCLT regarding acquisition: within 4 months from date of approval.

Notice to NCLT and consideration payment to dissenting shareholders — within 4 months from the date of approval/sanction of the scheme.

Q16 — Scheme of Merger — Acquisition of Dissenting Shareholders (Time Limit)**Within how many months from the date of approval of scheme must dissenting shareholders be acquired?****Legal Basis: Section 235 of Companies Act 2013**

Within 4 MONTHS from the date of approval/sanction of the scheme of merger/arrangement.

Q17 — Section 203 — KMP Compliance

Which companies must appoint KMP under Section 203, and what are the compliance requirements?

Legal Basis: Section 203 of Companies Act 2013; Rule 8A

Section 203 mandates appointment of whole-time KMP in the following companies:

- Every listed company.
- Every other public company with paid-up share capital of Rs. 10 crore or more.

Mandatory KMPs:

- MD or CEO or Manager (and if no WTD, a director).
- Company Secretary (CS).
- Chief Financial Officer (CFO).

KEY COMPLIANCE RULES:

- Same person CANNOT hold two KMP positions simultaneously — EXCEPT that a CEO/MD can also be the Manager or WTD.
- Vacancy in KMP must be filled within 6 months from the date of such vacancy.
- KMP cannot hold office in more than one company, except subsidiary (and in some cases up to 2 companies).

Mandatory for listed companies and public companies with \geq Rs. 10 crore paid-up capital. Must have MD/CEO/Manager + CS + CFO. Vacancy must be filled within 6 months.

Q18 — Section 218 — Employee Protection During Investigation

An employee is terminated during investigation as no approval received from Tribunal within 30 days. Is any remedy available? Appeal to whom within how many days?

Legal Basis: Section 218 of Companies Act 2013

Under Section 218(1): During pendency of investigation, the company shall not, without prior approval of the Tribunal:

- Remove, transfer, dismiss, or terminate any director, KMP or employee.
- Change terms of service.

Under Section 218(3): If the Tribunal does not communicate within 30 days → DEEMED to have given approval.

REMEDY for Employee wrongfully terminated:

- The aggrieved employee may file an application before NCLT.
- If NCLT order is unsatisfactory — Appeal to NCLAT within 30 days from the date of order.

If Tribunal doesn't respond within 30 days, termination is deemed approved. However, employee can appeal to NCLT. If NCLT's order is adverse, further appeal to NCLAT within 30 days.

Q19 — Registered Valuer

**What are the qualifications (Rule 5) and independence requirements for a Registered Valuer?
What is the penalty for wrong valuation?**

Legal Basis: Section 247 of Companies Act 2013; Companies (Registered Valuers and Valuation) Rules 2017

QUALIFICATIONS under Rule 5:

- Has studied a course on valuation and cleared the examination conducted by the valuer's organisation (recognised by IBBI).
- Member of a Registered Valuers Organisation (RVO) recognised by IBBI.
- Has qualifying experience: 3 years for graduates; 1 year for post-graduates in related field.
- Not disqualified under any other law.

INDEPENDENCE REQUIREMENT:

- The Registered Valuer shall not have any direct or indirect interest in the company whose asset is being valued.
- Cannot be appointed if the valuer or his relative is an associated person of the company (within 3 years).
- Valuer cannot use associates or employees to conduct valuation independently.

PENALTY FOR WRONG VALUATION [Section 247(3)]:

- If valuation is done in a fraudulent manner: Action under Section 447 (Fraud) — min 6 months imprisonment up to 10 years + fine min equal to amount involved.
- If not fraudulent: Fine min Rs. 25,000 up to Rs. 1 lakh.

Rule 5 requires RVO membership, prescribed course & examination, and qualifying experience. Penalty for wrong valuation: Rs. 25,000 to Rs. 1 lakh (non-fraudulent); full fraud provisions under Sec 447 (fraudulent).

Q20 — Managerial Remuneration — Effective Capital Calculation

How is Effective Capital calculated for determining managerial remuneration limits?

Legal Basis: Schedule V, Part II, Section II of Companies Act 2013

EFFECTIVE CAPITAL = Paid-up Share Capital

+ Share Premium Account

+ Reserves and Surplus (excluding Revaluation Reserve)

+ Long-term Loans and Deposits (repayable after 1 year)

MINUS

- Accumulated Losses (not provided for)

- Preliminary Expenses not yet written off

- Other Fictitious Assets

REMUNERATION LIMITS based on Effective Capital:

- Negative or less than Rs. 5 crore: Rs. 60 lakh per annum
- Rs. 5 crore to Rs. 100 crore: Rs. 84 lakh per annum
- Rs. 100 crore to Rs. 250 crore: Rs. 120 lakh per annum
- More than Rs. 250 crore: Rs. 120 lakh + 0.01% of effective capital above Rs. 250 crore

Effective Capital = Paid-up capital + Share premium + Reserves (excl. revaluation reserve) + Long-term loans – Accumulated losses – Fictitious assets.

Q21 — CFLOS — Compensation for Loss of Office**How is compensation calculated for a director who vacates office before completion of term?****Legal Basis: Section 202 of Companies Act 2013**

Under Section 202, a director vacating office before expiry of term may receive CFLOS (compensation for loss of office).

CALCULATION:

- Average remuneration for 3 years preceding vacation (annualized if in service for less than 3 years).
- Multiply by unexpired period (in years) — but not more than 3 years.
- This gives the CFLOS amount.

EXAMPLE (from Set 5/7): WTD resigned on 31-07-2023; normal vacation: 31-12-2025

- FY 21-22: Rs. 55 lakh | FY 22-23: Rs. 62 lakh | FY 23-24 (4 months): Rs. 15 lakh
- Annualized FY 23-24: $15 \times (12/4) = \text{Rs. } 45 \text{ lakh}$
- Average for 3 years: $(55 + 62 + 45) / 3 = \text{Rs. } 54 \text{ lakh per year}$
- Unexpired period: 01-08-2023 to 31-12-2025 = 29 months = 2.42 years
- CFLOS = $54 \times 2.42 = \text{Rs. } 130.5 \text{ lakh} \approx \text{Rs. } 1.28 \text{ crore}$ (approx, subject to rounding)

CFLOS = Average remuneration (last 3 years) × Unexpired period. In the given example ≈ Rs. 1.28 crore.

Q22 — Adjudication — Rectification of Mistake Apparent on Record**Within what time can a rectification of mistake apparent in an order be made by the Adjudication Tribunal?****Legal Basis: Section 35 of Foreign Exchange Management Act 1999 (applicable through FEMA reference); also Companies Act context through Adjudicating Authority**

Under FEMA Section 35 and applicable provisions for adjudicating authorities:

- Any mistake apparent from the record in any order passed by the Adjudicating Authority may be rectified at any time by the Authority itself.
- For the Appellate Tribunal under FEMA: Rectification can be done within 2 years from the date of order.

Rectification of mistake apparent in notice/order by the Adjudication Tribunal — within 2 YEARS from the date of the order.

Q23 — MD and Chairperson — Same Person**Can the MD and Chairperson be the same person in a listed company?**

Legal Basis: SEBI LODR Regulation 17(1B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Under SEBI LODR Regulation 17(1B) (effective from April 1, 2022):

- The Chairperson of the Board of Directors shall NOT be related to the MD or the CEO of the company.
- The Chairperson shall be a NON-EXECUTIVE DIRECTOR.
- This applies to the top 500 listed entities by market capitalization (now extended more broadly).

Under Companies Act 2013 (Section 203 proviso):

- A public company having paid-up share capital of Rs. 100 crore or more (if specifically provided in its AOA) may have MD and Chairperson as the same person if the AOA specifically permits.

Under SEBI LODR (for top listed companies) — MD and Chairperson CANNOT be the same person (effective April 2022). Chairperson must be Non-Executive and not related to MD/CEO.

Q24 — SEBI LODR — Maximum Committees by Chairperson**What is the maximum number of committees a director/Chairperson can be a member or Chairperson of?**

Legal Basis: SEBI LODR Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Under SEBI LODR Regulation 26(1):

- A director shall not be a member of more than 10 committees.
- A director shall not act as Chairperson of more than 5 committees (across all listed entities).

Note: Only Audit Committee and Stakeholders' Relationship Committee are counted for this limit.

Maximum membership — 10 committees. Maximum as Chairperson — 5 committees (across all listed companies).

Q25 — SEBI LODR — Minimum Independent Director Requirement**What is the minimum Independent Director requirement based on the relationship between Chairperson and Executive/Non-Executive Director?**

Legal Basis: SEBI LODR Regulation 17 of SEBI (LODR) Regulations 2015

Under SEBI LODR Regulation 17(1):

- At least ONE-THIRD of the Board shall be Independent Directors.

ADDITIONAL REQUIREMENT based on Chairperson:

- If Chairperson is a NON-EXECUTIVE DIRECTOR → Minimum 1/3rd of Board to be IDs.
- If Chairperson is an EXECUTIVE DIRECTOR or is related to MD/CEO → Minimum 1/2 of Board to be IDs.
- If the listed company does not have a regular/non-executive Chairperson → Minimum 1/2 of Board shall be IDs.

Top 500 listed companies: Chairperson must be non-executive (LODR Reg 17(1B)).

Minimum 1/3rd IDs (if non-executive Chairperson). Minimum 1/2 IDs (if executive Chairperson or Chairperson related to MD/CEO).

Q26 — Corporate Governance Report — Filing Timeline**Within how many days from end of Q3 must the Report on Corporate Governance be filed?****Legal Basis: SEBI LODR Regulation 27(2)**

Under SEBI LODR Regulation 27(2):

- The listed entity shall submit a quarterly corporate governance compliance report to the stock exchange within 21 days from the end of each quarter.
- For Q3 (ending December 31): Report must be filed by January 21.

Within 21 days from the end of each quarter (including Q3). For Q3, deadline = January 21.**Q27 — Nidhi Company****What are the key features and requirements of a Nidhi Company?****Legal Basis: Section 406 of Companies Act 2013; Nidhi Rules 2014**

A Nidhi Company is formed to cultivate the habit of thrift/savings among its members.

KEY REQUIREMENTS:

- Minimum 7 members to form; within 1 year, must have at least 200 members.
- Minimum Net Owned Funds: Rs. 10 lakh at the time of commencement.
- Net Owned Funds to Deposits ratio: Not more than 1:20.
- Cannot issue preference shares or debentures.
- Can only accept deposits from and lend to its members.
- Unencumbered term deposits = at least 10% of outstanding deposits.
- Cannot conduct business other than borrowing and lending in its own name.

Nidhi is a mutual benefit company dealing only with members. Min 200 members within 1 year; Net Owned Funds ≥ Rs. 10 lakh; deposit ratio max 1:20.

PART II — SEBI (Securities and Exchange Board of India)

Q28 — SEBI Penalties — Statutory Schedule

What are the penalties for (a) insider trading, (b) failure to resolve investor grievances, (c) non-crediting of securities, (d) excess brokerage?

Legal Basis: Sections 15A to 15HB of SEBI Act 1992

SECTION 15G — INSIDER TRADING:

- • Penalty: Rs. 25 crore OR 3 times the amount of profit made from insider trading, WHICHEVER IS HIGHER.

SECTION 15C — FAILURE TO REDRESS INVESTOR GRIEVANCES:

- • Penalty: Rs. 1 lakh for each day during which failure continues — subject to maximum Rs. 1 crore.

SECTION 15F — STOCK BROKER VIOLATIONS (including non-delivery of securities):

- (a) Failure to issue contract notes in prescribed form: Rs. 1 lakh for each day, max Rs. 1 crore.
- (b) Failure to deliver securities or pay money to investor: Rs. 1 lakh per day OR 1% of FMV of securities, whichever is higher.
- (c) Charging EXCESS BROKERAGE: 5 times the amount of excess brokerage charged OR Rs. 1 lakh, WHICHEVER IS HIGHER.

SECTION 15A — FAILURE TO FURNISH INFORMATION/RETURN/REPORT:

- • Rs. 1 lakh per day during which failure continues, max Rs. 1 crore.

SECTION 15H — NON-DISCLOSURE (TAKEOVER VIOLATIONS):

- • Rs. 25 crore OR 3 times profit/gain, whichever is higher.

Insider trading (15G): Rs. 25 cr or 3x profit. Investor grievances (15C): Rs. 1 lakh/day, max Rs. 1 cr. Excess brokerage (15F): 5x excess or Rs. 1 lakh (higher). Non-crediting of securities (15F): Rs. 1 lakh/day or 1% of FMV.

Note: Section 15HA covers fraudulent and unfair trade practices: Rs. 25 crore or 3 times profits.

Q29 — SEBI — Penalty Not Specified (Residual Penalty)

What is the penalty for contravention for which no specific penalty is provided under SEBI Act?

Legal Basis: Section 15HB of SEBI Act 1992

Under Section 15HB — Penalty for Contravention where no Specific Penalty is provided:

- • Whoever fails to comply with any provision of this Act / Rules / Regulations / Directions / Orders for which no separate penalty has been specified:
 - Penalty: Rs. 1 crore.

Residual penalty under Section 15HB = Rs. 1 crore for any violation not covered by specific penalty sections.

Q30 — SEBI — Structured Digital Database (SDD)**What is the SDD requirement under SEBI PIT Regulations?****Legal Basis: Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations 2015**

Under Regulation 3(5) of SEBI PIT Regulations 2015:

- Every listed company, intermediary, and other persons who are required to handle UPSI (Unpublished Price Sensitive Information) shall maintain a STRUCTURED DIGITAL DATABASE (SDD).

The SDD must contain:

- Names of persons who shared UPSI and those with whom it was shared.
- Nature of UPSI shared.
- Date and mode of sharing.

RETENTION PERIOD: SDD must be maintained for at least 8 years after the relevant transactions.

SDD shall not be tampered with and should be preserved in a manner that facilitates audit trail.

SDD must be maintained by listed companies for all UPSI sharing — names, nature, dates. Retention period = 8 years. Non-tamperable with audit trail.

Q31 — SEBI — Appeal to SAT and Supreme Court**What is the time limit for filing an appeal to SAT from SEBI order? And from SAT to Supreme Court?****Legal Basis: Section 15T and 15Z of SEBI Act 1992**

APPEAL TO SAT (Securities Appellate Tribunal):

- Under Section 15T: Any person aggrieved by SEBI's order may prefer an appeal to SAT within 45 days from the date of receipt of the order.
- SAT may condone delay if sufficient cause is shown.

APPEAL TO SUPREME COURT FROM SAT:

- Under Section 15Z: Any person aggrieved by SAT decision may prefer an appeal to the Supreme Court within 60 days from the date of communication of the decision.
- Supreme Court may also condone delay for sufficient cause.

SEBI order → SAT: 45 days. SAT order → Supreme Court: 60 days.

Q32 — SEBI — Days to File Report to Central Government**Within how many days must SEBI file an annual report to the Central Government?****Legal Basis: Section 18 of SEBI Act 1992**

Under Section 18 of SEBI Act 1992:

- SEBI shall prepare an annual report giving a full account of its activities during the previous financial year.
- The report shall be submitted to the Central Government within 60 days from the close of each financial year (i.e., by May 31 of each year).
- The Central Government shall cause the annual report to be laid before both Houses of Parliament.

SEBI must submit annual report to Central Government within 60 days from the close of each financial year.

Q33 — SEBI ICDR — RULE 6(1) & General Corporate Purpose (GCP)**What is the limit for utilisation of IPO proceeds for General Corporate Purpose (GCP)?****Legal Basis: SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018; Regulation 7**

Under SEBI ICDR Regulations 2018, Regulation 7 and related provisions:

- GCP (General Corporate Purpose) utilisation from IPO proceeds shall NOT exceed 25% of the total amount raised through the public issue.

OBJECTS OF ISSUE (Reg 6/7 requirements):

- Objects of the issue shall be disclosed in the Red Herring Prospectus/Prospectus.
- Amount earmarked for GCP is capped at 25% to ensure specific deployment of funds.

Maximum 25% of total funds raised can be used for General Corporate Purpose (GCP).

Q34 — SEBI ICDR — Promoter Contribution**What are the minimum promoter contribution requirements and lock-in periods?****Legal Basis: Regulation 14, 15, 16 of SEBI ICDR Regulations 2018**

MINIMUM PROMOTER CONTRIBUTION:

- Minimum 20% of post-issue paid-up share capital.
- If the post-issue promoter shareholding is less than 20%, the entire pre-issue promoter holding must be locked in.

LOCK-IN PERIODS:

- Minimum promoter contribution (20%): Lock-in for 18 months from date of allotment in IPO.
- Excess promoter holding (beyond 20%): Lock-in for 6 months from date of allotment.

RELAXATION: Promoter can pledge their locked-in shares only for securing term loans for the project for which IPO proceeds are being raised.

Minimum 20% promoter contribution. Lock-in for minimum contribution = 18 months. Excess promoter holding = 6 months lock-in.

Q35 — SEBI ICDR — Company Changing Its Name**If a company has changed its name, what is the revenue condition for IPO eligibility?****Legal Basis: Regulation 6(1) of SEBI ICDR Regulations 2018**

Under SEBI ICDR Regulations, Regulation 6 — Eligibility Requirements for IPO:

- If the issuer has changed its name within the last 1 year, at least 50% of its revenue for the preceding 1 full year must be earned from the activity suggested by the new name.

Example: If a company changed its name from ABC Textiles Ltd. to ABC Tech Ltd. in January 2024, then for IPO filing in 2024:

- At least 50% of revenue from April 2023 to March 2024 must be from technology activities (the new name activity).

50% of revenue for preceding 1 year must be from the activity indicated by the new name.

Q36 — SEBI LODR — Independent Director Sitting Fees (Repeat) and Committee Requirements**What are the mandatory committee requirements under SEBI LODR?****Legal Basis: SEBI LODR Regulations 18, 19, 20, 21; SEBI LODR Regulation 26**

MANDATORY COMMITTEES for Listed Companies:

- • Audit Committee (Reg 18): Min 2/3 members to be IDs; Chairperson to be ID; Min 3 directors.
- • Nomination and Remuneration Committee (NRC) (Reg 19): Min 3 non-executive directors; Min 2/3 to be IDs; Chairperson to be ID.
- • Stakeholders' Relationship Committee (Reg 20): Chairperson to be Non-Executive Director.
- • Risk Management Committee (Reg 21): Applicable to top 1,000 listed companies; Min 2/3 to be Board members.

DIRECTOR'S COMMITTEE MEMBERSHIP LIMIT (Reg 26):

- • Member of max 10 committees (Audit + SRC only counted).
- • Chairperson of max 5 committees.

Audit Committee — min 2/3 IDs. NRC — min 2/3 IDs. Each director: max 10 committee memberships, max 5 as Chairperson.

PART III — FOREIGN EXCHANGE MANAGEMENT ACT 1999 (FEMA)

Q37 — FEMA — Residential Status: PRI vs PROI

How is residential status determined under FEMA? What is the difference between PRI and PROI?

Legal Basis: Section 2(v) and 2(w) of FEMA 1999

PERSON RESIDENT IN INDIA (PRI) [Section 2(v)]: A person who was residing in India for more than 182 days during the preceding financial year AND has NOT gone to or stayed outside India for:

- Employment outside India, OR
- Carrying on business or vocation outside India, OR
- Any other purpose indicating intention to stay outside India for uncertain period.

ALSO includes a person who has come to or stays in India for:

- Employment in India, OR
- Business/vocation in India, OR
- Any purpose indicating intention to stay in India for uncertain period.

PERSON RESIDENT OUTSIDE INDIA (PROI) [Section 2(w)]: Any person who is NOT a PRI.

KEY CASE STUDIES:

- Indian goes abroad for employment → PROI from day of departure (even if >182 days in preceding year).
- Foreigner comes to India for employment → PRI from day of arrival (even if <182 days in preceding year).
- Indian student going abroad for studies → PROI.
- Person returning to India permanently → PRI on return.

Residential status depends on PURPOSE of stay, not just 182-day count. Employment/business abroad = PROI even if in India for 182+ days. Returning to India permanently = PRI.

Note: FEMA residential status is different from Income Tax residential status. FEMA uses the purpose/intent test as the overriding criterion.

Q38 — FEMA — Export of Goods: Realisation Timeline**What is the timeline for realisation of export proceeds?****Legal Basis: FEMA (Export of Goods and Services) Regulations 2015; RBI Master Direction on Export**

Under FEMA Export Regulations and RBI Master Directions:

- An exporter must realise and repatriate the full value of export of goods within 9 MONTHS from the date of shipment.

SPECIAL CASES:

- Exports to ACU (Asian Clearing Union) countries: within 9 months.
- Exports to warehouses abroad: within 15 months.
- Export of goods by Status Holder Exporters: within 12 months.
- Software exports: within 9 months from date of invoice.

REPAYMENT OF ADVANCE RECEIVED (Export Advance):

- If goods are not exported after receiving advance, the advance must be refunded within 1 year from the date of receipt of advance.
- If it cannot be refunded within 1 year, RBI permission is required.

Export proceeds must be realised within 9 months from date of shipment. Advance received but goods not exported — refund within 1 year.

Q39 — FEMA — Transactions Requiring Approval (Current vs Capital Account)**Which transactions under FEMA require specific approval from RBI or CG?****Legal Basis: Section 5, 6 of FEMA 1999; Foreign Exchange Management (Permissible Capital Account Transactions) Regulations**

CURRENT ACCOUNT TRANSACTIONS [Section 5]:

- Generally permissible unless specifically prohibited/restricted.
- Schedule I (Prohibited): Lottery, horse racing remittances, etc. — PROHIBITED regardless.
- Schedule II (RBI Permission required): Medical treatment abroad exceeding specified limits, etc.
- Schedule III (CG Permission required): Gifts, cultural tours, etc. beyond specified limits.

CAPITAL ACCOUNT TRANSACTIONS [Section 6]:

- All capital account transactions are PROHIBITED unless specifically permitted by RBI.
- RBI has general permission for a list of permissible transactions.
- Transactions NOT in the permissible list require prior approval of RBI.

EXAMPLES REQUIRING APPROVAL:

- Purchase of immovable property outside India by resident (except through LRS).
- Loans to NRIs beyond limits.
- Investment abroad beyond automatic route limits.

Current account transactions are generally free (with Schedule restrictions). Capital account transactions need RBI permission unless covered by general permission list.

Q40 — FEMA — External Commercial Borrowing (ECB): MAMP**What is the Minimum Average Maturity Period (MAMP) for ECB? What is the maximum allowable ECB through Automatic Route?**

Legal Basis: RBI Master Direction on External Commercial Borrowings, Trade Credits, Borrowing and Lending in Foreign Currency (2019)

MINIMUM AVERAGE MATURITY PERIOD (MAMP) under ECB Framework:

- • General MAMP: 3 years (for all borrowers).
- • For ECB used for working capital purposes or general corporate purposes (from foreign equity holders): MAMP = 10 YEARS.
- • For manufacturing sector companies (eligible borrowers): MAMP = 1 year (for up to USD 50 million per FY).
- • For ECB exceeding USD 50 million by manufacturing companies: MAMP = 5 years.
- • For infrastructure sector: MAMP = 5 years.

QUESTION CONTEXT (Set 5 & 7 — USD 55 million, manufacturing, WCP/MAMP = 10 years):

- • USD 55 million is above USD 50 million threshold → the MAMP = 10 years for the incremental amount. (Student recall from exam confirms answer = 10 years.)

MAXIMUM ECB THROUGH AUTOMATIC ROUTE (per FY):

- • For eligible borrowers (except NBFCs, MFIs, developers): USD 750 MILLION per financial year.

MAMP for WCP/general corporate purpose = 10 years. For manufacturing ≤ USD 50 million = 1 year; > USD 50 million = different MAMP. Max ECB via Automatic Route = USD 750 million per FY.

Q41 — FEMA — Overseas Direct Investment (ODI)**What are the ODI compliance requirements — same business, max limit on PUSC?**

Legal Basis: FEMA (Overseas Investment) Rules 2022; RBI Master Direction on Overseas Investment

OVERSEAS DIRECT INVESTMENT (ODI) under the Overseas Investment Rules 2022:

SAME BUSINESS REQUIREMENT:

- • An Indian entity making ODI must be engaged in the SAME BUSINESS ACTIVITY in India as the overseas entity in which investment is being made (under automatic route).
- • Investment in different business activity requires prior RBI/Government approval.

INVESTMENT LIMIT — AUTOMATIC ROUTE:

- • An Indian entity can invest up to 400% of its net worth (as per last audited balance sheet) in overseas entities.

10% OF UNLISTED EQUITY (ODI vs OPI distinction):

- • Investment of 10% or more of equity capital of an overseas entity = ODI (Overseas Direct Investment).
- • Investment of LESS THAN 10% of equity of an UNLISTED overseas entity = also treated as ODI.
 - Investment in listed company: any acquisition is OPI if < 10%, ODI if ≥ 10%.

PREVIOUS FY FINANCIAL STATEMENTS:

- • Limits and net worth for ODI are calculated based on the last audited balance sheet (previous FY).

ODI allowed in same business (automatic route). Limit = 400% of net worth. Investment ≥ 10% in unlisted = ODI; Investment in unlisted company regardless of % = ODI.

PART IV — FOREIGN CONTRIBUTION REGULATION ACT 2010 (FCRA)

Q42 — FCRA — Suspension of Certificate of Registration

What is the maximum period of suspension of an FCRA registration certificate?

Legal Basis: Section 13 of FCRA 2010

Under Section 13 of FCRA 2010:

- The Central Government may SUSPEND the certificate of registration for a specified period not exceeding 180 days, while the cancellation proceedings are pending.
- The suspension may be extended for a further period not exceeding 180 days.
- TOTAL MAXIMUM SUSPENSION PERIOD = 180 + 180 = 360 DAYS.

During suspension:

- The association shall not utilise any foreign contribution without prior permission of CG.
- The CG may allow spending for a limited amount for essential activities.

Maximum suspension period = 360 days (180 days + extension of 180 days).

Q43 — FCRA — Cancellation of Certificate of Registration

Under what circumstances can the FCRA registration certificate be cancelled? What happens to bank balance and property?

Legal Basis: Section 14 of FCRA 2010

GROUNDS FOR CANCELLATION [Section 14(1)]:

- Association made false statement to obtain certificate.
- Violated any provision of FCRA 2010 or rules made thereunder.
- Not functioning for genuine purposes.
- Detrimental to national interest, or used for spreading communal disharmony.
- Misutilised foreign contribution.

CONSEQUENCES AFTER CANCELLATION:

- The cancelled association CANNOT accept any fresh foreign contribution.
- The unutilised foreign contribution in the association's FCRA bank account shall be deposited into a designated account as directed by the Central Government.
- The immovable property acquired from foreign contribution vests in the prescribed authority.
- The CG may allow the cancelled association to utilise the balance for a specified purpose or time.

After cancellation — bank balance (foreign contribution) to be deposited as directed by CG. Property vests in prescribed authority. Association cannot receive fresh foreign contribution for 3 years after cancellation.

Note: After cancellation, the person/association shall not be eligible to re-apply for registration for 3 years.

Q44 — FCRA — Administrative Expenses: Limit and Exclusions

What is the limit on administrative expenses? What is NOT considered an administrative expense?

Legal Basis: Section 8 of FCRA 2010; FCRA (Amendment) Act 2020

Under Section 8 of FCRA 2010 (as amended in 2020):

- Not more than 20% of the total foreign contribution received in a financial year can be used for administrative expenses.

WHAT COUNTS AS ADMINISTRATIVE EXPENSES:

- Salaries, wages, travel expenses, remuneration paid to office bearers/employees.
- Rent for office premises.
- Office equipment maintenance.
- Communication expenses (office telephone, internet).
- Audit fees.

WHAT IS NOT AN ADMINISTRATIVE EXPENSE (i.e., programme expenditure):

- Direct project/programme costs (costs for the actual purpose of foreign contribution).
- Salaries of project staff working directly on field implementation.
- Costs of equipment used directly in the projects/programs.
- Building constructed for the beneficiaries.
- Construction of school buildings, hospitals etc. (project assets).

Administrative expenses capped at 20% of total FC received. Direct project costs (field staff salaries, project equipment, beneficiary construction) are NOT admin expenses.

Q45 — FCRA — Annual Return (FC-4) Filing

What is the due date for filing the annual return (FC-4) under FCRA?

Legal Basis: Section 18 of FCRA 2010; FCRA Rules 2011, Rule 17

Under Section 18 of FCRA 2010 and Rule 17 of FCRA Rules 2011:

- Every person/association who has been granted a certificate of registration or prior permission shall submit an Annual Return in Form FC-4.
- FC-4 must be filed within 9 MONTHS after the close of each financial year.
- Financial year closes on March 31, so FC-4 must be filed by December 31 of the same calendar year.

The FC-4 must be filed online on the FCRA portal: fcaonline.nic.in.

FC-4 must be filed within 9 months from the end of the financial year (i.e., by December 31 every year for FY ending March 31).

Q46 — FCRA — Clubbing Foreign Contribution with Domestic Funds**Can foreign remittance/contribution be clubbed with domestic funds in the same bank account?****Legal Basis: Section 17 of FCRA 2010**

Under Section 17 of FCRA 2010:

- Every person who has been granted registration/prior permission shall receive foreign contribution ONLY in a single designated FCRA Account in a branch of the State Bank of India, New Delhi (Main Branch) or any other notified bank/branch.
- The foreign contribution received in the FCRA account shall ONLY be used for the stated purpose.

PROHIBITION ON CLUBBING:

- Foreign contribution CANNOT be mixed or clubbed with domestic (Indian) funds.
- Separate bank accounts must be maintained for foreign contribution and domestic funds.
- The FCRA account can transfer funds to project implementation accounts (sub-accounts), but not to domestic accounts.

NO — Foreign contribution CANNOT be clubbed with domestic funds. Separate FCRA-designated bank account must be maintained exclusively for foreign contribution.

Note: Violation of this provision can lead to cancellation of FCRA registration.

PART V — INSOLVENCY AND BANKRUPTCY CODE 2016 (IBC)

Q47 — IBC — Committee of Creditors (CoC): Quorum

What is the quorum requirement for CoC meetings under IBC?

Legal Basis: Section 24 of IBC 2016

Under Section 24(6) of IBC 2016:

- The quorum for a meeting of the Committee of Creditors (CoC) = members of the CoC representing at least 33% of the voting shares.
- If quorum is not met, the meeting is adjourned to the next day at the same time and place.
- If quorum is not met at the adjourned meeting either, the meeting proceeds with whoever is present.

CoC quorum = members representing at least 33% of voting shares.

Q48 — IBC — Selection of Resolution Professional (RP): 66% vs 72%

If two Resolution Professionals are being considered and one gets 66% and another gets 72%, whom should be selected?

Legal Basis: Section 27 of IBC 2016

Under Section 27 of IBC 2016:

- The CoC may, by a vote of 66% of voting shares, replace the existing RP with another RP.
- Selection of RP from two candidates: The candidate with HIGHER VOTING SHARE should be selected.

In the given case:

- RP1 gets 66% — meets the 66% threshold (minimum required).
- RP2 gets 72% — also meets and exceeds the threshold.
- Between RP1 (66%) and RP2 (72%), the CoC's decision reflects support for RP2.

The RP with 72% should be selected as they have higher CoC support. Both meet the 66% minimum, but 72% has greater mandate.

Q49 — IBC — Majority Required to Approve Resolution Plan

What majority is required to approve a resolution plan? If Plan A gets 74% and Plan B gets 62%, what is the course of action?

Legal Basis: Section 30(4) of IBC 2016

Under Section 30(4) of IBC 2016:

- The CoC shall approve a resolution plan by a VOTE OF NOT LESS THAN 66% of voting shares of financial creditors.

ANALYSIS:

- Plan A: 74% approval → APPROVED (exceeds 66% threshold).
- Plan B: 62% approval → NOT APPROVED (below 66% threshold).

COURSE OF ACTION when Plan A (74%) and Plan B (62%) are both presented:

- Plan A (74%) is deemed approved by CoC and can be submitted to NCLT for approval.
- Plan B (62%) does NOT meet the required threshold and is rejected.
- If both plans were to be voted upon simultaneously, the one with higher votes (Plan A) and meeting the threshold would be approved.

66% of voting shares required. Plan A (74%) = APPROVED. Plan B (62%) = REJECTED. Course of action = Proceed with Plan A to NCLT.

Q50 — IBC — Fast Track CIRP: Time Limits

What are the time limits for normal CIRP and Fast Track CIRP?

Legal Basis: Section 55-58 of IBC 2016

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP):

- Normal CIRP: 180 days from insolvency commencement date.
- Extension of normal CIRP: Up to 90 days — approved by CoC with 66% voting share.
- Maximum overall CIRP period: 330 days (including litigation time).

FAST TRACK CIRP [Section 55-58] applicable to:

- Small corporate debtors (turnover ≤ Rs. 1 crore or assets ≤ Rs. 1 crore).
- Start-up companies (within 5 years of incorporation).
- Unlisted companies with total assets ≤ Rs. 1 crore (as per last financial statement).

Fast Track CIRP Time Limits:

- Normal Fast Track CIRP: 90 days from insolvency commencement date.
- Extension of Fast Track CIRP: Up to 45 days — approved by CoC with 66% voting share.

Normal CIRP = 180 days + 90 days extension. Fast Track CIRP = 90 days + 45 days extension.

Q51 — IBC — Appeal Timeline: NCLT → NCLAT → Supreme Court**Within how many days can an aggrieved person appeal from NCLT to NCLAT, and from NCLAT to Supreme Court?****Legal Basis: Section 61 and 62 of IBC 2016**

APPEAL FROM NCLT TO NCLAT [Section 61]:

- Any person aggrieved by NCLT order may appeal to NCLAT within 30 DAYS from the date of the order.
- NCLAT may condone delay of further 15 days if sufficient cause is shown.

APPEAL FROM NCLAT TO SUPREME COURT [Section 62]:

- Any person aggrieved by NCLAT decision may appeal to the Supreme Court within 45 DAYS from date of NCLAT order.
- Supreme Court may condone delay if sufficient cause exists.

Note: For Company Law matters under Companies Act:

- NCLT → NCLAT: 45 days.
- NCLAT → Supreme Court: 60 days.

Under IBC — NCLT → NCLAT: 30 days. NCLAT → Supreme Court: 45 days. Under Companies Act — NCLT → NCLAT: 45 days; NCLAT → SC: 60 days.

Note: The exam question confirmed 45 days (NCLT→NCLAT) and 60 days (NCLAT→SC) — this is the Companies Act context (not IBC). Under IBC: 30 days and 45 days respectively.

QUICK REFERENCE — Key Numbers & Timelines

Frequently Tested Numerical Answers

Topic	Answer	Act / Section
FCRA Suspension (incl. extension)	360 days (180+180)	FCRA Sec 13
FCRA FC-4 Annual Return due date	9 months from FY end (Dec 31)	FCRA Rule 17
FCRA Admin Expense Cap	20% of total FC received	FCRA Sec 8
FEMA Export Realisation	9 months from date of shipment	FEMA Export Regs
FEMA Advance Refund (goods not exported)	Within 1 year of receipt	RBI Master Dir
Adjudication — Rectification of Order	2 years from date of order	FEMA Sec 35
ECB — Max via Automatic Route (per FY)	USD 750 million	RBI ECB Framework
ECB — MAMP for WCP/General Purpose	10 years	RBI ECB Framework
ECB — MAMP Manufacturing ≤ USD 50 mn	1 year	RBI ECB Framework
SEBI — Appeal to SAT	45 days from SEBI order	SEBI Act Sec 15T
SAT → Supreme Court Appeal	60 days from SAT order	SEBI Act Sec 15Z
SEBI Annual Report to CG	Within 60 days of FY close	SEBI Act Sec 18
GCP Utilisation Cap (ICDR)	25% of total issue proceeds	SEBI ICDR Reg 7
Company Name Change — Revenue test	50% revenue from new activity in 1 year	SEBI ICDR Reg 6
Promoter Min Contribution (ICDR)	20% of post-issue capital	SEBI ICDR Reg 14
Promoter Min Contribution — Lock-in	18 months from allotment	SEBI ICDR Reg 16
Promoter Excess — Lock-in	6 months from allotment	SEBI ICDR Reg 16
SEBI Insider Trading Penalty (15G)	Rs. 25 cr or 3x profit (higher)	SEBI Act Sec 15G
Investor Grievance Penalty (15C)	Rs. 1 lakh/day, max Rs. 1 cr	SEBI Act Sec 15C
Excess Brokerage Penalty (15F)	5x excess or Rs. 1 lakh (higher)	SEBI Act Sec 15F
Residual Penalty (15HB)	Rs. 1 crore	SEBI Act Sec 15HB
SDD Retention Period	8 years	SEBI PIT Reg 3(5)
CG Report (LODR) — from Q3	Within 21 days of quarter end	SEBI LODR Reg 27(2)
Max Committees — Membership	10 committees	SEBI LODR Reg 26(1)
Max Committees — as Chairperson	5 committees	SEBI LODR Reg 26(1)
IBC — CoC Quorum	33% of voting shares	IBC Sec 24(6)
IBC — Resolution Plan Approval	66% of voting shares	IBC Sec 30(4)
IBC — RP Appointment/Replacement	66% of voting shares	IBC Sec 27

Topic	Answer	Act / Section
Normal CIRP Period	180 days + 90 days extension	IBC Sec 12
Fast Track CIRP Period	90 days + 45 days extension	IBC Sec 55-58
NCLT → NCLAT (IBC)	30 days	IBC Sec 61
NCLAT → SC (IBC)	45 days	IBC Sec 62
NCLT → NCLAT (Companies Act)	45 days	Cos Act Sec 421
NCLAT → SC (Companies Act)	60 days	Cos Act Sec 423
Max Directors — Overall	20 (excl. dormant & Sec 8)	Cos Act Sec 165
Max Directors — Public companies	10 (out of 20)	Cos Act Sec 165
Oppression & Mgmt — Min members (share capital 100)	100 or 1/10th (lesser)	Cos Act Sec 244
Company Liquidator Appointment	At time of winding-up order	Cos Act Sec 275
CoC — Quorum for Fast Track CIRP	33% of voting shares	IBC Sec 24(6)
Fraudulent Preference — Look back	6 months (2 years for related party)	Cos Act Sec 327
MD Reappointment — Earliest	Not earlier than 1 year before expiry	Cos Act Sec 196
KMP Vacancy — Fill Within	6 months	Cos Act Sec 203

This document is compiled based on student-recalled exam questions from SPOM Set A (CA Final Law Paper) — March 2026.
 Answers are researched with reference to the applicable Acts and Regulations as on the exam date.
 Always cross-verify with official ICAI study material and bare acts for examination purposes.