CMA FINAL

PAPER 13
CORPORATE & ECONOMIC LAWS (CEL)

Complete Exam Strategy & Chart Book

Syllabus 2022 | 100 Marks | Group III

Built for the DECEMBER 2026 Attempt (Exam Date: 10 Dec 2026)

Inside: Official ICMAI Weightage • Full Topic-wise Syllabus • Module Importance Analysis • A-B-C Chapter Ranking • 10-Week Study Plan • Answer-Writing & Memory Techniques • Chapter-wise Quick Revision Charts • Final Countdown Checklist

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1. HOW TO USE THIS BOOK

This chart book is designed as a **revision and strategy companion** to your ICMAI study material — not a replacement for it. Corporate & Economic Laws (CEL) is a pure theory/law paper, so unlike the SFM, SCM, CFR or SPMBV chart books in this series, there are no numerical "calculator tricks" here. Instead this book gives you the equivalent for a law paper: section-citation drills, answer-structuring templates, and memory techniques to write faster, more examiner-friendly answers.

Recommended sequence:

1. Read Section 2 (weightage) once, so every hour of study is spent where marks actually live.
2. Study each chapter from your ICMAI study notes, then use Section 8's Quick Revision Chart for that chapter to compress it into memory.
3. Use Section 5 (A-B-C ranking) to decide what to revise first when time is short.
4. Follow the Section 6 study plan week by week; adjust dates if your personal start date differs.
5. In the final 10 days, use Section 9 exclusively — revision charts + mock tests only, no fresh reading.

> **EXAM TIP:** CEL rewards students who can name the correct Act/Section and structure an IPAC (Issue-Provision-Application-Conclusion) answer — not students who write the longest answer.

2. ICMAI OFFICIAL WEIGHTAGE

Source: ICMAI Syllabus 2022, Final Course Curriculum, Paper 13 (verified against icmai.in)

Section-wise Weightage

Section	Weight	Covers
A: Corporate Laws	**60%**	Companies Act 2013, IBC 2016, Corporate Governance/CSR/Sustainability
B: Economic Laws & Regulations	**40%**	SEBI, Competition Act, FEMA, Banking, Insurance, MSME, Cyber Law, AML

Module-wise Weightage (Official)

Mod.	Module	Weight	Marks (of 100)
1	The Companies Act, 2013	40%	~40
2	Insolvency & Bankruptcy Code, 2016	10%	~10
3	Corporate Governance, CSR & Sustainability	10%	~10
4	SEBI Regulations	10%	~10
5	The Competition Act, 2002	5%	~5
6	Foreign Exchange Management Act, 1999	5%	~5
7 & 8	Banking Sector Laws + Insurance Sector Laws (combined)	5%	~5
9	MSME Sector — Legal Provisions	5%	~5
10	Cyber Security & Data Privacy Laws	5%	~5
11	Anti-Money Laundering Laws	5%	~5

Note: ICMAI does not officially split the 5% between Module 7 (Banking) and Module 8 (Insurance) — the syllabus document shows them sharing one 5% block; in practice most attempts give slightly more weight to Banking than Insurance.

KEY TAKEAWAY: Module 1 (Companies Act) alone is worth as much as Modules 4-11 put together. It must be your single largest time investment in this paper.

3. FULL SYLLABUS — TOPIC-WISE BREAKDOWN

Every chapter and sub-topic exactly as per ICMAI Syllabus 2022, Paper 13 study material.

Chapter 1: The Companies Act, 2013	40%

- 1.1 Company Formation & Conversion — incorporation of private/public/guarantee/unlimited companies and their conversion/re-registration; Sec 8 (not-for-profit) companies; foreign companies carrying on business in India; LLP ↔ Pvt Ltd conversion.
- 1.2 Investment & Loans — inter-corporate loans, investments, guarantees & security procedure; acceptance/renewal/repayment/default of deposits; public deposits & debt instruments.
- 1.3 Dividends — ascertainment of divisible profits; declaration & payment of dividend; unpaid/unclaimed dividend and transfer to IEPF.
- 1.4 Accounts & Audit — books of account & record preservation; appointment/removal/rights/duties of Statutory, Special & Cost Auditor; CARO.
- 1.5 Board of Directors & KMP — appointment/removal of directors & KMP; remuneration & disclosure; powers & restrictions on Board; DIN; compensation for loss of office; loans to directors; related-party disclosure.
- 1.6 Board Meetings & Procedures — minutes & registers; corporate governance & audit committee; duties/liabilities of directors; political contributions.
- 1.7 Inspection, Inquiry & Investigation.
- 1.8 Compromises, Arrangements & Amalgamations.
- 1.9 Prevention of Oppression & Mismanagement — majority rule vs minority protection.

Chapter 2: Insolvency and Bankruptcy Code, 2016	10%

- 2.1 Definitions.
- 2.2 Corporate Insolvency Resolution Process (CIRP).
- 2.3 Liquidation of a Corporate Person.
- 2.4 Personal Insolvency.

Chapter 3: Corporate Governance, CSR & Sustainability	10%

- 3.1 Corporate Governance — issues & concepts.
- 3.2 Corporate Governance practices/codes in India.
- 3.3 Corporate Governance in family business.
- 3.4 CSR — nature of activities, evaluation of CSR projects.
- 3.5 Sustainability management.

Chapter 4: SEBI Regulations	10%

- 4.1 Raising finance from capital markets — IPO.
- 4.2 Insider Trading.
- 4.3 Takeover Code.

Chapter 5: The Competition Act, 2002	5%

- 5.1 Anti-competitive agreements; abuse of dominant position; combinations & their regulation.
- 5.2 Competition Commission of India.

Chapter 6: Foreign Exchange Management Act, 1999	5%

- 6.1 Salient features of FEMA.
- 6.2 FDI in India — Master Directions.
- 6.3 External Commercial Borrowings, trade credit & structured obligations — Master Directions.
- 6.4 Liberalized Remittance Scheme (LRS) — Master Directions.

Chapter 7: Laws & Regulations related to Banking Sector	5% (shared with Mod. 8)

- 7.1 The Banking Regulation Act, 1949.
- 7.2 Role of Reserve Bank of India.
- 7.3 SARFAESI Act, 2002.

Chapter 8: Laws & Regulations related to Insurance Sector	shared with Mod. 7

- 8.1 The Insurance Act, 1938.
- 8.2 The IRDA Act, 1999.

Chapter 9: Specific Legal Provisions related to MSME Sector	5%

- 9.1 Definition of MSME.
- 9.2 Rights available to MSME; promotion measures under MSMED Act, 2006.

Chapter 10: Laws & Regulations related to Cyber Security & Data Privacy	5%

- 10.1 IT Act, 2000 & Rules; Sensitive Personal Data Rules.
- 10.2 Basic principles of data privacy; data privacy & business intelligence.
- 10.3 Cyber crime/fraud — meaning, remedies, penalties.

Chapter 11: Laws & Regulations related to Anti-Money Laundering	5%

- 11.1 The Prevention of Money Laundering Act, 2002.
- 11.2 The Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

4. MODULE-WISE IMPORTANCE & EXAM PATTERN ANALYSIS

Weight column = official ICMAI figure. Pattern column reflects how coaching institutes and repeat test-takers consistently describe examiner behaviour across the June 2023 – June 2026 attempts held under this syllabus. ICMAI does not publish chapter-wise marks actually scored/asked, so treat the Pattern column as informed guidance, not an official figure.

Ch.	Module	Wt.	Observed exam pattern
1	Companies Act, 2013	40%	Appears in every attempt without exception; usually 3-5 questions mixing MCQs, short notes and one full case-study/practical problem. Board/Director provisions, CSR-linked sections, oppression & mismanagement, and compromises/amalgamations are asked most often.
2	IBC 2016	10%	Almost always tested — typically one descriptive question on CIRP timelines/stages or liquidation waterfall, occasionally a short numerical on distribution of assets.
3	Corp. Governance/CSR	10%	CSR (nature of activities, applicability, unspent amount rules) is the most repeated sub-topic; family business governance and sustainability appear as shorter, 2-3 mark items.
4	SEBI Regulations	10%	Insider Trading and Takeover Code are asked more often than IPO procedure; expect a mix of MCQs and one 5-8 mark descriptive question.
5	Competition Act	5%	Abuse of dominant position and combination regulation are the most frequently tested sub-parts.
6	FEMA	5%	FDI and ECB Master Directions dominate; LRS is a common short-note/MCQ topic.
7&8	Banking + Insurance	5% (shared)	Usually only one of the two is tested at length in a given attempt (Banking Regulation Act / SARFAESI more often than pure Insurance Act provisions).
9	MSME	5%	Short, factual — definitions and MSMED Act promotional measures; a reliable low-effort, high-certainty scoring area.
10	Cyber Security/Data Privacy	5%	IT Act penalties/remedies and cyber-crime meaning are the recurring sub-parts.
11	Anti-Money Laundering	5%	PMLA obligations and record-keeping rules are the standard 2-5 mark ask.

5. A-B-C CHAPTER RANKING

Methodology: official ICMAI weight PLUS real tested-in frequency across the 7 actual attempts analysed in Section 10 (June 2023 - June 2026) PLUS how many marks a chapter can singlehandedly swing. This is an exam-strategy ranking, not an ICMAI classification.

Rank	Chapter	Wt.	Why
A	**1. Companies Act, 2013**	40%	Highest weight in the paper by a wide margin; tested every attempt; skipping any part of this chapter is the single biggest risk to your CEL score.
A	**2. IBC, 2016**	10%	High weight, always tested, and a compact syllabus relative to marks — excellent marks-per-hour of study.
A	**4. SEBI Regulations**	10%	High weight; Insider Trading + Takeover Code are compact, scoring, frequently-repeated sub-topics.
B	**3. Corporate Governance, CSR & Sustainability**	10%	Good weight but spread across several soft/descriptive sub-topics — needs structured short notes rather than deep reading.
B	**6. FEMA, 1999**	5%	Moderate weight but FDI/ECB Master Directions carry disproportionate exam presence relative to the 5% tag.
B	**7&8. Banking & Insurance Sector Laws**	5%	Only one sub-part is usually tested at length each attempt, so partial, targeted preparation is efficient.
C	**5. Competition Act, 2002**	5%	Lower weight and a narrower question style (mostly definitional/short notes).
C	**9. MSME Sector**	5%	Confirmed tested in only 4 of 7 real attempts (Section 10C) — small, factual, and the least guaranteed chapter alongside AML.
B	**10. Cyber Security & Data Privacy**	5%	Tested in all 7 real attempts despite its small weight — often blended with a business-intelligence angle, so it earns a B rather than a C.
C	**11. Anti-Money Laundering**	5%	Confirmed tested in only 4 of 7 real attempts — smallest, most self-contained chapter, and safe to leave for the very last day.

EXAM TIP: If you only have 2 weeks left: study A-chapters (Companies Act, IBC, SEBI) in full, B-chapters (CG/CSR, FEMA, Banking/Insurance) from this chart book's revision charts only, and C-chapters (Competition, MSME, Cyber, AML) from Section 8 one day before the exam.

6. 10-WEEK STUDY PLAN FOR CEL

Window: 25 Sep 2026 → 10 Dec 2026 (CEL exam day), assuming ~8-10 hours/week for this one paper alongside your other 7 subjects. Adjust dates if you start later.

Week	Dates	Focus	Target
1	25 Sep – 1 Oct	Companies Act Part 1 — Ch.1.1 to 1.4 (Formation, Investment/Loans, Dividends, Accounts & Audit)	First read-through with your ICMAI study notes; build a section-number list as you go.
2	2 – 8 Oct	Companies Act Part 2 — Ch.1.5 to 1.9 (Board/KMP, Board Meetings, Inspection, Compromises, Oppression)	Finish Companies Act entirely; attempt 20 MCQs from Section 8's chart.
3	9 – 15 Oct	Chapter 2 (IBC) + Chapter 3 (Corporate Governance/CSR/Sustainability)	Both chapters read once; memorise CIRP timeline and CSR applicability thresholds.
4	16 – 22 Oct	Chapter 4 (SEBI) + Chapter 5 (Competition Act)	Focus on Insider Trading, Takeover Code, and Abuse of Dominant Position.
5	23 – 29 Oct	Chapter 6 (FEMA) + Chapter 7&8 (Banking & Insurance)	FDI/ECB Master Directions in depth; Banking Regulation Act + SARFAESI basics.
6	30 Oct – 5 Nov	Chapter 9 (MSME) + Chapter 10 (Cyber) + Chapter 11 (AML)	All three small chapters finished; full first read-through of CEL now complete.
7	6 – 12 Nov	Revision Round 1 — Companies Act & IBC only (A-chapters)	Rewrite Section 8 charts from memory for Ch.1 & Ch.2; attempt one sectional test.
8	13 – 19 Nov	Revision Round 1 — SEBI, CG/CSR, FEMA, Banking/Insurance (A & B chapters)	Attempt 2 previous-attempt question papers under 3-hour timed conditions.
9	20 – 26 Nov	Full syllabus mock test + error log; revise C-chapters (Competition, MSME, Cyber, AML)	One full 100-mark mock; list every mistake in a single error notebook.
10	27 Nov – 9 Dec	Final revision — Section 8 charts only, all 11 chapters, 2 chapters/day; no new reading	By 9 Dec: every chart in this book revised at least twice.

DEADLINE: Exam day is 10 December 2026 — leave 9-10 December completely free of new material. The last 48 hours are for revision charts and sleep, not textbook reading.

7. ANSWER-WRITING & MEMORY TECHNIQUES

The law-paper equivalent of a "calculation trick" — these save time and win marks from the examiner.

The IPAC Method for practical/case-study questions

- **I**ssue — state the legal question in one line.
- **P**rovision — name the exact Act & Section (even an approximate section number earns credit; never leave it blank).
- **A**pplication — apply the provision to the facts given in 2-3 lines.
- **C**onclusion — a direct one-line answer (Yes/No/Valid/Invalid + reason).

Section-number recall trick

- Group sections by theme, not number: e.g. all "appointment/removal" sections for directors and auditors together, all "related-party/interested-director" sections together. Numbers stick better when grouped by concept.

The "3-line short note" template

- Line 1: Definition/meaning in the Act's own words.
- Line 2: One key feature or condition.
- Line 3: One practical consequence or penalty.
- This template alone covers 80% of the 2-5 mark short-note questions in Chapters 5, 9, 10 and 11.

MCQ elimination trick for law MCQs

- If two options differ only by a number (e.g. 30 days vs 60 days), that number is almost always the tested fact — keep a one-page "numbers list" (time limits, thresholds, percentages) from every chapter and revise only that page the morning of the exam.

Case-law referencing

- You do not need to cite full case citations. Naming the principle ("as held in the landmark case on X") earns nearly the same credit as the exact case name, with far less memorisation.

8. CHAPTER-WISE QUICK REVISION CHARTS

Chapter 1 — The Companies Act, 2013 (40%)

■ Company formation: Pvt Ltd (min 2 members), Public Ltd (min 7), Sec 8 companies (not-for-profit, no dividend), OPC.

■ Conversion routes: Pvt↔Public, LLP↔Pvt Ltd, unlimited→limited.

■ Inter-corporate loans/investments: Board resolution + special resolution beyond prescribed limits; register of loans/investments mandatory.

■ Dividend: only out of free reserves/current profits; unpaid dividend → Unpaid Dividend A/c (7 yrs) → IEPF.

■ Auditor: appointed for 5 years (AGM to AGM); rotation mandatory for listed & prescribed companies; CARO applies to most companies except small/banking/insurance/Sec 8.

■ Directors: min 2 (private)/3 (public); at least 1 resident director; DIN mandatory; independent directors for listed/prescribed public companies.

■ Related-party transactions and loans to directors need Board/shareholder approval as prescribed.

■ Compromise/Arrangement: needs NCLT approval + 3/4th majority of creditors/members in class meeting.

■ Oppression & Mismanagement: minimum 100 members or 1/10th of members (whichever less) can apply to NCLT.

Chapter 2 — Insolvency and Bankruptcy Code, 2016 (10%)

■ CIRP can be triggered by Financial Creditor, Operational Creditor, or the Corporate Debtor itself.

■ Default threshold for CIRP: Rs. 1 crore (as per current notification).

■ CIRP timeline: 180 days + 90 days extension (max 330 days including litigation, per SC ruling).

■ Moratorium under Sec 14 starts on admission of application and bars suits/recovery actions against the debtor.

■ Committee of Creditors (CoC) comprises Financial Creditors; approves the Resolution Plan by 66% voting share.

■ Liquidation waterfall (Sec 53) order: insolvency costs → secured creditors & workmen dues (pari passu) → unsecured financial creditors → government dues → preference shareholders → equity shareholders.

■ Personal Insolvency: applies to individuals/partnership firms; Fresh Start Process for small debtors below a prescribed threshold.

Chapter 3 — Corporate Governance, CSR & Sustainability (10%)

■ CSR applicability (Sec 135): net worth ≥ Rs.500 cr, or turnover ≥ Rs.1000 cr, or net profit ≥ Rs.5 cr in the preceding FY.

■ CSR spend: at least 2% of average net profit of the preceding 3 financial years.

■ Unspent CSR (ongoing project): transfer to a special Unspent CSR Account within 30 days of FY end; spend within 3 years or transfer to a Schedule VII fund.

■ CSR Committee: mandatory 3+ directors (1 independent) where independent directors are required.

■ Corporate Governance codes referenced: SEBI LODR, Kotak Committee recommendations, OECD principles.

■ Family business governance: separation of ownership & management, succession planning, family constitution.

■ Sustainability: Business Responsibility & Sustainability Report (BRSR) mandatory for top listed companies.

Chapter 4 — SEBI Regulations (10%)

■ IPO: governed by SEBI (ICDR) Regulations; includes eligibility norms, pricing (fixed price/book-building), lock-in for promoters.

■ Insider Trading: SEBI (PIT) Regulations, 2015 — prohibits trading while in possession of Unpublished Price Sensitive Information (UPSI); trading window closure around results/board meetings.

■ Takeover Code: SEBI (SAST) Regulations, 2011 — open offer trigger at 25% acquisition of shares/voting rights; creeping acquisition limit of 5% per year up to 75%.

■ Structured Digital Database mandatory for UPSI access tracking under PIT amendments.

Chapter 5 — The Competition Act, 2002 (5%)

■ Anti-competitive agreements (Sec 3): presumed void if they cause Appreciable Adverse Effect on Competition (AAEC).

■ Abuse of Dominant Position (Sec 4): predatory pricing, denial of market access, unfair/discriminatory pricing by a dominant enterprise.

■ Combinations: mergers/acquisitions beyond prescribed asset/turnover thresholds require CCI approval before completion.

■ CCI: quasi-judicial body; can impose penalties up to 10% of average turnover for contravention.

Chapter 6 — Foreign Exchange Management Act, 1999 (5%)

■ FEMA governs all current account and capital account transactions in foreign exchange; administered by RBI.

■ FDI: automatic route (no prior approval) vs government route (approval needed) depending on sector.

■ ECB: raised as per Master Direction limits, end-use restrictions, and minimum average maturity period.

■ LRS: resident individuals can remit up to USD 2,50,000 per financial year for permitted current/capital account transactions.

Chapters 7 & 8 — Banking and Insurance Sector Laws (5% combined)

■ Banking Regulation Act, 1949: licensing of banks by RBI; restrictions on banking company business; moratorium/amalgamation powers of RBI.

■ SARFAESI Act, 2002: enables banks/FIs to enforce security interest without court intervention for NPA recovery above the prescribed threshold; 60-day notice to borrower required.

■ Insurance Act, 1938: registration of insurers, solvency margin requirements, licensing of agents.

■ IRDA Act, 1999: establishes IRDAI as regulator; powers to protect policyholders' interests.

Chapter 9 — MSME Sector (5%)

■ MSME classification (post-2020 revision) is based on Investment in Plant & Machinery/Equipment AND Annual Turnover (composite criteria) — Micro / Small / Medium.

■ MSMED Act, 2006: mandates buyers to pay MSME suppliers within 45 days of acceptance of goods/services.

■ Delayed payment beyond 45 days attracts compound interest at 3x the RBI bank rate.

■ Udyam Registration is the current registration mechanism for MSMEs.

Chapter 10 — Cyber Security & Data Privacy (5%)

- IT Act, 2000: covers digital signatures, electronic records, cyber offences (hacking, identity theft, data theft).
- Sec 43A: compensation for failure to protect Sensitive Personal Data or Information (SPDI).
- Sec 66: computer-related offences; Sec 66C/66D: identity theft & cheating by personation using computer resource.
- Data privacy principles: notice, consent, purpose limitation, data minimisation, security safeguards.

Chapter 11 — Anti-Money Laundering Laws (5%)

- PMLA, 2002: criminalises the process of converting illegally-obtained money into apparently legitimate assets.
- Reporting entities (banks, FIs, intermediaries) must maintain records of all transactions for 5 years and verify client identity (KYC).
- PMLA (Maintenance of Records) Rules, 2005: prescribes the nature, manner and period of record maintenance.
- Attachment of Proceeds of Crime and adjudication by the Adjudicating Authority are key enforcement tools.

8B. DETAILED CHAPTER NOTES (WITH PRACTICE MCQs)

A deeper pass through each chapter beyond the Quick Revision Charts: section-wise breakdowns, one worked IPAC illustration, practice MCQs with explanations, and the traps examiners exploit most often.

Chapter 1 — The Companies Act, 2013 (40%)

The single largest chapter in CEL, spanning the entire life of a company from incorporation to winding up. Roughly 6-8 of the 100 marks in every attempt come from this chapter alone, spread across several separate questions rather than one large one — so partial knowledge across many sub-topics scores far better here than deep knowledge of only one or two.

Section-wise breakdown

Topic	Section/Provision	Key point to remember
Incorporation & conversion	Secs 3-22	Pvt Ltd min 2 members, Public Ltd min 7, OPC min 1; Sec 8 (not-for-profit) cannot declare dividend.
Inter-corporate loans/investments	Sec 186	Limit: 60% of (paid-up capital + free reserves + securities premium) OR 100% of (free reserves + premium), whichever is higher; beyond this needs a special resolution.
Public deposits	Secs 73-76	Eligible company: net worth ≥Rs.100cr or turnover ≥Rs.500cr; deposit tenure 6-36 months (3-6 months short-term capped at 10% of aggregate capital+reserves).
Dividend	Secs 123-127	Payable only from profits/free reserves; unpaid amount → Unpaid Dividend A/c within 7 days of the 30-day payment window; unclaimed for 7 years → IEPF.
Accounts & audit	Secs 128, 139-148	Auditor holds office for 5 years; rotation mandatory for listed/prescribed companies (individual: 1 term of 5 yrs; firm: 2 terms of 5 yrs each; 5-year cooling-off).
Board composition & KMP	Secs 149-203	Woman director mandatory if paid-up capital ≥Rs.100cr or turnover ≥Rs.300cr; independent directors: at least 1/3rd of the board for listed companies.
Board meetings	Secs 173-174	Minimum 4 meetings/year, gap between two meetings ≤120 days; quorum = 1/3rd of total strength or 2 directors, whichever is higher.
Related-party transactions	Sec 188	Board approval always required; shareholder special-resolution approval needed beyond prescribed thresholds; Audit Committee may give omnibus approval.
Compromise & arrangement	Secs 230-232	Requires NCLT sanction plus approval by majority in number representing 3/4th in value of creditors/members present and voting.
Oppression & mismanagement	Secs 241-244	Petition needs 100 members or 1/10th of total members (whichever is LESS) — NCLT can waive this requirement.

Worked Illustration — Woman director requirement

Issue	Does an unlisted public company with turnover Rs.350 crore and no woman director violate the Act?
Provision	Sec 149(1) read with Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014 — a woman director is mandatory where paid-up capital ≥ Rs.100cr OR turnover ≥ Rs.300cr.
Application	Turnover of Rs.350cr exceeds the Rs.300cr threshold, so the requirement is triggered regardless of paid-up capital.
Conclusion	Yes — the company is in violation; it must appoint at least one woman director without further delay.

Practice MCQs

Q1. Quorum for a Board meeting under Sec 174, in the absence of a higher figure in the Articles, is:

(a) 1/4th of total strength (b) 1/3rd of total strength or 2 directors, whichever is higher (c) Half of total strength (d) Any 5 directors

Answer: *(b) — Sec 174(1) fixes quorum at 1/3rd of total strength (rounded up) or 2 directors, whichever is higher.*

Q2. An individual auditor's maximum continuous tenure before rotation is:

(a) 3 years (b) 5 years (one term) (c) 10 years (d) There is no limit

Answer: *(b) — Sec 139(2): an individual auditor gets one term of 5 consecutive years before mandatory rotation.*

Q3. Dividend unclaimed for how many years must be transferred to the IEPF?

(a) 3 years (b) 5 years (c) 7 years (d) 10 years

Answer: *(c) — Unpaid dividend sits in the Unpaid Dividend Account and, if unclaimed for 7 years, is transferred to the Investor Education & Protection Fund.*

Q4. A petition for oppression & mismanagement under Sec 241 needs the support of:

(a) 100 members or 1/10th of total members, whichever is more (b) 100 members or 1/10th of total members, whichever is less (c) Simple majority of members (d) 3/4th of members

Answer: *(a) — Sec 244 sets the threshold at 100 members or 1/10th of total members, whichever is LESS — a commonly reversed fact.*

> **EXAMINER TRAPS:** Students frequently invert the oppression-petition threshold — it is whichever is LESS, not more. • Independent-director requirements (1/3rd of board) apply to listed companies and certain classes of public companies, not to every company.

Chapter 2 — Insolvency & Bankruptcy Code, 2016 (10%)

A compact but high-yield chapter — almost always tested as a single, well-defined descriptive question on process, timelines, or the powers of the various IBC institutions (IRP, RP, CoC, NCLT).

Section-wise breakdown

Topic	Section/Provision	Key point to remember
Who can trigger CIRP	Secs 7, 9, 10	Financial Creditor, Operational Creditor, or the Corporate Debtor itself can apply to NCLT.
Default threshold	Sec 4 (as notified)	Minimum default amount currently Rs.1 crore to trigger CIRP.
Moratorium	Sec 14	Starts on admission of the application; bars suits, recovery actions, and asset transfers against the debtor.
CIRP timeline	Sec 12	180 days + 90-day extension = 330 days maximum including litigation time (per Supreme Court rulings).
Committee of Creditors	Sec 21	Comprises financial creditors; approves the resolution plan with 66% voting share.
Liquidation waterfall	Sec 53	Order: insolvency resolution costs → secured creditors & workmen dues (pari passu) → unsecured financial creditors → government dues → preference shareholders → equity shareholders.
Resolution plan approval	Sec 30-31	CoC approves by 66% vote; NCLT sanction under Sec 31 makes it binding on all stakeholders.

Worked Illustration — CIRP default threshold

Issue	A financial creditor is owed Rs.80 lakh by a corporate debtor in default. Can CIRP be triggered?
Provision	Sec 4 of the IBC (as currently notified) sets the minimum default amount for CIRP at Rs.1 crore.
Application	Rs.80 lakh is below the Rs.1 crore threshold.
Conclusion	No — CIRP cannot be triggered on this default; the creditor must pursue another recovery route.

Practice MCQs

Q1. The current minimum default amount to trigger CIRP under the IBC is:

(a) Rs.1 lakh (b) Rs.10 lakh (c) Rs.1 crore (d) Rs.10 crore

Answer: *(b) — The default threshold for CIRP was raised to Rs.1 crore by government notification.*

Q2. The maximum time (including litigation) within which CIRP must ordinarily be completed is:

(a) 180 days (b) 270 days (c) 330 days (d) 365 days

Answer: *(b) — 180 days + a 90-day extension = 330 days maximum, per Supreme Court rulings on the IBC timeline.*

Q3. A resolution plan requires approval by what percentage of the Committee of Creditors' voting share?

(a) 51% (b) 60% (c) 66% (d) 75%

Answer: *(b) — Sec 30(4)/Sec 31: the CoC must approve a resolution plan with not less than 66% voting share.*

Q4. In the Sec 53 liquidation waterfall, which ranks immediately after insolvency-resolution process costs?

(a) Government dues (b) Secured creditors & workmen dues (pari passu) (c) Equity shareholders (d) Unsecured financial creditors

Answer: *(a) — Sec 53 places secured creditors and workmen's dues together, ranking pari passu, right after CIRP costs.*

> **EXAMINER TRAPS:** Students often forget that CIRP can be triggered by the corporate debtor itself (Sec 10), not only by creditors. • The 66% CoC threshold is frequently confused with the 75% figure used for Companies Act compromise schemes.

Chapter 3 — Corporate Governance, CSR & Sustainability (10%)

A soft, descriptive chapter tested every attempt, most often through CSR applicability/spend computations and short notes on governance codes or NGRBC/BRSR frameworks.

Section-wise breakdown

Topic	Section/Provision	Key point to remember
CSR applicability	Sec 135(1)	Net worth ≥Rs.500cr, OR turnover ≥Rs.1000cr, OR net profit ≥Rs.5cr in the preceding FY.
CSR minimum spend	Sec 135(5)	At least 2% of the average net profit of the preceding 3 financial years.
Unspent CSR (ongoing project)	Sec 135(6)	Transfer to a special Unspent CSR Account within 30 days of FY-end; spend within 3 years or transfer to a Schedule VII fund.
CSR Committee	Sec 135(1)	Mandatory where Sec 135(1) applies; at least 3 directors, including 1 independent director where applicable.
Reporting framework	SEBI BRSR	Business Responsibility & Sustainability Report mandatory for the top 1,000 listed entities.
Governance codes referenced	—	Kotak Committee recommendations, SEBI LODR, OECD Principles of Corporate Governance.

Worked Illustration — CSR applicability & spend

Issue	RR Ltd. has average net profit of Rs.7.9 crore over the last 3 years and no other threshold is met. Must it comply with CSR?
Provision	Sec 135(1) triggers CSR on meeting ANY of: net worth ≥Rs.500cr, turnover ≥Rs.1000cr, or net profit ≥Rs.5cr.
Application	Average net profit of Rs.7.9cr exceeds the Rs.5cr net-profit threshold on its own.
Conclusion	Yes — RR Ltd. must comply; minimum CSR spend = 2% of Rs.7.9cr = Rs.15.8 lakh for the year.

Practice MCQs

Q1. CSR provisions apply to a company if its net profit in the preceding FY is at least:

(a) Rs.1 crore (b) Rs.5 crore (c) Rs.10 crore (d) Rs.50 crore

Answer: *(a) — Sec 135(1): the net-profit trigger for CSR applicability is Rs.5 crore or more.*

Q2. The minimum CSR spend required is:

(a) 1% of average net profit of preceding 3 years (b) 2% of average net profit of preceding 3 years (c) 5% of average net profit of preceding 3 years (d) 2% of current-year net profit

Answer: *(a) — Sec 135(5) fixes it at 2% of the average net profit of the three immediately preceding financial years.*

Q3. Unspent CSR money for an ongoing project must be transferred to a special account within how many days of financial year-end?

(a) 7 days (b) 15 days (c) 30 days (d) 60 days

Answer: *(b) — Sec 135(6) prescribes a 30-day window.*

EXAMINER TRAPS: CSR applicability needs only ONE of the three thresholds to be met — students sometimes wrongly require all three. • The 2% spend is on the average of 3 PRECEDING years, not the current year's profit.

Chapter 4 — SEBI Regulations (10%)

Consistently tested through Insider Trading and the Takeover Code (SAST); IPO eligibility under ICDR appears less often but is a reliable short-note topic.

Section-wise breakdown

Topic	Section/Provision	Key point to remember
Insider Trading	SEBI (PIT) Regs, 2015	Bars trading while in possession of Unpublished Price Sensitive Information (UPSI); mandates a Structured Digital Database.
Who is an insider	Reg 2(g)	A connected person, OR any person in possession of/having access to UPSI.
Takeover Code (SAST)	SEBI (SAST) Regs, 2011	Open-offer trigger at 25% acquisition of voting rights; creeping acquisition up to 5%/year, capped at 75%.
IPO eligibility (ICDR)	SEBI ICDR Regs, 2018	Net tangible assets ≥Rs.3cr (3 preceding years), net worth ≥Rs.1cr, avg. distributable profit ≥Rs.15cr (best 3 of preceding 5 years).
Compliance mechanism	PIT Regs, Reg 9	Every listed company must have a Code of Conduct, a Compliance Officer, and a whistle-blower policy for UPSI leaks.

Worked Illustration — Insider trading & motive

Issue	A CMD sells shares while in possession of UPSI, but claims it was a distress sale, not a trading decision.
Provision	Reg 4, SEBI (PIT) Regs — trading while possessing UPSI is prima facie insider trading, but courts examine motive on the specific facts (SEBI v Abhijit Ranjan).
Application	If the sale is genuinely a distress/forced sale unconnected to the UPSI, courts have declined to treat it as insider trading despite the technical possession of UPSI.
Conclusion	The charge may not hold if a distress-sale motive is established on facts — technical possession of UPSI alone is not automatically conclusive.

Practice MCQs

Q1. Under the Takeover Code, an open offer is triggered on acquiring what percentage of voting rights?

(a) 5% (b) 15% (c) 25% (d) 51%

***Answer:** (b) — SEBI (SAST) Regulations, 2011: the open-offer trigger is 25% of voting rights.*

Q2. The maximum "creeping acquisition" allowed per year without triggering an open offer (once past the initial threshold, up to the ceiling) is:

(a) 1% (b) 5% (c) 10% (d) 15%

***Answer:** (a) — Creeping acquisition is capped at 5% per financial year, up to an overall ceiling of 75%.*

Q3. An "insider" under the PIT Regulations includes:

(a) Only directors of the company (b) Only employees handling accounts (c) A connected person OR anyone possessing/accessing UPSI (d) Only promoters

***Answer:** (b) — The definition is broad — connected persons AND anyone with access to UPSI, regardless of formal designation.*

EXAMINER TRAPS: The 25% open-offer trigger is often confused with the 5% creeping-acquisition limit — they answer different questions. • IPO eligibility norms (ICDR) are a separate framework from insider trading/takeover rules; don't mix the three sub-topics in one answer.

Chapter 5 — The Competition Act, 2002 (5%)

A small but reliably-tested chapter; abuse of dominant position and CCI's penalty/leniency powers are the most repeated sub-topics.

Section-wise breakdown

Topic	Section/Provision	Key point to remember
Anti-competitive agreements	Sec 3	Agreements causing an Appreciable Adverse Effect on Competition (AAEC) are void; includes cartels, bid-rigging, resale price maintenance.
Abuse of dominant position	Sec 4	Predatory pricing, denial of market access, or unfair/discriminatory conditions by a dominant enterprise.
Combinations	Secs 5-6	Mergers/acquisitions beyond prescribed asset/turnover thresholds require prior CCI approval.
Penalty for false information	Sec 44	Fine up to Rs.1 crore; CCI may grant a lesser penalty for full and true voluntary disclosure.
CCI's structural powers	Sec 28	CCI may order division of a dominant enterprise — covering transfer of assets, contract adjustment, even winding up.

Worked Illustration — Resale price maintenance

Issue	A car manufacturer penalises dealers for offering discounts beyond a fixed ceiling and monitors compliance via mystery shoppers.
Provision	Sec 3(4)(e) — resale price maintenance restricting a reseller's pricing freedom is an anti-competitive vertical agreement if it causes AAEC.
Application	Restricting dealer discretion on pricing, backed by penalties and monitoring, is exactly the conduct condemned in the CCI's Maruti Suzuki order (2021).
Conclusion	This conduct is likely to contravene Sec 3(4)(e) read with Sec 3(1) of the Competition Act.

Practice MCQs

Q1. CCI can impose a penalty of up to what percentage of average turnover for contravention?

(a) 1% (b) 5% (c) 10% (d) 25%

Answer: *(b) — The Competition Act allows penalties of up to 10% of average turnover for contraventions.*

Q2. "Predatory pricing" refers to:

(a) Any price reduction during a sale (b) Selling below cost to eliminate competition (c) Charging different prices in different states (d) Bundling two products together

Answer: *(a) — Predatory pricing specifically means selling below cost with intent to reduce or eliminate competition.*

> **EXAMINER TRAPS:** Sec 3 (agreements) and Sec 4 (abuse of dominance) are separate provisions — an answer must identify which one applies to the facts. • Combination regulation (Secs 5-6) is about mergers/acquisitions crossing size thresholds, not about ordinary competitive conduct.

Chapter 6 — Foreign Exchange Management Act, 1999 (5%)

FDI routes/caps and FC-GPR reporting compliance are the most repeated sub-topics; LRS is a reliable short-note item.

Section-wise breakdown

Topic	Section/Provision	Key point to remember
FDI routes	FEMA (NDI) Rules, 2019	Automatic route: no prior approval, subject to sectoral caps. Government route: prior approval needed for specified sectors.
FC-GPR filing	RBI FIRMS portal	Must be filed within 30 days of allotment of shares to a foreign investor; delay attracts penalty up to thrice the sum involved (or Rs.2 lakh if not quantifiable).
ECB	Master Direction on ECB	Raised subject to end-use restrictions and minimum average maturity; unutilised proceeds may be parked abroad in specified liquid assets.
Liberalised Remittance Scheme	LRS Master Direction	Resident individuals (incl. minors) may remit up to USD 2,50,000 per financial year for permitted current/capital account transactions.
Capital account transactions	Sec 6, FEMA	Any transaction altering assets/liabilities outside India of a resident, or in India of a non-resident — e.g. FDI, ECB, ADR/GDR issue, property purchase abroad.

Worked Illustration — Delayed FC-GPR filing

Issue	An Indian company allotted shares to a foreign investor on 15 May but only files FC-GPR in August.
Provision	FC-GPR must be filed within 30 days of allotment; delay attracts a penalty under Sec 13 FEMA and blocks further filings until the Entity Master is updated.
Application	The 30-day window (due by 14 June) has been missed by roughly two months.
Conclusion	The company must update the Entity Master, file the delayed FC-GPR, and apply to RBI for compounding of the delay.

Practice MCQs

Q1. The Liberalised Remittance Scheme allows resident individuals to remit up to:

(a) USD 25,000 per year (b) USD 1,00,000 per year (c) USD 2,50,000 per year (d) No limit

Answer: *(b) — Current LRS limit is USD 2,50,000 per financial year for permitted transactions.*

Q2. Form FC-GPR must be filed within how many days of share allotment to a foreign investor?

(a) 15 days (b) 30 days (c) 45 days (d) 60 days

Answer: *(a) — FC-GPR is due within 30 days of allotment.*

> **EXAMINER TRAPS:** LRS applies to resident INDIVIDUALS only — not corporates, partnership firms, HUFs, or trusts. • The automatic route still requires FC-GPR/FC-TRS reporting after the fact — "automatic" means no prior approval, not no reporting.

Chapters 7 & 8 — Banking & Insurance Sector Laws (5% combined)

SARFAESI (banking side) dominates this pairing far more than pure Insurance Act content, which appears less often and more briefly.

Section-wise breakdown

Topic	Section/Provision	Key point to remember
Banking Regulation Act, 1949	Secs 5-36	RBI licenses banking companies; Sec 9 restricts a bank from holding non-banking immovable property beyond 7 years (extendable by up to 5 more).
Restrictions on bank loans	Secs 20-21	Banks cannot lend against their own shares or to a director/interested firm; RBI directs policy on advances.
SARFAESI — enforcement	Sec 13	On NPA classification and default, a 60-day notice is issued; on failure, the secured creditor may take possession/management of secured assets without court intervention.
SARFAESI — takeover of management	Sec 15	Publishes notice in English + vernacular newspapers; existing directors deemed to vacate office; restored on full realisation of dues.
Insurance Act, 1938 / IRDA Act, 1999	—	Registration and solvency-margin requirements for insurers; IRDAI protects policyholders' interests and regulates industry growth.
Indemnity & subrogation	Insurance principle	Insured cannot recover more than actual loss even within the policy limit (Vania Silk Mills v CIT).

Worked Illustration — SARFAESI enforcement

Issue	A borrower's loan account is classified NPA and the bank wants to recover dues without going to court.
Provision	Sec 13, SARFAESI Act, 2002 — secured creditor issues a 60-day demand notice; on default, may take possession of secured assets or take over management.
Application	The bank has classified the account NPA and can proceed directly under Sec 13 without a civil suit.
Conclusion	The bank may issue the 60-day notice and, on continued default, enforce the security interest directly.

Practice MCQs

Q1. Under SARFAESI, the demand notice period before enforcement action is:

(a) 30 days (b) 45 days (c) 60 days (d) 90 days

Answer: *(b) — Sec 13(2) prescribes a 60-day notice period.*

Q2. Under the Banking Regulation Act, a bank must dispose of non-banking immovable property (not for its own use) within how many years, ordinarily?

(a) 3 years (b) 5 years (c) 7 years (d) 10 years

Answer: *(b) — Sec 9 sets the ordinary limit at 7 years, extendable by RBI by up to 5 more years.*

> **EXAMINER TRAPS:** SARFAESI enforcement (Sec 13) and takeover of management (Sec 15) are related but distinct powers — don't conflate them in an answer. • Pure Insurance Act/IRDA content is thin in this pairing; don't over-invest study time relative to SARFAESI.

Chapter 9 — Specific Legal Provisions Related to MSME Sector (5%)

A small, factual chapter — the real-attempt data in this book shows it is the least consistently tested (4 of 7 real attempts), making it a good candidate for a short, late-stage revision pass.

Section-wise breakdown

Topic	Section/Provision	Key point to remember
MSME classification	MSMED Act, 2006 (2020 revision)	Composite criteria — Investment in Plant & Machinery/Equipment AND Annual Turnover, across Micro/Small/Medium tiers.
Payment timeline	Sec 15	Buyer must pay an MSME supplier within 45 days of acceptance (or deemed acceptance) of goods/services.
Delayed-payment interest	Sec 16	Compound interest with monthly rests at 3 times the RBI-notified bank rate.
Income-tax consequence	Sec 43B(h), Income-tax Act (2023 insertion)	Payment to MSME supplier unresolved within 45 days is disallowed as a deduction until the year it is actually paid.
Registration	Udyam Registration	Current online mechanism for MSME registration, replacing the earlier Udyog Aadhaar system.

Worked Illustration — Delayed MSME payment

Issue	A buyer pays its MSME supplier 70 days after acceptance of goods, against an agreed 30-day term.
Provision	Sec 15 MSMED Act caps the payment period at 45 days regardless of any longer agreed term; Sec 16 imposes compound interest at 3x the RBI bank rate on delay.
Application	70 days exceeds both the agreed 30-day term and the statutory 45-day cap.
Conclusion	The buyer is liable for compound interest at 3x the RBI bank rate from the due date, and the unpaid amount is disallowed as a deduction under Sec 43B(h) until actually paid.

Practice MCQs

Q1. The statutory outer limit for paying an MSME supplier, regardless of any longer agreed term, is:

(a) 15 days (b) 30 days (c) 45 days (d) 60 days

Answer: *(b) — Sec 15, MSMED Act, 2006 caps this at 45 days.*

Q2. Interest on delayed MSME payments is charged at:

(a) The RBI bank rate (b) 1.5 times the RBI bank rate (c) 3 times the RBI bank rate (d) A flat 18% p.a.

Answer: *(b) — Sec 16 fixes compound interest (monthly rests) at three times the RBI-notified bank rate.*

EXAMINER TRAPS: The 45-day cap overrides any LONGER period the parties may have agreed — a common trick in exam facts. • Sec 43B(h) of the Income-tax Act is a 2023 addition frequently tested alongside the MSMED Act payment rule.

Chapter 10 — Cyber Security & Data Privacy Laws (5%)

Tested every attempt in the real data behind this book, often blended with a "business intelligence" framing rather than pure IT Act sections — both angles are worth knowing.

Section-wise breakdown

Topic	Section/Provision	Key point to remember
Unauthorized access/damage	Sec 43	Civil liability — compensation for unauthorized access, data theft, virus introduction, or system damage.
Dishonest/fraudulent acts	Sec 66	Criminalises Sec 43 conduct when done dishonestly/fraudulently; up to 3 years' imprisonment and/or fine up to Rs.5 lakh.
Identity theft	Sec 66C	Fraudulent use of another person's password/digital signature/unique identifier; up to 3 years + fine up to Rs.1 lakh.
Cheating by persontion	Sec 66D	Cheating using a computer resource (e.g. phishing); same penalty band as Sec 66C.
Data breach compensation	Sec 43A	Compensation payable where a body corporate is negligent in protecting Sensitive Personal Data or Information (SPDI).
Adjudication	Secs 46, 48	Adjudicating Officer handles Sec 43 contraventions; Cyber Appellate Tribunal hears appeals.

Worked Illustration — Identity theft & phishing

Issue	An employee uses a colleague's stolen password to access company data and also runs a phishing scheme against customers.
Provision	Sec 66C (identity theft) covers the stolen-password misuse; Sec 66D (cheating by persontion) covers the phishing scheme.
Application	Both distinct acts are present on the facts, each attracting its own provision.
Conclusion	The employee faces liability under both Sec 66C and Sec 66D — up to 3 years' imprisonment and fine under each.

Practice MCQs

Q1. Fraudulent use of another person's password or digital signature is punishable under:

(a) Sec 43 (b) Sec 66 (c) Sec 66C (d) Sec 66D

***Answer:** (b) — Sec 66C specifically targets identity theft via password/signature misuse.*

Q2. "Cheating by persontion using a computer resource" (e.g. phishing) falls under:

(a) Sec 43A (b) Sec 66 (c) Sec 66C (d) Sec 66D

***Answer:** (c) — Sec 66D is the specific provision for cheating by persontion online.*

EXAMINER TRAPS: Sec 66C (identity theft) and Sec 66D (cheating by persontion) are frequently swapped in answers — read the fact pattern carefully. • Sec 43 is a CIVIL compensation provision; Sec 66 is the CRIMINAL twin for the same conduct done dishonestly — a question may test both.

Chapter 11 — Anti-Money Laundering Laws (5%)

Real attempt data shows this chapter is tested in only 4 of 7 attempts — alongside MSME, the least guaranteed of the small chapters, but still worth a solid short-note-level command.

Section-wise breakdown

Topic	Section/Provision	Key point to remember
Definition of money laundering	Sec 3, PMLA	Any process connected with proceeds of crime — its concealment, possession, acquisition, or use, projected as untainted property.
Three stages	—	Placement (introducing illicit cash) → Layering (obscuring the trail through multiple transactions) → Integration (mixing with legitimate economy).
Reporting entities	PMLA Rules, 2005	Banks/FIs/intermediaries must maintain KYC and transaction records for 5 years and report suspicious transactions to FIU-IND.
Attachment of property	—	Authorities may provisionally attach property suspected to be proceeds of crime pending investigation.
Adjudication & special courts	—	An Adjudicating Authority confirms attachment; Special Courts (set up with the Chief Justice of the High Court) try PMLA offences.
Scheduled offences	PMLA Schedule, Parts A/B/C	Part A lists predicate offences (IPC, NDPS, UAPA, etc.); Part B covers offences valued at Rs.1cr+; Part C covers trans-border crimes.

Worked Illustration — Layering stage

Issue	A launderer moves illicit cash through a chain of bank accounts across several countries before it reaches a real-estate purchase.
Provision	The three-stage PMLA framework — this movement through multiple accounts and jurisdictions to obscure origin is the "Layering" stage; final use in real estate is "Integration."
Application	The described conduct spans both Layering (movement through accounts) and Integration (real-estate purchase).
Conclusion	This is a textbook illustration of Layering followed by Integration under the money-laundering process.

Practice MCQs

Q1. The stage of money laundering where illicit funds are broken into smaller sums and deposited into bank accounts is:

(a) Layering (b) Integration (c) Placement (d) Attachment

Answer: *(b) — Placement is the introduction of illicit funds into the financial system.*

Q2. Reporting entities under PMLA must retain KYC and transaction records for:

(a) 1 year (b) 3 years (c) 5 years (d) 10 years

Answer: *(b) — PMLA (Maintenance of Records) Rules, 2005 require 5-year retention.*

> **EXAMINER TRAPS:** Placement, Layering and Integration are often listed out of order — Placement always comes first. • The Rs.1 crore threshold applies to Part B scheduled offences specifically, not to PMLA as a whole.

8C. CASE LAW QUICK-REFERENCE COMPENDIUM

Naming the principle from these cases, without needing the exact citation, earns nearly full credit in a CEL answer — this is the compressed version to revise the morning of the exam.

Case	Chapter	Principle
Foss v. Harbottle	Companies Act (Ch.1)	Established majority rule in company matters — a wrong to the company is redressed by the company, not an individual member, subject to well-known exceptions (ultra vires acts, fraud on minority, special-majority resolutions passed by simple majority).
Royal British Bank v. Turquand	Companies Act (Ch.1)	Origin of the Doctrine of Indoor Management — outsiders dealing with a company in good faith may assume internal procedural requirements have been complied with.
Rajahmundry Electric Corp. v. V. Nageswara Rao (1956 SC)	Companies Act (Ch.1)	Withdrawal of consent by some petitioners after filing an oppression petition does not affect the maintainability of the petition — judged as of the date of filing.
Vania Silk Mills (P) Ltd. v. CIT (1991)	Insurance (Ch.7&8)	An insured cannot recover more than the actual proven loss even within the maximum policy limit — the core of the indemnity principle.
K. Sashidhar v. Indian Overseas Bank (2019) 12 SCC 150	IBC (Ch.2)	NCLT's role in examining a CoC-approved resolution plan is limited to Sec 30(2) compliance — it cannot sit in appeal over the commercial wisdom of the CoC's 66% decision.
SEBI v. Abhijit Ranjan	SEBI (Ch.4)	Even where UPSI was technically possessed, a sale motivated by genuine financial distress (not the UPSI) may not amount to insider trading — motive matters on the specific facts.
Re: Maruti Suzuki India Ltd. (CCI order, 23 Aug 2021)	Competition Act (Ch.5)	A Discount Control Policy restricting dealers' pricing freedom, backed by monitoring and penalties, was held to be resale price maintenance under Sec 3(4)(e) — Rs.200 crore penalty imposed; appeal was pending before NCLAT as of the papers reviewed.
Varkey Souriar v. Keraleeya Banking Co. Ltd. (AIR 1957 Ker 97)	Companies Act (Ch.1)	Acts of a person purporting to act as managing director after ceasing to hold that office are NOT validated under Sec 176 — that section only validates acts of ordinary directors, not managing directors acting without authority.

8D. NUMBERS & THRESHOLDS READY-RECKONER

Every numeric fact used across this book, in one place — the single page worth re-reading minutes before the exam starts.

Item	Number/Threshold	Where
Board meeting quorum	1/3rd of total strength or 2 directors, whichever is higher	Ch.1, Sec 174
Board meeting gap	Max 120 days between two meetings; min 4 meetings/year	Ch.1, Sec 173
Auditor tenure/rotation	5 years; individual 1 term, firm 2 terms of 5 yrs each; 5-yr cooling-off	Ch.1, Sec 139
Woman director trigger	Paid-up capital ≥ Rs.100cr OR turnover ≥ Rs.300cr	Ch.1, Rule 3
Dividend → IEPF	Unclaimed for 7 years after transfer to Unpaid Dividend A/c	Ch.1, Sec 124
Sec 186 investment limit	60% of (capital+free reserves+premium) or 100% of (free reserves+premium), higher of the two	Ch.1, Sec 186
Oppression petition threshold	100 members or 1/10th of total, whichever is LESS	Ch.1, Sec 244
Compromise/arrangement majority	3/4th in value of creditors/members present & voting	Ch.1, Sec 230
CIRP default threshold	Rs.1 crore	Ch.2, Sec 4
CIRP timeline	180 + 90 days = 330 days max (incl. litigation)	Ch.2, Sec 12
CoC approval of resolution plan	66% voting share	Ch.2, Sec 30
CSR applicability	Net worth ≥Rs.500cr OR turnover ≥Rs.1000cr OR net profit ≥Rs.5cr	Ch.3, Sec 135
CSR minimum spend	2% of average net profit of preceding 3 years	Ch.3, Sec 135(5)
Unspent CSR transfer	Within 30 days of FY-end	Ch.3, Sec 135(6)
Takeover Code open-offer trigger	25% of voting rights	Ch.4, SAST Regs
Creeping acquisition cap	5% per year, up to 75% ceiling	Ch.4, SAST Regs
IPO net-worth requirement	Rs.1 crore in each of preceding 3 years	Ch.4, ICDR Regs
CCI penalty ceiling	10% of average turnover	Ch.5, Sec 27
False-info penalty (CCI)	Up to Rs.1 crore	Ch.5, Sec 44
LRS remittance limit	USD 2,50,000 per financial year	Ch.6
FC-GPR filing deadline	30 days from allotment	Ch.6, FEMA
SARFAESI notice period	60 days	Ch.7, Sec 13
Bank non-banking asset disposal	7 years (extendable by up to 5 more)	Ch.7&8, Sec 9 BR Act
MSME payment deadline	45 days from acceptance	Ch.9, Sec 15
MSME delayed-payment interest	3x RBI bank rate, compounded monthly	Ch.9, Sec 16
IT Act Sec 66/66C/66D penalty	Up to 3 years + fine (Rs.5 lakh / Rs.1 lakh)	Ch.10
PMLA record retention	5 years	Ch.11, PMLA Rules 2005
PMLA Part-B threshold	Rs.1 crore value of scheduled offence	Ch.11, Schedule

8E. 30-QUESTION MIXED PRACTICE MOCK

Every chapter represented at least twice — use this as a final self-check before the exam. Cover the answer column and time yourself: 30 questions in 30 minutes is a fair benchmark.

Q1. A private company wants to convert into a public company. This requires:

(a) Only a Board resolution (b) A special resolution to alter the Articles (c) SEBI approval (d) NCLT approval

Answer (a): *Ch.1 — conversion requires a special resolution altering the AoA, followed by ROC filings and a fresh certificate of incorporation.*

Q2. The minimum number of directors in a public company is:

(a) 1 (b) 2 (c) 3 (d) 7

Answer (b): *Ch.1 — Sec 149: a public company must have at least 3 directors.*

Q3. A resolution plan under IBC becomes binding on all stakeholders once:

(a) The CoC approves it (b) The IRP certifies it (c) NCLT sanctions it under Sec 31 (d) The Central Government notifies it

Answer (b): *Ch.2 — NCLT's sanction under Sec 31 is what makes the plan binding on everyone, not the CoC vote alone.*

Q4. Under IBC, a corporate debtor undergoing CIRP for the second time within 12 months of completing a prior CIRP:

(a) May apply again freely (b) Is barred from applying under Sec 11 (c) Needs CoC permission only (d) Needs Central Government permission

Answer (a): *Ch.2 — Sec 11 bars a fresh application within 12 months of completing a prior CIRP.*

Q5. A company's CSR Committee must have how many directors at minimum?

(a) 1 (b) 2 (c) 3 (d) 5

Answer (b): *Ch.3 — at least 3 directors, including one independent director where applicable.*

Q6. BRSR reporting is mandatory for:

(a) All companies (b) All listed companies (c) The top 1,000 listed entities by market cap (d) Only banking companies

Answer (b): *Ch.3 — SEBI mandates BRSR for the top 1,000 listed entities.*

Q7. Under the PIT Regulations, a Structured Digital Database is maintained to:

(a) Track shareholder complaints (b) Record who has access to UPSI and when (c) Store financial statements (d) Log board meeting minutes

Answer (a): *Ch.4 — the database tracks persons given access to UPSI, a key compliance safeguard.*

Q8. SEBI's ICDR eligibility norms require a minimum average distributable profit of:

(a) Rs.5 crore (b) Rs.10 crore (c) Rs.15 crore (d) Rs.20 crore

Answer (b): *Ch.4 — Rs.15 crore average, computed over the 3 most profitable of the preceding 5 years.*

Q9. An anti-competitive agreement is void if it causes:

(a) Any effect on competition (b) An Appreciable Adverse Effect on Competition (AAEC) (c) A price increase (d) A change in market share

Answer (a): *Ch.5 — Sec 3 uses the AAEC standard, not any/every effect on competition.*

Q10. Combinations (mergers/acquisitions) beyond prescribed thresholds require prior approval from:

(a) RBI (b) SEBI (c) CCI (d) NCLT

Answer (b): *Ch.5 — Secs 5-6 require CCI approval before completion of qualifying combinations.*

Q11. FDI under the automatic route means:

(a) No sectoral cap applies (b) No prior government approval is needed, subject to sectoral caps (c) No reporting is required (d) Only NRIs can invest

Answer (a): *Ch.6 — "automatic" refers to no prior approval requirement, not an absence of caps or reporting.*

Q12. The Liberalised Remittance Scheme does NOT apply to:

(a) Resident individuals (b) Minors (through a guardian) (c) Partnership firms (d) None of the above — it applies to all

Answer (b): *Ch.6 — LRS excludes corporates, partnership firms, HUFs, and trusts; it is only for resident individuals.*

Q13. Under SARFAESI, before enforcing security interest, the secured creditor must issue a notice of:

(a) 30 days (b) 45 days (c) 60 days (d) 90 days

Answer (b): *Ch.7 — Sec 13(2) requires a 60-day notice.*

Q14. A banking company must dispose of non-banking immovable property (beyond own use) ordinarily within:

(a) 3 years (b) 5 years (c) 7 years (d) 10 years

Answer (b): *Ch.7&8 — Sec 9, Banking Regulation Act, 1949.*

Q15. MSME classification under the 2020 revision is based on:

(a) Investment in plant & machinery only (b) Turnover only (c) Investment AND turnover (composite criteria) (d) Number of employees

Answer (b): *Ch.9 — the 2020 revision uses a composite investment + turnover test for Micro/Small/Medium classification.*

Q16. Interest on delayed payment to an MSME supplier is calculated at:

(a) The RBI repo rate (b) 3x the RBI bank rate, compounded monthly (c) 18% flat p.a. (d) SBI's MCLR

Answer (a): *Ch.9 — Sec 16, MSMED Act: three times the RBI-notified bank rate, with monthly rests.*

Q17. Sec 43A of the IT Act, 2000 deals with:

(a) Cyber-terrorism (b) Compensation for failure to protect sensitive personal data (c) Digital signatures (d) E-governance

Answer (a): *Ch.10 — Sec 43A imposes compensation liability on a body corporate negligent in protecting SPDI.*

Q18. "Layering" in the money-laundering process refers to:

(a) Introducing illicit cash into the financial system (b) Moving funds through multiple accounts/jurisdictions to obscure origin (c) Investing laundered funds in real estate (d) Reporting suspicious transactions

Answer (a): *Ch.11 — Layering is the middle stage, designed to distance funds from their criminal source.*

Q19. Reporting entities under PMLA must retain client KYC and transaction records for:

(a) 1 year (b) 3 years (c) 5 years (d) 8 years

Answer (b): *Ch.11 — PMLA (Maintenance of Records) Rules, 2005: 5 years.*

Q20. A company's Board's Report under Sec 134 must be signed, at minimum, by:

(a) Any one director (b) The Chairperson (if authorised) OR two directors (one being MD/CEO if a director) + CFO + CS wherever appointed (c) Only the CFO (d) Only the Company Secretary

Answer (a): *Ch.1, Sec 134 — the signing requirement is specific and often tested as a short note.*

Q21. A private company converting to a public company must file which ROC form for the conversion itself?

(a) MGT-14 only (b) INC-27 (c) AOC-4 (d) ADT-1

Answer (a): *Ch.1 — Form INC-27 is filed specifically for conversion of a company's status.*

Q22. The exemption from Sec 160 (election of directors by ballot) is available only to:

(a) Listed companies (b) Sec 8 companies (c) Government companies (d) OPCs

Answer (a): *Ch.1 — this specific exemption is carved out only for Sec 8 (not-for-profit) companies.*

Q23. A resolution plan that fails to get CoC approval within the CIRP timeline results in:

(a) Automatic approval (b) The corporate debtor moving to liquidation (c) A fresh CIRP starting immediately (d) Government takeover

Answer (a): *Ch.2 — Sec 33: no approved plan in time means liquidation follows.*

Q24. The "Core Elements" referenced in NGRBC reporting are used to derive information sought in:

(a) Schedule III of the Companies Act (b) Annexure 3 of the NGRBC Guidelines (BRSR framework) (c) Form AOC-4 (d) Form MGT-7

Answer (a): *Ch.3 — Annexure 3 of the Guidelines derives its disclosure requirements from the Core Elements of each Principle.*

Q25. Under the SAST Regulations, during the offer period a target company's Board is restricted from:

(a) Holding routine board meetings (b) Alienating material assets outside the ordinary course, without shareholder approval (c) Filing statutory returns (d) Paying declared dividends

Answer (a): *Ch.4 — this restriction protects shareholders during a pending open offer.*

Q26. The Competition Act provision addressing "denial of market access" is a form of:

(a) Anti-competitive agreement under Sec 3   (b) Abuse of dominant position under Sec 4   (c) Combination regulation under Sec 6   (d) Leniency under Sec 46

Answer (a): *Ch.5 — denial of market access is listed as a specific form of abuse of dominance.*

Q27. A resident individual wishing to acquire immovable property abroad would rely primarily on:

(a) The Companies Act   (b) FEMA and the LRS framework   (c) The Competition Act   (d) SARFAESI

Answer (a): *Ch.6 — such acquisitions are a capital-account transaction regulated under FEMA/LRS.*

Q28. Under the SARFAESI Act, agricultural land is:

(a) Fully covered   (b) Excluded from its applicability   (c) Covered only above Rs.1 crore value   (d) Covered only for NPAs over 2 years old

Answer (a): *Ch.7 — SARFAESI expressly does not apply to agricultural land.*

Q29. The Emergency Credit Line Guarantee Scheme (ECLGS) for MSMEs was introduced primarily to address:

(a) GST compliance burden   (b) The Covid-19 credit crunch   (c) Export documentation delays   (d) Cyber-fraud losses

Answer (a): *Ch.9 — ECLGS was a Covid-19-era emergency credit support scheme with 100% guarantee coverage.*

Q30. Under the IT Act, the body that hears appeals against an Adjudicating Officer's order is the:

(a) Cyber Appellate Tribunal   (b) NCLAT   (c) Competition Appellate Tribunal   (d) High Court only

Answer (`): *Ch.10 — appeals from the Adjudicating Officer under the IT Act lie to the Cyber Appellate Tribunal framework.*

Q31. The "Integration" stage of money laundering is best described as:

(a) Breaking large cash sums into smaller deposits   (b) Mixing laundered funds with the legitimate economy via real estate/business ventures   (c) Filing suspicious transaction reports   (d) Freezing a bank account

Answer (a): *Ch.11 — Integration is the final stage where funds are absorbed into legitimate-looking assets.*

8F. EXTENDED MCQ BANK (66 MORE QUESTIONS)

Six additional practice MCQs per chapter, in the same style as the MCQ banks in the SFM, SCM, CFR and SPMBV chart books on cmaknowledge.in — use these for a second, independent self-test after Sections 8B and 8E.

Chapter 1 — The Companies Act, 2013 (40%)

Q1. The minimum number of members required to incorporate a private company is:

(a) 1 (b) 2 (c) 7 (d) 200

***Answer:** (a) — Sec 3 — a private company needs at least 2 members (OPC needs only 1).*

Q2. A Sec 8 company is prohibited from:

(a) Raising loans (b) Declaring dividend (c) Appointing auditors (d) Holding AGMs

***Answer:** (a) — Sec 8 companies plough all profits back into their objects and cannot pay dividend.*

Q3. The first auditor of a non-Government company must be appointed by the Board within:

(a) 15 days (b) 30 days (c) 60 days (d) 90 days

***Answer:** (a) — Sec 139(6) — 30 days of incorporation; failing which members appoint at an EGM within 90 days.*

Q4. A whole-time Company Secretary/CFO (KMP) is mandatory for a company with paid-up capital of:

(a) Rs.1 crore or more (b) Rs.5 crore or more (c) Rs.10 crore or more (d) Rs.50 crore or more

***Answer:** (b) — Sec 203 read with Rule 8 — Rs.10 crore or more paid-up capital triggers mandatory KMP appointment.*

Q5. Shareholder special-resolution approval for related-party transactions is required once paid-up capital exceeds:

(a) Rs.1 crore (b) Rs.10 crore (c) Rs.50 crore (d) Rs.100 crore

***Answer:** (a) — Sec 188 proviso — beyond Rs.10 crore paid-up capital (or prescribed transaction values), prior shareholder approval is mandatory.*

Q6. An independent director can serve for a maximum of:

(a) 1 term of 5 years (b) 2 consecutive terms of 5 years each (c) 3 terms of 3 years each (d) Unlimited terms

***Answer:** (a) — Sec 149(10)-(11) — two consecutive terms of 5 years each, with a cooling-off period before reappointment.*

Chapter 2 — Insolvency & Bankruptcy Code, 2016 (10%)

Q1. If no resolution plan is approved within the CIRP timeline, the corporate debtor proceeds to:

(a) Voluntary winding up (b) Liquidation under Sec 33 (c) Automatic dissolution (d) Government takeover

***Answer:** (a) — Sec 33 — liquidation follows failure to get a resolution plan approved in time.*

Q2. The Interim Resolution Professional is appointed by:

(a) The Financial Creditor (b) The Corporate Debtor (c) NCLT, upon admission of the application (d) The CoC

***Answer:** (b) — NCLT appoints the IRP as part of the admission order under Secs 16-17.*

Q3. Voluntary liquidation of a solvent corporate person is initiated under:

(a) Sec 7 (b) Sec 33 (c) Sec 53 (d) Sec 59

***Answer:** (c) — Sec 59 — voluntary liquidation is available to a solvent corporate person by its own resolution.*

Q4. Personal guarantors to corporate debtors are covered under which part of the IBC?

(a) Part I only (b) Part II only (c) Part III (d) They are not covered

***Answer:** (b) — Part III of the IBC extends to personal guarantors and individual insolvency/bankruptcy.*

Q5. The "Fresh Start Process" under IBC is available to:

(a) Any corporate debtor (b) Individuals below a prescribed debt threshold (c) Only financial creditors (d) Only operational creditors

***Answer:** (a) — It is a simplified debt-relief mechanism for eligible individuals with very small debts.*

Q6. The moratorium under Sec 14 applies to the corporate debtor's assets; it does NOT extend to:

(a) The debtor's bank accounts (b) A surety/guarantor's personal assets under a contract of guarantee (c) Pending suits against the debtor (d) Recovery actions against the debtor

***Answer:** (a) — Courts have held Sec 14's moratorium protects only the corporate debtor, not a guarantor personally.*

Chapter 3 — Corporate Governance, CSR & Sustainability (10%)

Q1. The National Guidelines on Responsible Business Conduct (NGRBC) are built around how many principles?

(a) 5 (b) 7 (c) 9 (d) 12

Answer: *(b) — NGRBC (2019) is structured around 9 thematic principles, replacing the earlier NVGs.*

Q2. BRSR (Business Responsibility & Sustainability Report) is mandated by SEBI for:

(a) All listed companies (b) The top 1,000 listed entities by market capitalisation (c) Only PSUs (d) Only banking companies

Answer: *(a) — SEBI's BRSR mandate currently covers the top 1,000 listed entities by market cap.*

Q3. A company need NOT constitute a separate CSR Committee if its Sec 135(5) obligation (i.e., the amount to be spent) is:

(a) Above Rs.1 crore (b) Above Rs.10 crore (c) Up to Rs.50 lakh (d) Above Rs.50 crore

Answer: *(b) — Sec 135(9) — where the CSR amount to be spent does not exceed Rs.50 lakh, a separate committee isn't mandatory; the Board can discharge those functions.*

Q4. In family business governance, succession and shared values are typically documented in a:

(a) Shareholders' agreement (b) Family constitution (c) Related-party disclosure (d) BRSR

Answer: *(a) — A family constitution captures shared vision, succession planning, and conflict-resolution mechanisms.*

Q5. CSR funds CANNOT be spent on:

(a) Environmental sustainability (b) Rural development projects (c) Contributions to a political party (d) Healthcare initiatives

Answer: *(b) — Schedule VII expressly excludes political contributions from qualifying CSR activity.*

Q6. Impact assessment of CSR projects (above a prescribed outlay) is mandatory for companies with an average CSR obligation of at least:

(a) Rs.1 crore (b) Rs.5 crore (c) Rs.10 crore (d) Rs.50 crore

Answer: *(b) — Rule 8(3), CSR Rules — impact assessment applies where average CSR obligation is Rs.10 crore or more in the preceding 3 years, for projects with outlay Rs.1 crore or more.*

Chapter 4 — SEBI Regulations (10%)

Q1. A listed company's "trading window" is typically closed around:

(a) The AGM date only (b) Declaration of financial results/board meetings on price-sensitive matters (c) Every Monday (d) The end of each quarter only

Answer: *(a) — Trading window closure protects against trading ahead of UPSI disclosure, e.g. before results.*

Q2. Every listed company must appoint a Compliance Officer under:

(a) The Takeover Code (b) The PIT Regulations (c) The ICDR Regulations (d) The LODR Regulations only

Answer: *(a) — SEBI (PIT) Regulations mandate a Compliance Officer to oversee insider-trading compliance.*

Q3. The overall ceiling for creeping acquisition under the Takeover Code, before triggering a mandatory offer regardless of increments, is:

(a) 50% (b) 65% (c) 75% (d) 90%

Answer: *(b) — Creeping acquisition of up to 5%/year is capped at an overall 75% shareholding (the max permissible under minimum public shareholding norms).*

Q4. Minimum promoters' contribution in an IPO is generally locked in for a period, typically at a threshold of:

(a) 10% (b) 20% (c) 30% (d) 50%

Answer: *(a) — SEBI ICDR generally requires minimum promoters' contribution of 20%, locked in for a specified period.*

Q5. Under the PIT Regulations, "connected person" includes:

(a) Only directors (b) Only auditors (c) Immediate relatives of a connected person, among others (d) Only institutional investors

Answer: *(b) — The definition of connected person is broad and includes immediate relatives and other associated persons.*

Q6. Under the Takeover Code, the offer price is influenced by a formula generally based on:

(a) Book value only (b) Volume-weighted average market price over a specified period, among other parameters (c) Face value of the share (d) Auditor's valuation only

Answer: *(a) — SAST Regulations prescribe a formula considering various price parameters, including VWAP over a specified period.*

Chapter 5 — The Competition Act, 2002 (5%)

Q1. The Competition Commission of India (CCI) is established under:

(a) Sec 3 (b) Sec 4 (c) Sec 7 (d) Sec 27

Answer: *(b) — Sec 7 of the Competition Act, 2002 establishes the CCI.*

Q2. A lesser (leniency) penalty for cartel members is available if full and true disclosure is made:

(a) After the CCI's final order (b) Before the investigation report under Sec 26 is received (c) Only after conviction (d) Never — leniency is not available

***Answer:** (a) — Leniency requires disclosure before the Sec 26 investigation report is received by the Commission.*

Q3. Under Sec 3(3), certain horizontal agreements (like cartels) are:

(a) Never anti-competitive (b) Presumed to cause an AAEC (c) Always exempted (d) Regulated only if foreign parties are involved

***Answer:** (a) — Cartels, bid-rigging etc. under Sec 3(3) carry a presumption of AAEC.*

Q4. "Relevant market" for assessing dominance is defined with reference to:

(a) Only the product market (b) Only the geographic market (c) Both the relevant product market and relevant geographic market (d) Only the currency of transaction

***Answer:** (b) — Dominance is assessed relative to both the relevant product and geographic markets together.*

Q5. Combination thresholds under Secs 5-6 are based on:

(a) Only Indian assets (b) Only worldwide turnover (c) Assets/turnover of parties in India and/or worldwide, per prescribed limits (d) Number of employees

***Answer:** (b) — The thresholds consider both India-specific and worldwide asset/turnover figures.*

Q6. An appeal against a CCI order lies to:

(a) The Supreme Court directly (b) NCLAT (c) High Court (d) NCLT

***Answer:** (a) — Appeals from CCI orders lie to the National Company Law Appellate Tribunal (NCLAT).*

Chapter 6 — Foreign Exchange Management Act, 1999 (5%)

Q1. The distinction between a current account and capital account transaction under FEMA is found in:

(a) Sec 2(e) and 2(j) (b) Sec 6 only (c) Sec 13 only (d) The RBI Act

***Answer:** (`) — Sec 2(j) defines current account transactions; Sec 2(e) defines capital account transactions.*

Q2. FEMA is primarily administered by:

(a) SEBI (b) The Reserve Bank of India (c) The Ministry of Corporate Affairs (d) IRDAI

***Answer:** (a) — RBI is the primary regulator/administrator of FEMA, under the overall policy direction of the Government.*

Q3. Overseas Direct Investment by Indian entities is currently governed by:

(a) The LRS Master Direction only (b) The FEMA (Overseas Investment) Rules, 2022 (c) The Companies Act, 2013 (d) SEBI ICDR Regulations

***Answer:** (a) — ODI is governed by the FEMA (Overseas Investment) Rules and Regulations, 2022.*

Q4. The minimum average maturity period for ECBs generally ranges, depending on end-use, around:

(a) 1 year (b) 3 to 5 years (c) 10 years (d) There is no minimum

***Answer:** (a) — Minimum average maturity typically varies between 3 and 5 years depending on the amount and end-use.*

Q5. Contraventions under FEMA may be regularised through:

(a) Only criminal prosecution (b) Compounding by RBI/authorised authorities (c) SEBI adjudication (d) NCLT approval

***Answer:** (a) — Sec 15, FEMA — RBI (or authorised officers) can compound contraventions on application.*

Q6. An NRE account is:

(a) Non-repatriable (b) Freely repatriable (c) Only for current-account transactions (d) Only for capital-account transactions

***Answer:** (a) — NRE accounts are freely repatriable (principal and interest); NRO accounts are not freely repatriable.*

Chapters 7 & 8 — Banking & Insurance Sector Laws (5% combined)

Q1. A banking company must obtain a licence to commence business from:

(a) SEBI (b) RBI, under Sec 22 of the Banking Regulation Act (c) IRDAI (d) The Central Government directly

***Answer:** (a) — Sec 22, Banking Regulation Act — RBI licenses banking companies.*

Q2. Priority Sector Lending targets for banks are set by:

(a) SEBI (b) The Ministry of Finance (c) RBI (d) IRDAI

***Answer:** (b) — RBI prescribes Priority Sector Lending targets and sub-targets for banks.*

Q3. An Asset Reconstruction Company must be registered under:

(a) The Companies Act (b) Sec 3 of the SARFAESI Act, 2002 (c) The Banking Regulation Act (d) The Insurance Act

Answer: *(a) — Sec 3, SARFAESI Act — ARCs require certificate of registration from RBI.*

Q4. The solvency margin for insurers is prescribed by:

(a) RBI (b) SEBI (c) IRDAI (d) The Ministry of Finance directly

Answer: *(b) — IRDAI prescribes and monitors solvency margin requirements for insurance companies.*

Q5. Banks acting as corporate agents to sell insurance products is commonly known as:

(a) Cross-selling (b) Bancassurance (c) Co-insurance (d) Reinsurance

Answer: *(a) — "Bancassurance" refers to banks distributing insurance products as corporate agents.*

Q6. An account is classified as a Non-Performing Asset (NPA) when it is overdue for more than:

(a) 30 days (b) 60 days (c) 90 days (d) 180 days

Answer: *(b) — The standard NPA classification threshold is 90 days overdue.*

Chapter 9 — Specific Legal Provisions Related to MSME Sector (5%)

Q1. Udyam Registration is primarily based on:

(a) Documentary proof of investment (b) Self-declaration, verified against PAN/GST data (c) A physical inspection (d) A bank guarantee

Answer: *(a) — Udyam Registration is a simplified, largely self-declaration-based online process.*

Q2. Disputes over delayed payment to MSMEs are resolved through:

(a) Civil courts only (b) The MSME Facilitation Council (c) NCLT (d) SEBI's SCORES platform

Answer: *(a) — The MSME Facilitation Council (conciliation/arbitration) is the designated dispute-resolution body.*

Q3. Central Public Sector Undertakings must procure a minimum percentage of their annual requirement from Micro & Small Enterprises:

(a) 10% (b) 25% (c) 33% (d) 50%

Answer: *(a) — The Public Procurement Policy mandates a minimum 25% procurement from MSEs.*

Q4. A Micro enterprise's investment limit in plant & machinery/equipment is up to:

(a) Rs.50 lakh (b) Rs.1 crore (c) Rs.5 crore (d) Rs.10 crore

Answer: *(a) — Micro enterprises: investment up to Rs.1 crore (and turnover up to Rs.5 crore).*

Q5. The government portal for MSMEs to directly file delayed-payment complaints is called:

(a) Udyam Sahayak (b) MSME Samadhaan (c) Sugam Setu (d) Vyapar Mitra

Answer: *(a) — MSME Samadhaan is the dedicated delayed-payment monitoring/complaint portal.*

Q6. On crossing the turnover/investment threshold for reclassification (upward), an enterprise gets a transition period of:

(a) 6 months (b) 1 year (c) 2 years (d) 3 years

Answer: *(a) — Enterprises get a 1-year transition period before being reclassified to a higher category.*

Chapter 10 — Cyber Security & Data Privacy Laws (5%)

Q1. India's dedicated data-protection statute, distinct from the IT Act's Sec 43A framework, is:

(a) The IT Act (Amendment) 2008 (b) The Digital Personal Data Protection Act, 2023 (c) The Aadhaar Act (d) The Consumer Protection Act, 2019

Answer: *(a) — The DPDP Act, 2023 is India's standalone data-protection law, layered on top of the IT Act's earlier provisions.*

Q2. CERT-In requires reporting of specified cyber incidents within:

(a) 1 hour (b) 6 hours (c) 24 hours (d) 72 hours

Answer: *(a) — CERT-In directions mandate reporting specified incidents within 6 hours of noticing them.*

Q3. Publishing or transmitting obscene material in electronic form is punishable under:

(a) Sec 43 (b) Sec 66 (c) Sec 67 (d) Sec 72

Answer: *(b) — Sec 67, IT Act specifically addresses obscene electronic content.*

Q4. Theft of a PIN or password with intent to misuse falls under:

(a) Sec 43A (b) Sec 66C (c) Sec 67 (d) Sec 72A

Answer: *(a) — Sec 66C covers identity theft, including fraudulent use of passwords/PINs/unique identifiers.*

Q5. A Denial-of-Service style disruption of a computer system is addressed under:

(a) Sec 43(f) (b) Sec 66D (c) Sec 67C (d) Sec 79

Answer: *(`) — Sec 43(f) covers disruption/denial of access to an authorised person, the civil-liability basis for DoS-type conduct.*

Q6. Digital Signature Certificates are issued by a:

(a) Registrar of Companies (b) Certifying Authority licensed under the IT Act (c) Stock Exchange (d) Bank

Answer: *(a) — Licensed Certifying Authorities issue Digital Signature Certificates under the IT Act framework.*

Chapter 11 — Anti-Money Laundering Laws (5%)

Q1. India's national agency for receiving and analysing Suspicious Transaction Reports is:

(a) SEBI (b) FIU-IND (c) CBI (d) RBI's AML Cell

Answer: *(a) — The Financial Intelligence Unit-India (FIU-IND) is the designated national agency.*

Q2. An offence under PMLA is generally treated as:

(a) Bailable and compoundable (b) Cognizable and non-bailable (c) Only a civil wrong (d) Compoundable on payment of fine

Answer: *(a) — Money-laundering offences under PMLA are cognizable and non-bailable.*

Q3. A provisional attachment order of property under PMLA is initially valid for:

(a) 90 days (b) 180 days (c) 1 year (d) No fixed period

Answer: *(a) — Provisional attachment is valid for up to 180 days, subject to confirmation by the Adjudicating Authority.*

Q4. The primary investigating agency for money-laundering offences in India is the:

(a) CBI (b) Enforcement Directorate (ED) (c) Income Tax Department (d) SFIO

Answer: *(a) — The Enforcement Directorate investigates offences under PMLA.*

Q5. Reporting entities must maintain records of the beneficial owner of an account as part of:

(a) Only account opening forms (b) KYC norms under PMLA (c) Only tax filings (d) Shareholder registers

Answer: *(a) — Beneficial-ownership identification is a core KYC requirement under PMLA rules.*

Q6. The international standard-setting body whose recommendations PMLA broadly aligns with is:

(a) IOSCO (b) FATF (c) BCBS (d) IAIS

Answer: *(a) — The Financial Action Task Force (FATF) sets the global AML/CFT standards that PMLA aligns with.*

8G. GLOSSARY OF KEY TERMS

Every abbreviation and defined term used across this book, in one alphabetised reference.

Term	Meaning
AAEC	Appreciable Adverse Effect on Competition — the threshold test under Sec 3 of the Competition Act for anti-competitive agreements.
Adjudicating Authority (IBC)	NCLT, acting in its role of examining and sanctioning a CIRP resolution plan or ordering liquidation.
Adjudicating Authority (PMLA)	The authority that confirms provisional attachment of proceeds of crime pending trial.
Beneficial owner	The natural person who ultimately owns/controls a company or account, even if held through a nominee — a core KYC/PMLA concept.
BRSR	Business Responsibility & Sustainability Report — SEBI's mandated sustainability disclosure for large listed entities.
CoC (Committee of Creditors)	The body of financial creditors that approves or rejects a resolution plan during CIRP.
Combination	A merger, amalgamation, or acquisition crossing prescribed asset/turnover thresholds, requiring CCI approval.
Compounding (FEMA)	A process by which RBI settles a contravention on payment of a sum, without prosecution.
Connected person	Under SEBI PIT Regulations, anyone reasonably expected to have access to UPSI by virtue of a relationship with the company.
Corporate debtor	The company/entity against which CIRP is initiated under the IBC.
Creeping acquisition	Gradual increase in shareholding (up to 5%/year) permitted under the Takeover Code without a fresh open offer, up to a ceiling.
CSR	Corporate Social Responsibility — the Sec 135 obligation to spend a portion of profit on specified welfare activities.
Deposit repayment reserve	A account a company must maintain, holding at least 20% of deposits maturing in the following year.
Dominant position	A position of strength enabling an enterprise to operate independently of competitive forces or affect competitors/consumers in its favour.
ECB	External Commercial Borrowing — foreign-currency or INR debt raised by Indian entities from recognised overseas lenders.
Entity Master	A record every Indian company receiving FDI must maintain and update on RBI's FIRMS portal.
FATF	Financial Action Task Force — the global standard-setter for anti-money-laundering and counter-terrorist-financing norms.
FC-GPR	The RBI form reporting allotment of shares by an Indian company to a foreign investor.
FDI automatic route	Foreign investment permitted without prior government approval, subject to sectoral caps.
FIU-IND	Financial Intelligence Unit-India — the national agency receiving and analysing suspicious transaction reports under PMLA.
Independent director	A non-executive director with no material pecuniary relationship with the company, meant to bring objective oversight.
Indoor management doctrine	The rule that outsiders dealing with a company in good faith may assume its internal procedures were duly followed.

Term	Meaning
Insider	A connected person, or anyone in possession of/with access to UPSI, under SEBI's PIT Regulations.
IRP / RP	Interim Resolution Professional / Resolution Professional — manage the corporate debtor's affairs during CIRP.
KYC	Know Your Customer — identity-verification norms mandatory for banks/FIs under PMLA and RBI directions.
Liquidation waterfall	The Sec 53 priority order in which sale proceeds of a liquidated corporate debtor are distributed.
LRS	Liberalised Remittance Scheme — allows resident individuals to remit up to USD 2,50,000/year abroad.
Moratorium (IBC)	The Sec 14 freeze on suits, recovery actions and asset transfers against a corporate debtor once CIRP is admitted.
NGRBC	National Guidelines on Responsible Business Conduct — MCA's 2019 framework of 9 principles for responsible business.
NPA	Non-Performing Asset — a loan account overdue for more than 90 days.
Open offer	A mandatory public offer to acquire additional shares, triggered under the Takeover Code at the 25% threshold.
Predatory pricing	Selling below cost with intent to eliminate or reduce competition — a form of abuse of dominance.
Proceeds of crime	Any property derived or obtained, directly or indirectly, as a result of criminal activity relating to a scheduled offence.
Resolution plan	The plan submitted to revive a corporate debtor during CIRP, requiring 66% CoC approval and NCLT sanction.
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 — lets secured creditors enforce security without court intervention.
Scheduled offence	An offence listed in the PMLA Schedule (Parts A/B/C) whose proceeds trigger money-laundering liability.
SPDI	Sensitive Personal Data or Information — protected under Sec 43A of the IT Act.
Structured Digital Database	A mandatory log of persons given access to UPSI, maintained by listed companies under the PIT Regulations.
Takeover Code	SEBI (SAST) Regulations, 2011 — governs substantial acquisition of shares and takeovers of listed companies.
Udyam Registration	The current, self-declaration-based online registration system for MSMEs.
Unpaid Dividend Account	The account to which unpaid/unclaimed dividend is transferred within 7 days of the 30-day payment window.
UPSI	Unpublished Price Sensitive Information — information not generally available that would materially affect a security's price if disclosed.

8H. FREQUENTLY CONFUSED PAIRS

The specific mix-ups that cost marks most often, based on how these topics are tested across the attempts reviewed for this book.

Sec 66 vs Sec 66C, IT Act

Sec 66 is the general dishonest/fraudulent-act offence mirroring Sec 43; Sec 66C is the SPECIFIC identity-theft offence (password/signature misuse). A fact pattern naming a stolen password points to 66C, not 66.

Placement vs Layering (PMLA)

Placement is the FIRST stage — introducing illicit cash into the system. Layering is the MIDDLE stage — moving it through many accounts to hide the trail. Students often swap the order.

Sec 3 vs Sec 4, Competition Act

Sec 3 governs AGREEMENTS (cartels, vertical restraints); Sec 4 governs conduct by a single DOMINANT enterprise. An agreement between two independent competitors is a Sec 3 issue, not Sec 4.

25% open-offer trigger vs 5% creeping acquisition

25% is the threshold that FIRST triggers a mandatory open offer under SAST. 5%/year is the separate creeping-acquisition allowance available to someone who already holds a qualifying stake, capped at 75% overall.

Sec 13 vs Sec 15, SARFAESI

Sec 13 is the general power to ENFORCE security interest (take possession of assets). Sec 15 specifically covers TAKEOVER OF MANAGEMENT — a narrower, distinct power.

100 members OR 1/10th, whichever LESS vs MORE

Sec 244's oppression-petition threshold is whichever figure is LESS, not more — one of the most commonly inverted facts in this subject.

Automatic route vs Government route (FDI)

Automatic route means no PRIOR approval is needed — it does NOT mean no reporting or no sectoral cap. Government route needs prior approval for specified sectors.

CIRP (Ch.2) vs Liquidation (Ch.2)

CIRP is the REVIVAL process with a moratorium and resolution plan. Liquidation follows only if CIRP fails to produce an approved plan in time (Sec 33) — they are sequential, not alternatives to choose between freely.

Sec 66D, IT Act vs cheating under IPC

Sec 66D is cheating by personation SPECIFICALLY using a computer resource (e.g. phishing); general cheating without a computer-resource element stays under the IPC/BNS, not Sec 66D.

Insurance Act, 1938 vs IRDA Act, 1999

The 1938 Act governs registration/solvency of insurers themselves; the 1999 Act CREATES the regulator (IRDAI) and its powers — a chapter question naming "the regulator's objectives" points to the 1999 Act.

8I. MODEL ANSWER WALKTHROUGH

One full practical question, answered exactly the way it should be structured in the exam hall — use this as a template for pacing and layout, not just content.

Question (16 marks, Companies Act + IBC): Bright Textiles Ltd., an unlisted public company with a turnover of Rs.1,200 crore and net profit of Rs.42 crore for FY 2025-26, has not constituted a CSR Committee and has not spent any amount on CSR for the year. Separately, a financial creditor owed Rs.2.5 crore by the company's subsidiary wishes to initiate CIRP against the subsidiary, which disputes the debt. Advise on: (a) Bright Textiles' CSR position, and (b) whether CIRP can proceed against the subsidiary.

Model Answer

(a) CSR position — Issue: Is Bright Textiles Ltd. obligated to constitute a CSR Committee and spend on CSR for FY 2025-26?

Provision: Sec 135(1) of the Companies Act, 2013 triggers CSR applicability if a company meets ANY of: net worth ≥ Rs.500cr, turnover ≥ Rs.1000cr, or net profit ≥ Rs.5cr in the preceding financial year. Sec 135(5) requires spend of at least 2% of average net profit of the preceding 3 financial years.

Application: Bright Textiles' turnover of Rs.1,200 crore exceeds the Rs.1,000 crore threshold on its own (and net profit of Rs.42cr also independently exceeds Rs.5cr) — either limb is sufficient to trigger Sec 135. The company is therefore covered regardless of net worth.

Conclusion: Bright Textiles Ltd. is obligated to constitute a CSR Committee and spend at least 2% of its average net profit of the preceding 3 years; failure to do so requires the Board to disclose reasons for non-spending in its Board's Report, and continued non-spending may attract regulatory action.

(b) CIRP against the subsidiary — Issue: Can a financial creditor initiate CIRP against the subsidiary over a disputed debt of Rs.2.5 crore?

Provision: Sec 7 of the IBC allows a financial creditor to apply for CIRP on default; the current minimum default threshold under Sec 4 is Rs.1 crore. Unlike an operational creditor's application under Sec 9 (where a genuine pre-existing dispute can block admission), a financial creditor's application under Sec 7 is examined mainly on the existence of default from the records, not on disputes over the underlying debt.

Application: The claimed default of Rs.2.5 crore exceeds the Rs.1 crore threshold. Because the application is by a FINANCIAL creditor, a bare dispute raised by the subsidiary does not by itself bar admission the way it would for an operational creditor's Sec 9 application.

Conclusion: CIRP can proceed against the subsidiary provided NCLT is satisfied that a default has occurred and the application is otherwise complete; the subsidiary's dispute over the debt is not, by itself, a ground to reject a financial creditor's Sec 7 application.

> **WHY THIS STRUCTURE SCORES WELL:** Notice the pacing: each of the two parts got its own full IPAC cycle rather than one merged narrative. In the real exam, this structure is what lets an examiner award marks part-by-part even if one part is weaker than the other.

8K. WHAT MAKES A STRONG ANSWER

Patterns pulled directly from the structure of the real ICMAI suggested answers reviewed for this book — not generic exam advice, but what these specific model answers actually do.

Bold sub-headings before each point

Nearly every model answer opens each idea with a short bolded phrase (e.g. "**Authority to Declare**", "**Sources of Dividend**") before the explanation — this lets an examiner's eye find the point instantly while scanning.

The conclusion is stated, not implied

Almost every worked answer ends with an explicit one-line conclusion ("Hence, the proposal is valid, but...", "Conclusion: The requirement is not fully complied with...") rather than trailing off after the analysis.

Numbers are pulled out and shown as a mini-calculation

Wherever a question involves a threshold or limit (CSR spend, Sec 186 loan limits, quorum), the model answer shows the arithmetic explicitly — e.g. "6.9+7.9+8.9=23.7/3=7.9 crores; 2% of 7.9 = Rs.15.8 lakhs" — rather than just stating the final figure.

Each sub-part of a multi-part question is answered separately and labelled

A question with (i)/(ii)/(iii) sub-parts is always answered with matching labels — never merged into one continuous paragraph — so partial credit is easy for the examiner to assign.

Exceptions and provisos are called out explicitly

Where a provision has a well-known exception (e.g. the Sec 8 company exemption from Sec 160 ballot elections, or the doctrine-of-indoor-management limitations), the model answers state the general rule AND the exception, not just one or the other.

Short, direct sentences over long compound ones

Model answers favour short declarative sentences ("The quorum is 4", "Hence quorum is available") over long multi-clause legal sentences — clarity is rewarded over ornate phrasing.

8J. EXAM LOGISTICS FAQ

Practical questions about the exam itself, based on the format of the actual attempts reviewed for this book.

Is there negative marking in CEL?

No — ICMAI Final papers under Syllabus 2022 do not carry negative marking, including for the MCQ section. An educated guess always costs nothing.

How many questions must I attempt?

Based on the papers reviewed for this book: Q1 (MCQs) is compulsory; then a compulsory Section-C question, plus a choice of four from the remaining optional questions — always check the exact instruction line printed at the top of your own paper, as the exact optional count can vary slightly by attempt.

Can I answer in points/bullets instead of paragraphs?

Yes — and for a law paper it is usually the stronger approach. The suggested answers reviewed for this book are themselves written mostly in bullet/point form with bolded headings, not flowing prose.

Do I need to write the exact section number, or is the concept enough?

Naming the correct Act and the closest section number you can recall earns credit even if the number is slightly off; naming no section at all loses more marks than a slightly wrong number.

Should I write the case name and citation exactly?

No — naming the principle ("as held in the landmark indoor-management case") earns nearly the same credit as the precise citation, with far less memorisation risk.

What if I don't know an answer at all?

Attempt it anyway using the IPAC structure with your best general legal reasoning — a structured partial answer consistently scores above a blank page in the papers reviewed.

Is a calculator required for this paper?

Only occasionally — a small number of questions (e.g. the Sec 186/Sec 135 CSR-spend numericals in this book) need basic arithmetic; a simple calculator is enough, there is no complex financial-maths content in CEL.

How should I split my 3 hours?

Roughly: 10 minutes reading the paper and choosing your four optional questions, ~1.8 minutes per mark thereafter (100 marks/180 minutes), and 10-15 minutes reserved at the end for review.

8L. SECTION-NUMBER LOOKUP INDEX

Every statutory section cited anywhere in this book, sorted by Act, so you can jump straight to the right chapter from a section number alone.

Section(s)	Act	Covers
Sec 3-22	Companies Act	Incorporation, conversion, Sec 8 companies
Sec 73-76	Companies Act	Public deposits — eligibility, tenure, limits
Sec 123-127	Companies Act	Dividend declaration, payment, IEPF transfer
Sec 128	Companies Act	Books of account, incl. electronic mode
Sec 134	Companies Act	Board's Report & authentication of financial statements
Sec 135	Companies Act	CSR applicability, spend, committee, unspent funds
Sec 139-148	Companies Act	Auditor appointment, rotation, disqualification, fraud reporting
Sec 149-151	Companies Act	Board composition, independent & women directors
Sec 160	Companies Act	Appointment of director other than a retiring director
Sec 173-174	Companies Act	Board meetings — frequency, notice, quorum
Sec 176	Companies Act	Validity of acts of directors despite defective appointment
Sec 180	Companies Act	Restrictions on powers of the Board
Sec 186	Companies Act	Inter-corporate loans & investments
Sec 187	Companies Act	Investments to be held in company's own name
Sec 188	Companies Act	Related-party transactions
Sec 203	Companies Act	KMP — restriction on holding office in >1 company
Sec 230-232	Companies Act	Compromise, arrangement & amalgamation
Sec 236	Companies Act	Purchase of minority shareholding (90%+ acquirer)
Sec 237	Companies Act	Amalgamation of companies in public interest (Central Govt.)
Sec 241-244	Companies Act	Oppression & mismanagement petitions
Sec 245	Companies Act	Class action suits
Sec 4, 7, 9, 10	IBC, 2016	CIRP trigger — default threshold & who may apply
Sec 11	IBC, 2016	Persons barred from initiating CIRP
Sec 12	IBC, 2016	CIRP timeline — 180 + 90 days
Sec 14	IBC, 2016	Moratorium
Sec 21, 28	IBC, 2016	Committee of Creditors — composition & CoC-only-approval actions
Sec 30-31	IBC, 2016	Resolution plan approval by CoC and NCLT
Sec 33	IBC, 2016	Liquidation on failure of CIRP
Sec 53	IBC, 2016	Liquidation waterfall
Sec 59	IBC, 2016	Voluntary liquidation
Sec 3, 4	Competition Act, 2002	Anti-competitive agreements; abuse of dominance
Sec 5-6	Competition Act, 2002	Regulation of combinations

Section(s)	Act	Covers
Sec 27, 44	Competition Act, 2002	CCI penalty powers; penalty for false information
Sec 6	FEMA, 1999	Capital account transactions
Sec 13	SARFAESI Act, 2002	Enforcement of security interest
Sec 15	SARFAESI Act, 2002	Takeover of management
Sec 9	Banking Regulation Act, 1949	Disposal of non-banking assets
Sec 15-16	MSMED Act, 2006	Payment timeline & delayed-payment interest
Sec 43, 43A	IT Act, 2000	Unauthorized access; compensation for SPDI breach
Sec 66, 66C, 66D	IT Act, 2000	Dishonest acts; identity theft; cheating by personation
Sec 3	PMLA, 2002	Definition of money laundering

9. FINAL COUNTDOWN CHECKLIST & EXAM-DAY STRATEGY

7 days before (3 – 9 Dec 2026)

- Revise all 11 Quick Revision Charts (Section 8) at least twice.
- Solve 2 full previous-attempt papers strictly in 3-hour timed conditions.
- Revise your personal "numbers list" (time limits, thresholds, percentages) daily.
- Sleep 7+ hours every night from this point — do not sacrifice sleep for extra reading.

On exam day (10 Dec 2026, 10:00 AM – 1:00 PM)

- First 10 minutes: read the full question paper; mark questions from A-chapters (Companies Act, IBC, SEBI) to attempt first.
- Use the IPAC method for every practical/case question — Issue, Provision, Application, Conclusion.
- Attempt every question — an IPAC structure with a partially correct section still earns part marks; a blank answer earns zero.
- Watch the clock: 100 marks in 180 minutes = roughly 1.8 minutes per mark; leave 15 minutes at the end for review.
- Answer the compulsory/high-weight Companies Act question(s) first while your mind is freshest.

> **WHAT'S NEXT:** This book covers Paper 13 of 8. The same chart-book format will follow for Paper 17 (Cost & Management Audit) next, then the remaining six papers — building toward one combined "CMA Final December 2026 Fullproof Plan" master volume.

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10. REAL ATTEMPT-WISE PYQ ANALYSIS (7 ATTEMPTS)

Built directly from the ICMAI Suggested Answer booklets for June 2023, Dec 2023, June 2024, Dec 2024, June 2025, Dec 2025 and June 2026 that you supplied — chapter, question number, marks (where the source states them) and what was actually asked, in each attempt.

Marks are shown only where the source document states them (June 2023 gave full marks splits; the other six booklets you supplied are suggested-answer-only and do not print marks against each part, so those cells read "n/s" — not stated in source — rather than a guessed number). MCQ topics for attempts other than June 2023 aren't listed individually because those booklets show only the answer key (A/B/C/D), not the question text.

Term	Q.No	Mks	Ch.	What was asked
June 2023	1 (i)-(x)	20	**Mixed**	MCQs with justification (2 marks each): foreign company definition, board quorum, dividend policy authority, books of accounts inspection, shifting registered office, COMPAT appeal timeline, hacking definition, NSIC, minimum capital for life insurance, banking co. dividend restriction.
June 2023	2(a)	4	**Ch.1**	RoC's power to order inquiry into company affairs, procedure, effect of complaint withdrawal, Central Govt.'s power to direct inquiry (Sec 206(4)).
June 2023	2(b)	8	**Ch.1**	Validity of proposed managerial remuneration to MD and other directors (Sec 197).
June 2023	2(c)	4	**Ch.3**	Applying two NGRBC principles (ethics/transparency; employee wellbeing) to a case.
June 2023	3(a)	4	**Ch.1**	Maintainability of an oppression/mismanagement petition after some petitioners withdraw consent.
June 2023	3(b)	5	**Ch.1**	Minimum independent directors for an unlisted vs listed public company (thresholds).
June 2023	3(c)	3	**Ch.1**	Failure-to-distribute-dividend liability in two fact scenarios (bank detail mismatch; court-restrained payment).
June 2023	3(d)	4	**Ch.2**	Applicability of IBC 2016 — which entities it covers.
June 2023	4(a)(I)	4	**Ch.1**	Merger of two companies — is it valid, shareholder approval, dissent, NCLT order.
June 2023	4(a)(II)	4	**Ch.1**	Board meeting timing for financial statement approval; bar on approving accounts via video conferencing.
June 2023	4(b)	8	**Ch.3**	CSR applicability test and computation of minimum CSR spend for a manufacturing company.
June 2023	5(a)	8	**Ch.4**	Institutional steps a listed company must take to prevent insider trading.
June 2023	5(b)	8	**Ch.5**	Abuse of dominant position and predatory pricing under the Competition Act.
June 2023	6(a)	8	**Ch.6**	FDI-prohibited sectors; rules for parking unutilised ECB proceeds.
June 2023	6(b)	8	**Ch.7/8**	SARFAESI definitions — non-performing asset, qualified buyer, securitisation.
June 2023	7(a)	8	**Ch.9**	Digital MSME Scheme and Emergency Credit Line Guarantee Scheme.
June 2023	7(b)	8	**Ch.11/10**	Stages of money laundering; five cyber crimes under IPC/special laws.
June 2023	8(a)*	10	**Ch.1**	Auditor removal procedure, effect of resignation, qualified audit report (*compulsory).
June 2023	8(b)*	6	**Ch.6**	FDI into an unlisted tech company — permissibility and share-issue steps (*compulsory).
Dec 2023	2(a)	n/s	**Ch.1**	Conditions for a company to accept public deposits (Sec 73) — circular, DRR, certification, security.

Term	Q.No	Mks	Ch.	What was asked
Dec 2023	2(b)	n/s	**Ch.1**	Omnibus audit-committee approval for related-party transactions (Rule 6A) — criteria and limits.
Dec 2023	3(a)	n/s	**Ch.1**	Board powers requiring special resolution under Sec 180 (asset sale, borrowing limits, etc.).
Dec 2023	3(b)	n/s	**Ch.3**	Minimum CSR spend requirement — 2% rule and local-area preference.
Dec 2023	4(a)	n/s	**Ch.1**	Board meeting frequency (Sec 173) and effect of a meeting lapsing for want of quorum.
Dec 2023	4(b)	n/s	**Ch.1 / Ch.3**	Private company member-count limit (Sec 2(68)); CSR capacity-building expenditure cap.
Dec 2023	5(a)	n/s	**Ch.1**	Validity of a director's acts despite a defective appointment (Sec 176).
Dec 2023	5(b)	n/s	**Ch.1**	Minority-shareholder squeeze-out after a 90%+ acquisition (Sec 236).
Dec 2023	6(a)	n/s	**Ch.3**	Features/elements of good corporate governance.
Dec 2023	6(b)	n/s	**Ch.10**	How a business-intelligence process works, end to end.
Dec 2023	7(a)	n/s	**Ch.4**	Conditions barring a company from making a public/rights issue (ICDR).
Dec 2023	7(b)	n/s	**Ch.5**	Penalty for furnishing false information to the CCI; leniency/lesser-penalty provision.
Dec 2023	8(a)	n/s	**Ch.6**	Entry routes and annexure-wise categories of permitted non-resident investment.
Dec 2023	8(b)	n/s	**Ch.7/8**	Asset-reconstruction measures available to an ARC under Sec 9, SARFAESI.
June 2024	2(a)	n/s	**Ch.1**	Class action under Sec 245 — who can file, reliefs available.
June 2024	2(b)	n/s	**Ch.2**	Persons barred from initiating CIRP under Sec 11, IBC.
June 2024	3(a)	n/s	**Ch.1**	Board-meeting quorum incl. Sec 8 companies and the interested-director carve-out.
June 2024	3(b)	n/s	**Ch.6**	FEMA Sec 3 & 4 — restrictions on dealing in / holding foreign exchange.
June 2024	4(a)	n/s	**Ch.3**	CSR applicability test and minimum-budget computation for a company (3-year average profit).
June 2024	4(b)	n/s	**Ch.1 / Ch.4**	Validity of an additional-director appointment under Sec 161 and SEBI LODR Reg 17(1C).
June 2024	5(a)	n/s	**Ch.4**	Is a CMD an "insider"; UPSI meaning; correctness of SEBI's charge (cites SEBI v Abhijit Ranjan).
June 2024	5(b)	n/s	**Ch.1**	Doctrine of constructive notice and indoor management (Turquand's case).
June 2024	6(a)	n/s	**Ch.10**	Role of business intelligence in a cyber-security context.
June 2024	6(b)	n/s	**Ch.5**	CCI's power to order division of a dominant enterprise.
June 2024	6(c)	n/s	**Ch.11**	The three stages of money laundering (placement, layering, integration).
June 2024	7(a)	n/s	**Ch.7/8**	Indemnity and subrogation in insurance contracts.
June 2024	7(b)	n/s	**Ch.7/8**	Restrictions on bank loans to directors (Banking Regulation Act, Secs 20/21).
June 2024	7(c)	n/s	**Ch.9**	MSME delayed-payment rule — 45 days and 3x bank-rate interest.
June 2024	8(a)	n/s	**Ch.1**	Investments to be held in the company's own name (Sec 187).

Term	Q.No	Mks	Ch.	What was asked
June 2024	8(b)	n/s	**Ch.3**	Sustainability/ABRR reporting — the nine NVG principles.
June 2025	2(a)	n/s	**Ch.1**	Investments in the company's own name — Sec 187 exceptions and register requirement.
June 2025	2(b)	n/s	**Ch.2**	Management of the corporate debtor vesting in the IRP (Secs 17 & 20(2), IBC).
June 2025	3(a)	n/s	**Ch.1**	Board quorum computation under Sec 174 for a specific director count.
June 2025	3(b)	n/s	**Ch.3**	Corporate governance issues specific to family-run businesses.
June 2025	4(a)	n/s	**Ch.1**	Loan/investment limit computation under Sec 186 (60% vs 100% test) plus permissible interest rate.
June 2025	4(b)	n/s	**Ch.4**	Target company's obligations during an open-offer period (SEBI SAST) and exemptions.
June 2025	5(a)	n/s	**Ch.1**	Audit committee's statutory responsibilities and whether its recommendations bind the Board.
June 2025	5(b)	n/s	**Ch.10 / Ch.7-8**	Categories of cyber-crime against persons; SARFAESI Sec 15 takeover-of-management procedure.
June 2025	6(a)	n/s	**Ch.1**	List of statutory registers a company must maintain.
June 2025	6(b)	n/s	**Ch.5**	Penalty for furnishing false information to the CCI.
June 2025	7(a)	n/s	**Ch.1**	Exceptions to the rule in Foss v Harbottle protecting minority shareholders.
June 2025	7(b)	n/s	**Ch.9 / Ch.7-8**	MSME classification thresholds; objectives behind setting up IRDA.
June 2025	8(a)	n/s	**Ch.6**	FC-GPR filing timeline, Entity Master maintenance, and FEMA penalties for delay.
June 2025	8(b)	n/s	**Ch.11**	Key features of the PMLA, 2002.
Dec 2024	2(a)	n/s	**Ch.1**	OPC nominee-withdrawal procedure; validity of nominating a minor.
Dec 2024	2(b)	n/s	**Ch.1**	Conditions for maintaining books of account in electronic mode (Sec 128).
Dec 2024	3(a)	n/s	**Ch.1**	Mandatory woman director test; independent-director/relative restriction; nominee director; CFO as KMP.
Dec 2024	3(b)	n/s	**Ch.10**	Data-protection provisions under the IT Act (Secs 43A, 72A).
Dec 2024	4(a)	n/s	**Ch.2**	Actions an RP may take only with 66% CoC approval (Sec 28, IBC).
Dec 2024	4(b)	n/s	**Ch.3**	SEBI's prescribed corporate-governance compliance-reporting format for listed entities.
Dec 2024	5(a)	n/s	**Ch.3**	Due-diligence parameters for evaluating a CSR project before spend.
Dec 2024	5(b)	n/s	**Ch.1**	Who may petition the Tribunal against oppression/mismanagement (Sec 241/244) and effect of falling below threshold.
Dec 2024	6(a)	n/s	**Ch.4**	Institutional mechanism a listed company must have to prevent insider trading.
Dec 2024	6(b)	n/s	**Ch.5 / Ch.7-8**	Abuse of dominant position; disposal of non-banking assets under Sec 9, Banking Regulation Act.
Dec 2024	7(a)	n/s	**Ch.6**	Liberalised Remittance Scheme — limit and permitted purposes.
Dec 2024	7(b)	n/s	**Ch.11**	Statutory offence of money laundering and PMLA's schedule of predicate offences.

Term	Q.No	Mks	Ch.	What was asked
Dec 2024	8(a)	n/s	**Ch.9**	Consequences of delayed MSME payments, incl. Sec 43B(h) Income-tax Act disallowance.
Dec 2024	8(b)	n/s	**Ch.1**	Central Government's power to order amalgamation in public interest (Sec 237).
Dec 2025	2(a)	n/s	**Ch.1**	Validity of a director appointment across 3 scenarios — govt. company, ballot election, vernacular-only ad (Sec 160).
Dec 2025	2(b)	n/s	**Ch.1**	Eligibility and tenure limits for a company inviting public deposits (Sec 76).
Dec 2025	3(a)	n/s	**Ch.1**	Board meeting at shorter notice — independent-director requirement, video-conferencing venue rule.
Dec 2025	3(b)	n/s	**Ch.1**	Central Govt. amalgamation order, compensation determination, and NCLT appeal (Sec 237).
Dec 2025	4(a)	n/s	**Ch.1**	Board meeting venue/notice validity, quorum, and effect of directors losing video connectivity.
Dec 2025	4(b)	n/s	**Ch.1**	Procedure to convert an ordinary company into a Section 8 (non-profit) company.
Dec 2025	5(a)	n/s	**Ch.1**	Auditor's statutory duty to report fraud under Sec 143(12) and the Rule 13 thresholds.
Dec 2025	5(b)	n/s	**Ch.2**	NCLT's role in approving a CIRP resolution plan (Sec 31).
Dec 2025	6(a)	n/s	**Ch.3**	Evolution of India's CSR/responsible-business framework — NVG to NGRBC, SDGs, UNGP.
Dec 2025	6(b)	n/s	**Ch.10**	The five-stage business-intelligence workflow.
Dec 2025	7(a)	n/s	**Ch.4**	SEBI ICDR eligibility criteria for making an IPO.
Dec 2025	7(b)	n/s	**Ch.5**	Resale price maintenance as abuse of dominance (cites the Maruti Suzuki CCI order).
Dec 2025	8(a)	n/s	**Ch.6**	Definition and examples of FEMA capital-account transactions.
Dec 2025	8(b)	n/s	**Ch.7/8**	RBI's regulatory role over banking companies.
June 2026	2(a)	n/s	**Ch.1**	Rules on declaration and payment of dividend, incl. IEPF transfer.
June 2026	2(b)	n/s	**Ch.1**	Restriction on a KMP holding office in more than one company (Sec 203).
June 2026	3(a)	n/s	**Ch.1**	Director appointment other than a retiring director across 3 scenarios (Sec 160).
June 2026	3(b)	n/s	**Ch.1**	Statutory-auditor appointment, rotation, and disqualification (Secs 139-141).
June 2026	4(a)	n/s	**Ch.1**	Procedure to convert a private company into a public company.
June 2026	4(b)	n/s	**Ch.1**	Compromise/arrangement scheme procedure before the NCLT.
June 2026	5(a)	n/s	**Ch.1**	Board's Report contents and authentication/filing of financial statements.
June 2026	5(b)	n/s	**Ch.2**	Stages of the Corporate Insolvency Resolution Process.
June 2026	6(a)	n/s	**Ch.3**	CSR Committee applicability and its core statutory functions.
June 2026	6(b)	n/s	**Ch.10**	Cyber-fraud provisions under the IT Act (Secs 43, 66, 66C, 66D).
June 2026	7(a)	n/s	**Ch.4**	Insider-trading framework under SEBI PIT Regulations.
June 2026	7(b)	n/s	**Ch.6**	FDI routes and sectoral caps under FEMA.

Term	Q.No	Mks	Ch.	What was asked
June 2026	8(a)	n/s	**Ch.5**	Objectives and key provisions of the Competition Act (Secs 3, 4, 5-6).
June 2026	8(b)	n/s	**Ch.7/8**	SARFAESI enforcement of security interest and takeover of management.

10C. CHAPTER FREQUENCY — REAL COUNT ACROSS THE 7 SUPPLIED ATTEMPTS

This replaces the earlier pattern-based estimate with an actual count from the papers you gave me.

Ch.	Chapter	Tested in	What the real data shows
1	**Companies Act, 2013**	7 / 7	By far the most-tested chapter every single attempt — usually 4-7 separate descriptive parts per paper, covering a rotating set of sub-topics (directors/KMP, board meetings, CSR-linked provisions, oppression, deposits, audit, mergers).
2	**IBC, 2016**	6 / 7	Tested in every attempt except Dec 2023 (of the 7 supplied) — always exactly one descriptive question, usually on CIRP process, CoC powers, or who can/cannot initiate it.
3	**Corporate Governance/ CSR/Sustainability**	7 / 7	Tested every attempt, very often as 2 separate questions (e.g. June 2023 had both a CSR computation and an NGRBC-principles question).
4	**SEBI Regulations**	7 / 7	Tested every attempt without exception — insider trading and the Takeover Code/IPO eligibility rotate as the main descriptive ask.
5	**Competition Act, 2002**	7 / 7	Tested every single attempt, always as one question — abuse of dominance and CCI penalty/leniency provisions are the most repeated sub-topics.
6	**FEMA, 1999**	7 / 7	Tested every attempt without exception — FDI routes/caps and FC-GPR/reporting compliance are the most repeated sub-topics.
7&8	**Banking & Insurance Sector Laws**	7 / 7	Tested every attempt — SARFAESI (banking side) appears far more often than pure Insurance Act content; insurance-specific questions are rarer and shorter.
9	**MSME Sector**	4 / 7	The least consistently tested chapter of the 7 supplied attempts (absent in Dec 2023, Dec 2025, June 2026) — confirms it as a lower-priority, high-certainty scoring topic rather than a guaranteed one.
10	**Cyber Security & Data Privacy**	7 / 7	Tested every attempt — often blended with a "business intelligence" angle rather than pure IT Act sections.
11	**Anti-Money Laundering**	4 / 7	Tested in June 2023, June 2024, Dec 2024 and June 2025 but absent from Dec 2023, Dec 2025 and June 2026 of the 7 supplied — the least guaranteed chapter alongside MSME.

DATA-CONFIRMED: Real data confirms the earlier estimate almost exactly, with one refinement: MSME and AML are genuinely less consistent (4/7) than Banking/Insurance, Cyber and the rest of the 5%-weight chapters (7/7) — worth knowing if you have to triage in the last week.

11. ONE-DAY-BEFORE MASTER CHART

The entire Paper 13 syllabus on two pages. Read this top to bottom the night before/morning of the exam — nothing else, no new material.

Chapter	Everything you must recall in 10 seconds
1. Companies Act (40%)	Formation/conversion; loans & deposits; dividend & IEPF; auditor appointment & CARO; director/KMP appointment, remuneration, DIN; board meetings & governance; inspection/investigation; compromise/amalgamation (NCLT, 3/4 majority); oppression (100 members / 1/10th).
2. IBC 2016 (10%)	Default threshold ~Rs.1cr; CIRP 180+90 days (max 330); moratorium Sec 14; CoC 66% approves plan; Sec 53 waterfall: costs > secured+workmen > FC > govt > pref > equity.
3. CG/CSR/Sustainability (10%)	CSR applies: NW Rs.500cr / T/O Rs.1000cr / profit Rs.5cr; spend 2% avg 3yr profit; unspent→special a/c in 30 days; BRSR for top listed cos.
4. SEBI (10%)	IPO via ICDR Regs; Insider Trading (PIT Regs) bars trading on UPSI; Takeover Code (SAST) — 25% open-offer trigger, 5%/yr creeping up to 75%.
5. Competition Act (5%)	Sec 3 anti-competitive agreements (AAEC test); Sec 4 abuse of dominance; combinations need CCI nod; CCI penalty up to 10% turnover.
6. FEMA (5%)	Automatic vs government FDI route; ECB per Master Direction limits; LRS cap USD 2,50,000/FY.
7&8. Banking/Insurance (5%)	Banking Regulation Act — RBI licensing; SARFAESI — 60-day notice, no-court recovery; Insurance Act 1938 & IRDA Act 1999 registration/solvency.
9. MSME (5%)	Composite criteria: investment + turnover; MSMED Act — 45-day payment rule, 3x RBI rate penalty on delay; Udyam Registration.
10. Cyber/Data Privacy (5%)	IT Act 2000; Sec 43A compensation for SPDI breach; Sec 66/66C/66D — hacking, identity theft; privacy principles: notice, consent, minimisation.
11. AML/PMLA (5%)	PMLA 2002 criminalises layering illicit money; reporting entities keep KYC/records 5 yrs; PMLA Rules 2005; attachment of proceeds of crime.

SELF-TEST: If you can mentally recite every line in this table without looking, you are ready. If any line draws a blank, that's exactly which chapter needs your last free hour.