

CLAT 2019

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LAW MIXED QUESTIONS FOR IBPS SO LAW

IBPS SO LAW MIXED QUIZ 1

Direction: Study the following question carefully and choose the right answer carefully.

1. Legal validity of Recovery of Debts Due to Banks and FI Act 1993 was upheld by 3 judge bench of Honourable Supreme Court in _____.

- A. UOI v. Delhi High court bar Association
- B. Horizon Flora India Ltd. V. Asset Reconstruction Co. India Ltd.
- C. Baleshwar Dayal Jaiswal v. Bank of India
- D. Vijay Laghu Udyog v. Punjab National Bank
- E. None of these

2. Which of these cannot make application to Recovery of Debt Tribunal?

- A. Bank
- B. Financial Institution
- C. Consortium of Banks or Financial Institutions.
- D. Individual person.
- E. None of these

3. Which of the following is not included under financial institution under Recovery of Debts Due to Banks and FI Act 1993?

- A. Public Financial Institution within the meaning of section 4A of Companies Act.
- B. Asset Reconstruction Companies registered under SARFAESI Act.
- C. Debenture trustees registered with SEBI
- D. Cooperative societies registered under cooperative societies act.
- E. None of these

9. Which section under Recovery of Debts Due to Banks and FI Act 1993 “debt” is defined?

- A. 2(c) B. 2(e) C. 2(f) D. 2(g)
- E. None of these

10. Which section under Recovery of Debts Due to Banks and FI Act 1993 “Debt Securities” is defined?

- A. 2(ga) B. 2(gb) C. 2(gc) D. 2(gd)
- E. None of these



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Correct answers:

1	2	3	4	5	6	7	8	9	10
A	D	D	D	A	D	A	B	D	A

Explanation:

1.

Validity of Recovery of Debts Due to Banks and FI Act 1993 was upheld in UOI v. Delhi High Court Bar Association AIR 2002 SC 1479. It was also held that jurisdiction of civil court is impliedly barred.

Hence, option A is correct.

2.

According to section 1(4) and section 17(1) of Recovery of Debts Due to Banks and FI Act 1993 bank, financial institution and consortium of Banks or Financial institutions are eligible to make application to tribunal established under Recovery of Debts Due to Banks and FI Act 1993.

Hence, option D is correct.

3.

Cooperative societies registered under cooperative societies act. All the other 3 are explicitly mentioned in the Debts Due to Banks and FI Act 1993.

Hence, option D is correct.

4.

Public Financial Institution (PFI) means IDBI, ICICI, IFCI, LIC, UTI, IRBI, GICI, SCICI, SIDBI, State Financial Corporations, NABARD, NCDC etc.

Hence, option D is correct.

5.

Held in *M Babu Rao v. Dy. Registrar of Cooperative Societies* (2005) 63 SCL 339 (AP HC FC).

Hence, option A is correct.

6.

As to section 1(4) of Recovery of Debts Due to Banks and FI Act 1993. Section 1(4) states "The provisions of this Act shall not apply where the amount of debt due to any bank or financial institution or to a consortium of banks or financial institutions is less than ten lakh rupees or such other amount, being not less than one lakh rupees, as the Central Government may, by notification, specify."

Hence, option D is correct.

7.

According to section 1(4) of Recovery of Debts Due to Banks and FI Act 1993. Section 1(4) states "The provisions of this Act shall not apply where the amount of debt due to any bank or financial institution or to a consortium of banks or financial institutions is less than ten lakh rupees or such other amount, being not less than one lakh rupees, as the Central Government may, by notification, specify."

Hence, option A is correct.

8.

Section 24 states that "The provisions of the Limitation Act, 1963 (36 of 1963), shall, as far as may be, apply to an application made to a Tribunal."

Hence, option B is correct.

9.

According to section 2(g) "debt" means any liability (inclusive of interest) which is claimed as due from any person by a bank or a financial institution or by a consortium of banks or financial

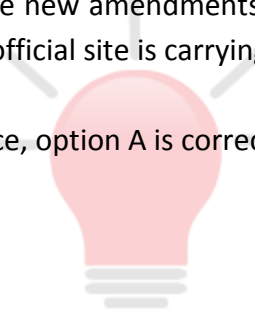
institutions during the course of any business activity undertaken by the bank or the financial institution or the consortium under any law for the time being in force, in cash or otherwise, whether secured or unsecured, or assigned, or whether payable under a decree or order of any civil court or any arbitration award or otherwise or under a mortgage and subsisting on, and legally recoverable on, the date of the application and includes any liability towards debt securities which remains unpaid in full or part after notice of ninety days served upon the borrower by the debenture trustee or any other authority in whose favour security interest is created for the benefit of holders of debt securities.

Hence, option D is correct.

10.

See section 2(ga) of Recovery of Debts Due to Banks and FI Act 1993. This section was included in the new amendments done in the ACT. Please refer to updated books for the same as even the official site is carrying the old Act.

Hence, option A is correct.



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