




Corporate and Other Laws

CA – Intermediate (New Syllabus)

For Jan, May & Sep 2026 Exams

Key Highlights...

- ☞ Exhaustive coverage the latest **Study Material** issued by ICAI for **NEW SYLLABUS**.
- ☞ Exhaustive coverage of **RTPs, MTPs, Past examinations** including **Jan 2025** attempt.
- ☞ All **amendments up to February 28th, 2025** have been duly incorporated in the book.
- ☞ The applicable **Rules and Notifications** have been incorporated **section wise** – increasing the readability and retain ability.
- ☞ Section-wise coverage of **questions** from **past 20 examinations, RTPs, MTPs** (including **Jan 2025 attempt**) and **Study Material**.
- ☞ **Key-words** have been **highlighted** in **RED** for a quick and smooth revision.
- ☞ The **crucial topics** have been summarised by way of **charts and flow diagrams** for easy understanding and efficient learning.
- ☞ Some additional points from knowledge standpoint have been incorporated by way of Annexures at the end of the Chapters to provide you an edge over other students.
- ☞ Key to the quick revision 
 - Just read the words highlighted in red – they constitute the crux of the section
 - Refer charts and diagrams

CA Harsh Gupta

B.Com(H), CA, CS



MASTER THE ART OF INTERPRETATION...!!



EDITION JANUARY, MAY & SEPTEMBER 2026

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PREFACE

I am glad to present the **2026 edition** of this Book. This edition has been specifically prepared for the students appearing for the 'Corporate and Other Laws' examination of **CA-Intermediate under the new syllabus of ICAI for January, May or September 2026 attempt.**

This book entails **all the amendments notified up to 28th February 2025. Additional amendments, if any, upto 30th June 2025, will be applicable for Jan 2026 attempt and then for the next 4 months i.e. up to 31st October 2025, will be applicable for May 2026 attempt.** The relevant amendment notes (along with the free amendment class) will be duly provided on our Telegram channel [t.me/CA_Law_HarshGupta] in due course of time. Students need to do a consolidated reading of this Book along with the relevant amendments, if any, for January, May & September 2026 attempt. Similar approach is to be applied in case a student is referring this book for any attempt post September 2026.

The focus point of this edition is collaborative learning by way of innovative presentation of all the laws covered in the course curriculum, with **in-built linkages to relevant Rules, Notifications and Circulars.**

In this Book every effort has been made to lay bare the complexities of the law and making them easily intelligible to the students who are being initiated to the study of this subject. The **complicated provisions** of the law have been explained in as **lucid, systematic and logical manner** as possible in a compact form. **English and Indian case laws have been sighted** with a view to ensure necessary authenticity and clarity on the subject.

For the benefit of the students –

- **Key words** have been **highlighted** in such a way that bare reading of the key words will itself ensure adequate understanding of the spirit of the provision.
- **Section-wise coverage of case laws, questions from past 20 exams, all the questions of Study Material, RTPs and MTPs (including Jan 2025 attempt)** coupled with the hints to their solution have also been given.

I am sure this book will prove of immense utility to the students preparing for CA-Intermediate examination.

Wishing every success to the students.

1st March 2025

New Delhi

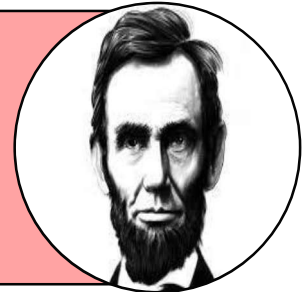
CA Harsh Gupta

*The journey of a thousand miles
begins with a single step*



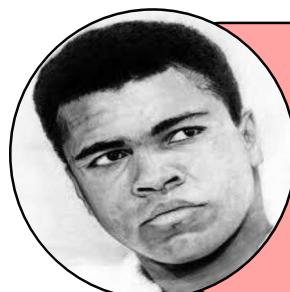
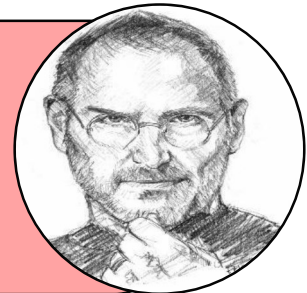
- *Dream is not that you see in sleep, dream is something that does not let you sleep.*
- *Confidence and Hard work is the best medicine to kill the disease called failure. It will make you successful person.*
- *All of us do not have equal talent. But, all of us have equal opportunity to develop our talents.*
- *Without your involvement you can't succeed. With your involvement you can't fail.*

- *The best way to predict the future is to create it.*
- *I walk slowly, but I never walk backward.*
- *Whatever you are, be a good one.*
- *I destroy my enemies when I make them my friends.*
- *In the end it's not the years in your life that count. It's the life in your years.*



- *Do not save what is left after spending, but spend what is left after saving*
- *Never test the depth of a river with both feet.*
- *Honesty is very expensive gift. Do not expect it from cheap people.*
- *Someone is sitting in the shade today because someone planted a tree a long time ago.*
- *Risk comes from not knowing what you are doing.*

- *Creativity is just connecting things*
- *Have the courage to follow your heart and intuition. They somehow know what you truly want to become.*
- *The ones who are crazy enough to think that they can change the world, are the ones who do.*
- *The only way to do great work, is to love what you do.*



- *Don't count the days; make the days count.*
- *I hated every minute of training, but I said, "Don't quit. Suffer now and live the rest of your life as a Champion."*
- *If my mind CONCEIVE it and my heart can BELIEVE it - then I can ACHIEVE it.*
- *It isn't the mountains ahead to climb that wear you down. It's the pebble in your shoes*



CONTENTS AT A GLANCE

CHAPTERS	TOPIC	SECTIONS	PAGES
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VOLUME – I			
Chapter 1	Preliminary	1 – 2	1.1 – 1.30
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Chapter 3	Prospectus & allotment of securities	23 – 42	3.1 – 3.40
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<ul style="list-style-type: none">▪ Exemption Notification▪ Specimen of Notices & Minutes			

70
marks

VOLUME – II			
Chapter 12	The Limited Liability Partnership Act, 2008		
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Chapter 14	Interpretation of Statutes, Deeds and Documents		
Chapter 15	Foreign Exchange Management Act, 1999		

30
marks



SYLLABUS

PAPER – 2 - CORPORATE AND OTHER LAWS

(One paper – Three hours – 100 Marks)

PART I – COMPANY LAW AND LIMITED LIABILITY PARTNERSHIP LAW (70 MARKS)

Objective

To develop an understanding of the legal provisions and acquire the ability to analyse and apply the laws in practical situations.

Contents

- I. **The Companies Act, 2013** - including important rules and drafting of notices, resolutions etc.–
 1. Preliminary
 2. Incorporation of Company and Matters Incidental thereto
 3. Prospectus and Allotment of Securities
 4. Share Capital and Debentures
 5. Acceptance of Deposits by Companies
 6. Registration of Charges
 7. Management and Administration
 8. Declaration and Payment of Dividend
 9. Accounts of Companies
 10. Audit and Auditors
 11. Companies Incorporated Outside India

- II. **The Limited Liability Partnership Act, 2008** including important Rules

PART II – OTHER LAWS (30 MARKS)

Objective

- a. To develop an understanding of the General Clauses Act.
- b. To develop an understanding of the rules for interpretation of statutes.
- c. To have basic understanding of the Foreign Exchange Management Act, 1999.

Contents

1. **The General Clauses Act, 1897** - Important Definitions, Extent and Applicability, General Rules of Construction, Powers and Functionaries, Provisions as to Orders, Rules, etc. made under Enactments and Miscellaneous provisions.
2. **Interpretation of Statutes** - Rules of Interpretation of Statutes, Aids to Interpretation, Rules of Interpretation/Construction of Deeds and Documents.
3. **The Foreign Exchange Management Act, 1999** - Significant definitions and concepts of Current and Capital Account Transactions.

Note - If any new legislation(s) is/are enacted in place of the existing legislation(s), the syllabus would include the corresponding provisions of such new legislation(s) with effect from a date notified by the Institute.

The specific inclusion(s)/exclusion(s) in the various topics covered in the syllabus will be effected every year by way of Study Guidelines, if required



Pattern of Assessment

Students appearing in the Intermediate Examinations under the New Scheme of Education and Training may please note that, assessment in all the 6 papers of Intermediate examination will be partially based on objective type questions as follows -

- In each paper, the **weightage** for objective type questions would be **30%**.
- The remaining questions i.e., 70% of the paper would be as per the present pattern of assessment.
- The objective type questions will be in the nature of **multiple-choice questions**.
- There will be **no negative marking** for wrong answers.
- No reasoning is required for answers to MCQs
- It may be noted that objective type questions will be compulsory and there will be no internal or external choice in them.
- Also, **Case Study Based MCQs** will be included. The purpose is to encourage analytical reading among students.
- Refer our MCQ Booklet to assure your 30 Marks.



Preliminary

(Section 1 - 2)

read with

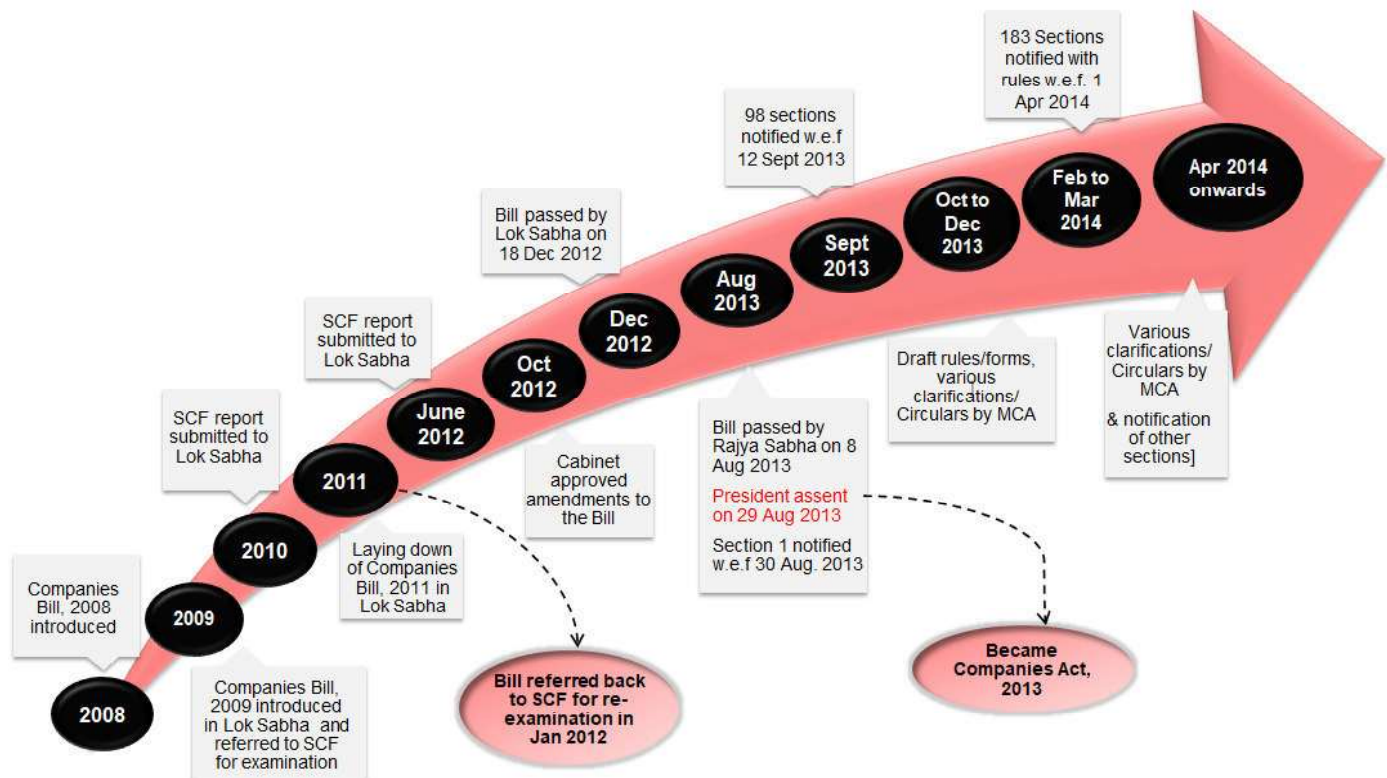
The Companies (Specification of Definitions Details) Rules, 2014

The Companies (Restriction on Number of Layers) Rules, 2017

"Your present circumstances don't determine where you can go; they merely determine where you start."

– Nido Qubein

Journey of Companies Act, 2013



SECTION 1 – SHORT TITLE, EXTENT, COMMENCEMENT AND APPLICATION

- (1) This Act may be called the Companies Act, 2013.
- (2) It extends to the whole of India.
- (3)
 - This section shall come into force at once and the remaining provisions of this Act shall come into force on such date as the CG may, by notification in the Official Gazette, appoint and
 - different dates may be appointed for different provisions of this Act and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

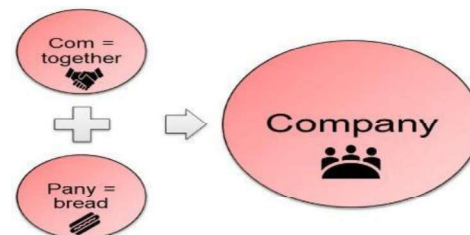
- (4) The provisions of this Act shall apply to -
- companies incorporated under this Act or under any previous company law [section 2(67)];
 - insurance companies, EXCEPT in so far as the said provisions are inconsistent with the provisions of the Insurance Act, 1938 or the Insurance Regulatory and Development Authority Act, 1999;
 - banking companies, EXCEPT in so far as the said provisions are inconsistent with the provisions of the Banking Regulation Act, 1949;
 - companies engaged in the generation or supply of electricity, EXCEPT in so far as the said provisions are inconsistent with the provisions of the Electricity Act, 2003;
 - any other company governed by any special Act for the time being in force, EXCEPT in so far as the said provisions are inconsistent with the provisions of such special Act; and
 - such body corporate [section 2(11)], incorporated by any Act for the time being in force, as the CG may, by notification, specify in this behalf, subject to such exceptions, modifications or adaptation, as may be specified in the notification.

Basic Concepts of a Company

MEANING OF COMPANY

Section 2(20) - "company" means a company incorporated -

- under this Act or
- under any previous company law



CHARACTERISTICS OR FEATURES OF A COMPANY

Incorporated association	<ul style="list-style-type: none"> 'Incorporation' is the act of forming a legal corporation as a statutory person A company is formed and registered by complying with the requirements of the Act (<i>refer Section 7</i>) 						
Artificial person	<ul style="list-style-type: none"> A company is the creation of law, it is not a human being, but it acts through human beings. It is an artificial juridical person (i.e., created by law) and It has many rights and obligations prescribed by law 						
Separate legal entity	<ul style="list-style-type: none"> A company incorporated under the Act is vested with a corporate personality so it bears its own name, acts under name, has a seal of its own and its assets are separate and distinct from those of its members. The company does not hold its property as an agent of its members and they cannot sue to enforce its rights, nor can they be sued in respect of its liabilities. 						
Perpetual succession	<ul style="list-style-type: none"> An incorporated company never dies, except when it is wound up as per law. A company, being a separate legal person is unaffected by death or departure of any member. Perpetual succession, means that the membership of a company may keep changing from time to time, but that shall not affect its continuity. Members may come and go, but the company can go on forever 						
Limited liability of members	<ul style="list-style-type: none"> The privilege of limited liability for business debts is one of the principal advantages of doing business under the corporate form of organisation. The company, being a separate person, is the owner of its assets and bound by its liabilities. The liability of a member as shareholder, extends to, in case of <table style="margin-left: 20px; border: none;"> <tbody> <tr> <td>- Company limited by shares</td> <td>- amount unpaid on shares</td> </tr> <tr> <td>- Company limited by guarantee</td> <td>- amount guaranteed by member</td> </tr> <tr> <td>- Unlimited company</td> <td>- Liability is unlimited</td> </tr> </tbody> </table> <p style="text-align: right;"><i>(Exception to limited liability)</i></p> 	- Company limited by shares	- amount unpaid on shares	- Company limited by guarantee	- amount guaranteed by member	- Unlimited company	- Liability is unlimited
- Company limited by shares	- amount unpaid on shares						
- Company limited by guarantee	- amount guaranteed by member						
- Unlimited company	- Liability is unlimited						

Common seal	<ul style="list-style-type: none"> • Common seal is the official signature of the company • A company may or may not have a common seal
Transferability of shares	<ul style="list-style-type: none"> • Shares are movable property and transferable in a manner provided by the articles (<i>section 44</i>) • In a Private company, the right to transfer shares is restricted • In a Public company, the shares are freely transferable
Separate management	<ul style="list-style-type: none"> • The members do not participate in the day-to-day affairs of the company • There is a separation of ownership and management • The management of the company lies with the directors and the powers of Board is co-extensive with that of the company
Separate property	<ul style="list-style-type: none"> • Company being a legal person and entirely distinct from its members, is capable of, owning, enjoying, and disposing of property in its own name • No member can claim himself to be the owner of the company's property
Capacity to sue and be sued	<ul style="list-style-type: none"> • A company being a body corporate, can sue and be sued in its own name. • All legal proceedings against the company are to be instituted in its name. • A company, as a person distinct from its members, may even sue one of its own members
Limitation of action	<ul style="list-style-type: none"> • A company cannot go beyond the power stated in its MOA. • The MOA of the company regulates the powers and fixes the objects of the company • A company cannot go beyond such powers, unless the MOA is itself altered prior to doing so, else the act will become ultra-vires

PRINCIPLE OF SEPARATE LEGAL ENTITY

- A company is a legal entity separate from its members
- It has its own name, rights, and obligations.

Salomon v. Salomon & Co. Ltd. (1897)

Facts of the case

- Mr. Salomon was carrying on the business of boot manufacturing as a sole proprietor
- Salomon formed a company consisting of himself, his wife, his daughter and his 4 sons as the shareholders, all of whom subscribed to 1 share each so that the actual cash paid as capital was £7.
- He transferred his entire business (worth £ 38,782) to Salomon & Company Limited
- Salomon & Company Ltd. discharged the purchase consideration to Mr. Salomon as follows -

♣ Total consideration	£ 38,782
♣ Cash paid	£ 8,782
♣ 20,000 Fully paid equity shares of £ 1 each issued to Salomon	£ 20,000
♣ Secured debentures issued to Salomon	£ 10,000
- Subsequently there were unsecured trade creditors of £ 8,000
- The company soon ran into difficulties and the debenture-holders appointed a receiver and the company went into liquidation with total assets of only £ 6,050
- The unsecured trade creditors claimed the whole of the company's assets, viz. £ 6,050, on the ground that, as the company was a mere 'alias' or agent for Salomon, they were entitled to payment of their debts in priority to debentures.

House of Lords held that

- The company is a different person altogether from the subscribers of the memorandum;
- though it may be that after incorporation the business is precisely the same as before, the same persons are managers, and the same hands receive the profits, the company is not, in law, their agent or trustee.
- Mr. Salomon, being secured creditor, shall be paid before other unsecured creditors

☞ **Mrs. Bacha F. Guzdar v. CIT, Bombay**

- Company was carrying agricultural business and was exempt from tax
- A shareholder contended that dividend received by her was also exempt from tax
- The court held that the dividend received by the shareholder is not an agricultural income as company is a separate legal entity

DOCTRINE OF LIFTING OR PIERCING OF CORPORATE VEIL

Meaning of Corporate veil

Separate legal entity of the company acts as an 'corporate veil' which segregates the persons present inside the company (board and members) from the outside world.

Effect of Corporate veil

Only the company is liable to the third parties for the acts or defaults made in the name of the company, even though the members, directors or other officers might have acted on behalf of the company.

Lifting or piercing of Corporate veil

- The separate personality of a company is a statutory privilege and it must be used for legitimate business purposes only.
- Where a fraudulent and dishonest use is made of the legal entity, the individuals concerned will not be allowed to take shelter behind the corporate personality.
- The judiciary will break through the corporate shell and apply the principle/ doctrine of what is called as "lifting of or piercing the corporate veil".
- The Court will look behind the corporate entity and take action as if no entity, separate from the members, existed and make the members or the controlling persons liable for debts and obligations of the company.

Lifting of Corporate veil under the Act

The Companies Act, 2013 itself contains some provisions, viz.

- **Section 3A** – Severally liable in certain cases
- **Sections 7(7)** – Punishment for incorporation of company by furnishing false information

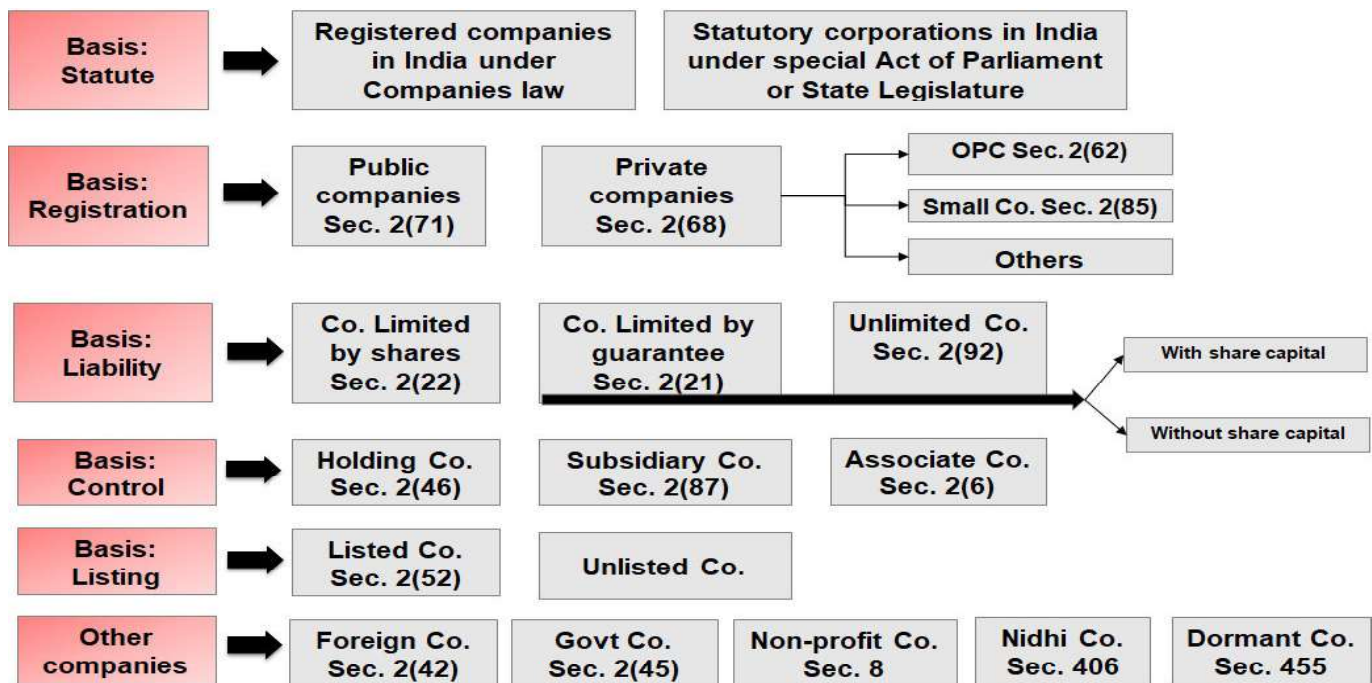
which lift the corporate veil to reach the real forces of action.

Lifting of Corporate veil under Judicial precedents

<p>Protection of revenue</p>	<p>☞ Sir Dinshaw Manakjee Petit</p> <p><u>Facts of the case</u></p> <ul style="list-style-type: none"> ▪ The assessee was a wealthy man enjoying large dividend and interest income. ▪ He formed four private companies and agreed with each to hold a block of investment as an agent for it. ▪ Income received was credited in the accounts of the company but the company handed back the amount to him as a pretended loan. ▪ This way he divided his income in four parts in a bid to reduce his tax liability. <p><u>Held that</u></p> <ul style="list-style-type: none"> ▪ The company was formed by the assessee purely and simply as a means of avoiding tax and the company was nothing more than the assessee himself. ▪ It did no business, but was created simply as a legal entity to ostensibly receive the dividends and interests and to hand them over to the assessee as pretended loans. ▪ The Court decided to disregard the corporate entity as it was being used for tax evasion.
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<p><i>Prevention of fraud or improper conduct</i></p>	<p><i>☞ Gilford Motor Ltd. vs. Mr. Horne</i></p> <p><u>Facts of the case</u></p> <ul style="list-style-type: none">▪ An employee entered a contract with his employer that he will not solicit the customers of the employer after leaving the employment▪ After leaving the employment, the employee incorporated a company. He, his wife and one other person were the only members of this company▪ The company then started soliciting the customers of the employer <p><u>Held that</u></p> <ul style="list-style-type: none">▪ The purpose of formation of the company was to avoid a legal obligation arising from a contract, which was not permissible▪ Therefore, the company was restrained from soliciting the customers of the employer
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Types of Companies



SECTION 406 – NIDHI COMPANY

“Nidhi” means a company which has been incorporated as a Nidhi with the object of

- cultivating the habit of thrift and savings amongst ITS MEMBERS,
- receiving deposits from, and lending to, its members only, for their mutual benefit, and
- which complies with such rules as are prescribed by the CG for regulation of such class of companies.

SECTION 455 – DORMANT COMPANY

Where a company is formed and registered under this Act

- for a future project OR
- to hold an asset or intellectual property AND
- has no significant accounting transaction,

such a company or an inactive company may make an application to the Registrar in such manner as may be prescribed for obtaining the status of a dormant company.

Explanation - For the purposes of this section -

- (i) **“Inactive company”** means a company which
 - has not been carrying on any business or operation, or
 - has not made any significant accounting transaction during the last 2 financial years, or
 - has not filed financial statements and annual returns during the last 2 financial years;
- (ii) **“Significant accounting transaction”** means any transaction other than -
 - (a) payment of fees by a company to the Registrar;
 - (b) payments made by it to fulfil the requirements of this Act or any other law;
 - (c) allotment of shares to fulfil the requirements of this Act; and
 - (d) payments for maintenance of its office and records.

SECTION 2 - DEFINITIONS

Nov 2014 – Define the term ‘Free reserves’ in the Companies Act, 2013.

MTP Jan 2025 – MNO Limited are finalising its financial statements and found that the value of one of its properties has increased. The company came across certain other transactions also and got confused as to what should be included as ‘free reserves’. The company has approached you to define to them the meaning of the term "free reserves" for dividend distribution as per the provisions of the Companies Act, 2013.

Nov 2014 – Explain what is meant by ‘Financial Statement’ as per Companies Act, 2013.

May 2015 & Nov 2021 – Define the term ‘Small company’ as contained in Companies Act, 2013.

Study Mat, May 2018, MTP Nov 2020, MTP Nov 2021 & MTP Nov 2023 – MNP Private Limited is a company registered under the Companies Act, 2013 with a paid-up capital of ₹ 3 crore and turnover of ₹ 60 crores. Explain the meaning of the ‘Small Company’ and examine the following in accordance with the provisions of the Companies Act, 2013 –

- i. Whether MNP Private Limited can avail the status of small company?
- ii. What will be your answer if the turnover of the company is ₹ 35 crore?

MTP May 2022 – AJD Pvt. Ltd. is having paid up share capital of ₹ 45 Lakhs and annual turnover of ₹ 285 Lacs. It is a wholly owned subsidiary of K Ltd.- a listed company. Can AJD Pvt. Ltd. be called a small company as per the provisions of the Companies Act, 2013.

Nov 2018 – What does the term Financial Statements include in relation to a company under the Companies Act, 2013? Which companies need not prepare a cash flow statement?

Nov 2019 & RTP Sep 2024 – SKP Limited (Registered in India), a wholly owned subsidiary company of Herry Limited decided to follow different financial year for consolidation of its accounts outside India. State the procedure to be followed in this regard.

May 2021 & MTP May 2024 – The information extracted from the audited Financial Statement of Smart Solutions Private Limited as at 31st March, 2020 is as below –

1. Paid-up equity share capital ₹ 50,00,000 divided into 5,00,000 equity shares (carrying voting rights) of ₹ 10 each. There is no change in the paid-up share capital thereafter.
2. The turnover is ₹ 39,00,00,000.

It is further understood that Nice Software Limited, which is a public limited company, is holding 2,00,000 equity shares, fully paid-up, of Smart Solutions Private Limited. Smart Solutions Private Limited has filed its Financial Statement for the said year with the Registrar of Companies (ROC) excluding the Cash Flow Statement within the prescribed time line during the financial year 2020-21. The ROC has issued a notice to Smart Solutions Private Limited as it has failed to file the cash flow statement along with the Balance Sheet and Profit and Loss Account. You are to advise on the following points explaining the provisions of the Companies Act, 2013:

- i. Whether Smart Solutions Private Limited shall be deemed to be a small company whose significant equity shares are held by a public company?

(Hint – Yes, it is a small company as Smart Solutions Private Limited is not a subsidiary of Nice Software Limited and also its Paid-up capital and turnover is within limits)

- ii. Whether Smart Solutions Private Limited has defaulted in filing its financial statement?

[Hint – No, Refer section 2(40)]

May 2021 – Johnson Limited goes for Public issue of its shares. The issue was oversubscribed. A default was committed with respect to allotment of shares by the officers of the company.

There were no Managing Director, Whole time Director or any other officer/person designated by the Board with the responsibility of Complying with the provisions of the Act.

State, who are the persons considered as officers in default under the Companies Act, 2013. Examine who will be considered in default in the instant case?

(Hint – All the directors shall be liable)

May 2023 & RTP May 2024 – H Ltd. is the holding company of S Pvt. Ltd. As per the last profit and loss account for the year ending 31st March, 2022 of S Pvt. Ltd., its turnover was ₹ 1.80 crores; and paid up share capital was ₹ 80 lakhs. The Board of Directors wants to avail the status of a small company.

The company secretary of the company advised the directors that the company cannot be categorized as a small company. In the light of the above facts and in accordance with the provisions of the Companies Act, 2013, you are required to examine whether the contention of practicing company secretary is correct, explaining the relevant provisions of the Act.

(Hint – A subsidiary company can never be a small company)

In this Act, unless the context otherwise requires -

SECTION	TERM	DEFINITION
2(1)	Abridged Prospectus	"Abridged Prospectus" means a memorandum containing such salient features of a prospectus as may be specified by the SEBI by making regulations in this behalf
2(2)	Accounting Standards	"Accounting Standards" means the standards of accounting or any addendum thereto for companies or class of companies referred to in section 133
2(3)	Alter or Alteration	"Alter" or "Alteration" includes the making of additions, omissions and substitutions
2(4)	Appellate Tribunal	"Appellate Tribunal" means the National Company Law Appellate Tribunal constituted under section 410

2(5)	Articles	"Articles" means the articles of association of a company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this Act
2(6)	Associate Company	<p>"Associate company", in relation to another company,</p> <p>→ means a company in which that other company has a significant influence,</p> <p>→ but which is not a subsidiary company of the company having such influence and</p> <p>→ includes a joint venture company.</p> <p>Explanation –</p> <p>(a) For the purposes of this clause, "significant influence" means control of at least 20% of TOTAL VOTING POWER, or control of or participation in BUSINESS decisions under an agreement.</p> <p>(b) the expression "Joint Venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.</p> <p>Note: As per circular dated 25th June 2015, MCA has clarified that the shares held by a company in another company in a fiduciary capacity shall not be counted for the purpose of determining the relationship of associate company under section 2(6) of the Companies Act, 2013.</p>
<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <pre> graph TD P[Parent P] --- SI[Significant influence] SI --- A[Associate A] SI --- B[Associate B] </pre> </div> <div style="flex: 2;"> <ul style="list-style-type: none"> ▪ For P, both A and B are Associate Co. ▪ For A and B, P is NOT an Associate Co. ▪ A and B are not an Associate Co. to each other </div> </div>		
2(7)	Auditing Standards	"Auditing standards" means the standards of auditing or any addendum thereto for companies or class of companies referred to in section 143(10)
2(8)	Authorised Capital or Nominal Capital	"Authorised capital" or "Nominal capital" means such capital as is authorised by the memorandum of a company to be the maximum amount of share capital of the company
2(9)	Banking Company	"Banking company" means a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949
2(10)	Board of Directors or Board	"Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company
2(11)	Body Corporate or Corporation	<p>"Body corporate" or "Corporation" includes a company incorporated outside India, but does not include –</p> <p>(i) a co-operative society; and</p> <p>(ii) any other body corporate (not being a company as defined in this Act), which the CG may, by notification, specify in this behalf</p> <p><i>(Note – CG has notified Asian Development Bank under clause ii vide Notification dated April 12, 2018)</i></p>
2(12)	Book And / or Paper	"Book and Paper" and "Book or Paper" include books of account, deeds, vouchers, writings, documents, minutes and registers maintained on paper or in electronic form
2(13)	Books of Accounts	<p>"Books of account" includes records maintained in respect of –</p> <p>(i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;</p> <p>(ii) all sales and purchases of goods and services by the company;</p> <p>(iii) the assets and liabilities of the company; and</p> <p>(iv) the items of cost as may be prescribed under section 148 in the case of a company which belongs to any class of companies specified under that section</p>

2(14)	Branch Office	"Branch office", in relation to a company, means any establishment described as such by the company
2(15)	Called-Up Capital	"Called-up capital" means such part of the capital, which has been called for payment
2(16)	Charge	"Charge" means an interest or lien created on the property or assets of a company or any of its undertakings or both as security and includes a mortgage
2(17)	Chartered Accountant	"Chartered accountant" means a chartered accountant as defined in section 2(1)(b) of the Chartered Accountants Act, 1949 who holds a valid certificate of practice under section 6(1) of that Act
2(18)	Chief Executive Officer	"Chief Executive Officer" means an officer of a company, who has been designated as such by it
2(19)	Chief Financial Officer	"Chief Financial Officer" means an officer of a company, who has been designated as such by it
2(20)	Company	"Company" means a company incorporated → under this Act or → under any previous company law
2(21)	Company Limited by Guarantee	"Company limited by guarantee" means a company having the liability of its members limited by the memorandum to such amount as the members may respectively undertake to contribute to the assets of the company in the event of its being wound up
2(22)	Company Limited by Shares	"Company limited by shares" means a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them
2(23)	Company Liquidator	"Company Liquidator" means a person appointed by the Tribunal as the Company Liquidator in accordance with the provisions of section 275 for the winding up of a company under this Act
2(24)	Company Secretary or Secretary	"Company Secretary" or "Secretary" means a company secretary as defined in section 2(1)(c) of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act <div style="border: 1px solid black; padding: 5px; text-align: center;"><u>Exemption – Section 8 Company</u> <i>This clause shall not apply to a section 8 company.</i> Notification dated June 05, 2015</div>
2(25)	Company Secretary in Practice	"Company Secretary in Practice" means a company secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980
2(26)	Contributory	"Contributory" means a person liable to contribute towards the assets of the company in the event of its being wound up. Explanation - For the purposes of this clause, it is hereby clarified that a person holding fully paid-up shares in a company shall be considered as a contributory but shall have no liabilities of a contributory under the Act whilst retaining rights of such a contributory
2(27)	Control	"Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner
2(28)	Cost Accountant	"Cost accountant" means a cost accountant as defined in section 2(1)(b) of the Cost and Works Accountants Act, 1959 and who holds valid certificate of practice under section 6(1) of the Act
2(29)	Court	"Court" means - (i) the High Court having jurisdiction in relation to the place at which the registered office of the company concerned is situate, except to the extent to which jurisdiction has been conferred on any district court or district courts subordinate to that High Court under sub-clause (ii). (ii) the district court, in cases where the CG has, by notification, empowered any district court to exercise all or any of the jurisdictions conferred upon the High Court, within the scope of its jurisdiction in respect of a company whose registered office is situate in the district. (iii) the Court of Session having jurisdiction to try any offence under this Act or under any previous company law. (iv) the Special Court established under section 435.

		(v) any Metropolitan Magistrate or a Judicial Magistrate of the First Class having jurisdiction to try any offence under this Act or under any previous company law.
2(30)	Debenture	"Debenture" includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not. Provided that - (a) the instruments referred to in Chapter III-D of the RBI Act, 1934; and (b) such other instrument, as may be prescribed by CG in consultation with RBI, issued by a company, shall not be treated as debenture;
2(31)	Deposit	"Deposit" includes any receipt of money by way of deposit or loan or in any other form by a company, but does not include such categories of amount as may be prescribed in consultation with the RBI.
2(32)	Depository	"Depository" means a depository as defined in section 2(1)(e) of the Depositories Act, 1996
2(33)	Derivative	"Derivative" means the derivative as defined in section 2(ac) of the Securities Contracts (Regulation) Act, 1956
2(34)	Director	"Director" means a director appointed to the Board of a company
2(35)	Dividend	"Dividend" includes any interim dividend
2(36)	Document	"Document" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form
2(37)	Employee Stock Option	"Employees' stock option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price
2(38)	Expert	"Expert" includes an engineer, a valuer, a chartered accountant, a company secretary, a cost accountant and any other person who has the power or authority to issue a certificate in pursuance of any law for the time being in force
2(39)	Financial Institution	"Financial institution" includes a scheduled bank, and any other financial institution defined or notified under the Reserve Bank of India Act, 1934
2(40)	Financial Statements	"Financial statement" in relation to a company, includes – (i) a balance sheet as at the end of the financial year. (ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year. (iii) cash flow statement for the financial year. (iv) a statement of changes in equity, if applicable; and (v) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv). Provided that the financial statement, with respect to OPC, small company and dormant company and private company (if such private company is a start-up company) may NOT include the cash flow statement Explanation – For the purpose of this Act, the term 'start-up' or 'start-up company' means a private company incorporated under the Companies Act, 2013 or the Companies Act, 1956 and recognised as start-up in accordance with the notification by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.
2(41)	Financial Year	"Financial year", in relation to any company or body corporate, means → the period ending on the 31st day of March every year, and → where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year , in respect whereof financial statement of the company or body corporate is made up. Provided that on an application made by a company or body corporate, → which is a holding company, or a subsidiary or associate company of a company incorporated outside India and

		<p>→ is required to follow a different financial year for consolidation of its accounts outside India,</p> <p>→ the Tribunal CG may,</p> <p>→ on an application made by that company or body corporate in such form and manner as may be prescribed,</p> <p>→ allow any period as its financial year, whether or not that period is a year</p> <p>Provided further that any application pending before the Tribunal as on the date of commencement of the Companies (Amendment) Act, 2019 (November 2, 2018), shall be disposed of by the Tribunal in accordance with the provisions applicable to it before such commencement</p> <p>Provided further that a company or body corporate, existing on the commencement of this Act, shall, within a period of 2 years from such commencement, align its financial year as per the provisions of this clause</p> <p>Note – Erstwhile Power of NCLT has been transferred from to CG</p> <p>Note – CG has further delegated the power to RD and the procedure for giving application for change in FY has been prescribed in Rule 40 of the Companies (Incorporation) Rules 2014 (not in syllabus)</p>
2(42)	Foreign Company	<p>"Foreign company" means any company or body corporate incorporated outside India which -</p> <p>(a) has a place of business in India whether by itself or through an agent, physically or through electronic mode; and</p> <p>(b) conducts any business activity in India in any other manner</p>
2(43)	Free Reserves	<p>"Free reserves" means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend.</p> <p>Provided that -</p> <p>(i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or</p> <p>(ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value,</p> <p>shall not be treated as free reserves</p>
2(44)	Global Depository Receipt	<p>"Global Depository Receipt" means any instrument in the form of a depository receipt, by whatever name called, created by a foreign depository outside India and authorised by a company making an issue of such depository receipts</p>
2(45)	Government Company	<p>"Government company" means any company in which not less than 51% of the PAID-UP SHARE CAPITAL is held</p> <p>→ by the CG, or</p> <p>→ by any State Government or Governments, or</p> <p>→ partly by the CG and partly by one or more State Governments, and</p> <p>→ includes a company which is a subsidiary company of such a Government company</p>
<u>Exemption – Government company</u>		
<p>Explanation - For the purposes of this clause, the "paid-up share capital" shall be construed as "TOTAL VOTING POWER", where shares with DIFFERENTIAL VOTING RIGHTS have been issued.</p> <p style="text-align: right;">(Notification June 05, 2015)</p>		
<p>Note: As per Section 394 & 395, in case of a Government company, CG must place before both houses of the Parliament an annual report on working and affairs of each Government company within 3 months of AGM together with audit report and any comments upon or supplement to such report made by CAG.</p> <p>Where a State Government is a member of a Government company, the annual report is likewise placed before the State legislature.</p> <p>Note: Employees of a Government company are not Government employees and they have no right to claim that the Government should pay their salary. It is the responsibility of the company to pay their salaries.</p> <p style="text-align: right;">☞ SC_ A.K. Bindal vs. Union of India</p>		

2(46)	Holding Company	"Holding company", in relation to one or more other companies, means a company of which such companies are subsidiary companies Explanation – For the purpose of this clause, the expression “company” includes any body corporate.
2(47)	Independent Director	"Independent director" means an independent director referred to in sub-section (5) of section 149
2(48)	Indian Depository Receipt	"Indian Depository Receipt" means any instrument in the form of a depository receipt created by a domestic depository in India and authorised by a company incorporated outside India making an issue of such depository receipts
2(49)	Interested Director	--- Omitted ---
2(50)	Issued Capital	"Issued capital" means such capital as the company issues from time to time for subscription
2(51)	Key Managerial Personnel	"Key Managerial Personnel", in relation to a company, means - (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and (vi) such other officer as may be prescribed;
2(52)	Listed Company	"Listed company" means a company which has any of its securities listed on any recognised stock exchange Provided that such class of companies, which have listed or intend to list such class of securities, as may be prescribed in consultation with SEBI, shall not be considered as listed companies
Rule 2A - Companies not to be considered as listed companies		
For the purposes of the proviso to section 2(52) of the Act, the following classes of companies shall not be considered as listed companies, namely –		
(a) Public companies which have NOT listed their EQUITY SHARES on a recognized stock exchange but have listed their – (i) non-convertible debt securities issued on private placement basis in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008; or (ii) non-convertible redeemable preference shares issued on private placement basis in terms of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; or (iii) both categories of (i) and (ii) above.		
(b) Private companies which have listed their non-convertible debt securities on private placement basis on a recognized stock exchange in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008;		
(c) Public companies which have not listed their equity shares on a recognized stock exchange but whose equity shares are listed on a stock exchange in a jurisdiction as specified in section 23(3) of the Act.		

RTP May 2022 - Following are some of the securities, issued by different companies related with each other, as follows

Company	Securities Issued	Remarks
<i>Kleshrahit Ltd.</i>	<i>Listed non-convertible redeemable preference shares issued on private placement basis in terms of relevant SEBI Regulations.</i>	<i>Has the power to appoint 2/3rd directors in Indriyadaman Ltd.</i>
<i>Indriyadaman Ltd.</i>	<i>Listed non-convertible debt securities issued on private placement basis in terms of relevant SEBI Regulations.</i>	<i>Holding 60% voting power in Sajagta (P) Ltd.</i>
<i>Sajagta (P) Ltd.</i>	<i>Listed non-convertible debt securities issued on private placement basis in terms of relevant SEBI Regulations.</i>	<i>The company holds 52% equity shares in Pratibodh Ltd. as an investment on behalf of another company in a capacity of a trustee.</i>