100 Corporate Law Terms Glossary with Indian Context

Corporate Team (Global Explanation)	Indian Context / Equivalent
Articles of Incorporation (The foundational document filed with the state/government to legally create a corporation, detailing its name, purpose, and share structure.)	**Memorandum of Association (MOA):** The MOA is the charter of the company, defining its scope and powers (the objects clause). It is the mandatory document for incorporation filed with the Registrar of Companies (ROC) under the Companies Act, 2013.
Board of Directors (A group of individuals elected by shareholders to oversee the management and strategic direction of the company.)	**Board of Directors:** Same term. Governed by Chapter XI (Sections 149-217) of the Companies Act, 2013. Directors are assigned fiduciary duties under Section 166.
Business Judgment Rule (A legal principle protecting directors from liability for business decisions made in good faith, with due care, and in the best interest of the company.)	**Business Judgment Rule:** While not explicitly codified, Indian courts (especially the NCLT) generally follow this principle, assessing directors' actions against the statutory fiduciary duties laid out in Section 166.

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Bylaws (Internal rules and procedures governing a corporation's operations, such as how meetings are conducted, and officers are appointed.)	**Articles of Association (AOA):** The AOA contains the rules for the internal management of the company. It is subordinate to the MOA and is also filed with the ROC.
Capital Stock (The total shares authorized for issuance by a corporation as specified in its foundational documents.)	**Share Capital:** Same concept. Governed by Chapter IV (Sections 43-72) of the Companies Act, 2013, categorized as Authorized, Issued, Subscribed, and Paid-up Capital.
C Corporation (A classification for a corporation taxed as a separate entity from its owners/shareholders.)	**Private Limited Company (Pvt. Ltd.) / Public Limited Company (Ltd.):** Indian companies are inherently separate legal entities and are taxed independently, similar to a C-Corp, under the **Income Tax Act, 1961**.
Corporate Governance (The system of rules, practices, and processes by which a company is directed and controlled.)	**Corporate Governance:** Governed by the Companies Act, 2013, and for listed companies, by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).
Corporate Veil (The legal separation between a corporation and its shareholders, protecting the owners from personal liability for the company's debts/acts.)	**Corporate Veil:** Established by the separate legal personality principle (e.g., Salomon v. Salomon). Indian courts can "pierce the corporate veil" in exceptional cases of fraud, tax evasion, or as provided under Section 339 (fraudulent conduct during winding up).

Derivative Suit (A lawsuit brought by a shareholder on behalf of the corporation against a third party, often management or a director.)	**Class Action Suit / Derivative Action:** The Companies Act, 2013, provides for class action suits in Section 245, allowing members or depositors to sue the company, its directors, or auditors for improper conduct, similar to a derivative action.
Dissenters' Rights (The right of shareholders who object to a major corporate action, like a merger, to have their shares purchased by the company at fair market value.)	**Minority Shareholder Protection:** Section 235 and 236 of the Companies Act, 2013, provide rights to minority shareholders to sell their shares to the majority in cases of compulsory acquisition, ensuring they receive fair value.
Dividend (A distribution of a portion of a company's earnings to its shareholders, as decided by the Board.)	**Dividend:** Governed by Chapter VIII (Sections 123-127) of the Companies Act, 2013. Companies must comply with rules regarding declaration, payment, and transfer of unpaid dividends to the Investor Education and Protection Fund (IEPF).
Equity (The value of ownership in a company, usually represented by shares of stock.)	**Equity / Equity Share Capital:** Governed by the Companies Act, 2013. Equity shares carry voting rights and participation in surplus profits/assets.
Fiduciary Duty (A legal obligation requiring directors and officers to act in the company's and shareholders' best interests, with loyalty and due care.)	**Fiduciary Duty:** Explicitly mandated under Section 166 of the Companies Act, 2013, which requires directors to act in good faith to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, and the community.

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General Partnership (A business structure where two or more individuals agree to share in all assets, profits, and losses, with each partner having unlimited personal liability.)	**Partnership Firm:** Governed by the Indian Partnership Act, 1932. Partners have unlimited liability.
Limited Partnership (LP) (A partnership with two types of partners: general partners (who manage and are liable) and limited partners (who invest and have limited liability).)	**Limited Partnership (LP):** Rare and largely superseded by the Limited Liability Partnership (LLP) structure (LLP Act, 2008), which offers limited liability to all partners.
Limited Liability Company (LLC) (A US business structure that combines the limited liability of a corporation with the pass-through taxation of a partnership.)	**Limited Liability Partnership (LLP):** The closest equivalent, governed by the LLP Act, 2008. It provides limited liability to its partners but is distinct from an Indian Private Limited Company.
Merger (The combination of two or more companies into a single new or existing entity.)	**Merger / Amalgamation:** Governed by Chapter XV (Sections 230-240) of the Companies Act, 2013. Requires approval from the National Company Law Tribunal (NCLT).
Preferred Stock (Stock that entitles the holder to a fixed dividend and priority over common shareholders in the event of liquidation.)	**Preference Share Capital:** Governed by Sections 43 and 55 of the Companies Act, 2013, offering preferential rights regarding dividends and capital repayment.
Proxy Statement (A document filed with the SEC before a shareholder meeting, providing details about matters to be voted on and management's recommendations.)	**Notice of Meeting / Explanatory Statement:** Under the Companies Act, 2013, the Notice of the General Meeting must include an Explanatory Statement (Section 102) providing all material facts, serving a similar disclosure function. Proxies are appointed via Form MGT. 11.

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Registered Agent (A person or entity officially designated to receive legal documents and government correspondence on behalf of the corporation.)

Registered Office: Every company must have a Registered Office (Section 12) to receive all communications. The function of receiving documents is often handled by a director or the Company Secretary (CS).

Securities and Exchange Commission (SEC) (The U.S. federal regulatory agency responsible for protecting investors and maintaining fair functioning of securities markets.)

Securities and Exchange Board of India (SEBI): India's primary securities market regulator, established under the SEBI Act, 1992. SEBI performs similar functions of investor protection and market regulation.

Shareholder (An individual or entity that legally owns one or more shares of stock in a public or private corporation.)

Member / Shareholder: Same terms. Their rights are protected by the AOA, MOA, and specific provisions for majority/minority shareholders under the Companies Act, 2013.

Tender Offer (An offer made by one company or individual to purchase some or all of the shares of another company at a specified price for a limited time.)

Open Offer: Governed by the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI Takeover Code). A mandatory open offer is triggered when an acquirer crosses a certain shareholding threshold (e.g., 25% voting rights) in a listed company.

Ultra Vires (Latin for "beyond the powers." An action taken by a corporation that exceeds the scope of powers granted by its corporate charter.)

Doctrine of Ultra Vires: Maintained in the Companies Act, 2013. Any act beyond the objects stated in the MOA's Objects Clause is void ab initio (void from the beginning) and cannot be ratified by shareholders.

Venture Capital (VC) (Financing provided by investors to start-up companies and small businesses that are believed to have long-term growth potential.)

Venture Capital: The market is regulated in India, primarily for fund structures, under the SEBI (Alternative Investment Funds) Regulations, 2012.

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Acquisition (The purchase of one company by another, generally through a majority purchase of shares or assets.)	**Acquisition:** Regulated by the Companies Act, 2013, the SEBI Takeover Code (for listed companies), and reviewed by the Competition Commission of India (CCI) if the thresholds for combination are met.
Amalgamation (A statutory process where two or more companies are combined to form a new company or one company is merged into another.)	**Amalgamation:** Used interchangeably with Merger. The legal process is overseen by the NCLT under Section 232 of the Companies Act, 2013.
Authorized Shares (The maximum number of shares a company is legally permitted to issue, as specified in its corporate charter.)	**Authorised Share Capital:** Must be stated in the MOA. Any increase requires a Special Resolution by shareholders and is subject to fees paid to the ROC.
Capitalization (The total amount of all long-term funds invested in the business, including equity, debt, and retained earnings.)	**Capitalization:** Same concept. Scrutinized under various sections related to share issue, debt, and the Debt-Equity Ratio in financial analysis.
Winding Up / Dissolution (The process by which a company ceases operations, liquidates its assets, and is formally terminated.)	**Liquidation / Corporate Insolvency Resolution Process (CIRP):** Governed by the Insolvency and Bankruptcy Code (IBC), 2016. The process is adjudicated by the NCLT. Liquidation is the final step where assets are sold and distributed.
CommonStock (Shares representing ownership in a corporation, providing voting rights and a residual claim on assets.)	**Equity Share Capital:** The standard form of share capital in India, typically carrying one vote per share, governed by Section 43 of the Companies Act, 2013.

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Blue Sky Laws (State-level regulations in the US designed to protect investors against fraudulent sales practices and activities.)	**No Direct Equivalent:** Securities regulation in India is centralized under SEBI. The comprehensive framework of SEBI regulations, especially the ICDR Regulations, 2018, serves the same purpose of investor protection across the country.
Convertible Security (A security, usually a bond or preferred stock, that can be converted into a different security, usually common stock.)	**Convertible Security:** Common in India, especially Compulsorily Convertible Preference Shares (CCPS) or Debentures (CCDs). Governed by the Companies Act, 2013, and SEBI regulations for listed entities.
Cumulative Voting (A system of voting for the board of directors that allows a shareholder to cast all of his or her votes for one nominee.)	**Cumulative Voting:** Not mandatory for all Indian companies but may be provided for in the Articles of Association (AOA) or through shareholder agreement, especially for protecting minority rights.
Due Diligence (An investigation or audit of a potential investment or product to confirm all facts and financial information.)	**Due Diligence:** An essential process in M&A, capital markets, and legal compliance. Often involves legal DD (compliance review) and financial DD.
Employee Stock Option Plan (ESOP) (A scheme that grants employees the right to purchase the company's stock at a predetermined price.)	**ESOP:** Governed by Section 62 of the Companies Act, 2013, and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for listed companies.
Exclusive Forum Clause (A clause in a corporate charter or bylaws that dictates where certain internal corporate disputes must be litigated, typically favoring the state of incorporation.)	**Jurisdiction Clause / Arbitration Clause:** Indian companies often specify the governing law and jurisdiction (e.g., Mumbai, Delhi) in their contracts. Internal corporate disputes are primarily handled by the NCLT.

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Going Private (The process of taking a publicly traded company private by buying back all its outstanding shares, resulting in delisting.)	**Delisting / Buy-back / Takeover:** Governed by SEBI (Delisting of Equity Shares) Regulations, 2021. Often involves a Reverse Book Building process where acquirers determine the price.
Hostile Takeover (An acquisition where the target company's board of directors rejects the offer, but the acquirer goes directly to the shareholders.)	**Hostile Takeover:** Governed by the SEBI Takeover Code. Methods like Creeping Acquisition (gradual share purchase) and direct Open Offers are used, often requiring the acquirer to adhere strictly to SEBI rules.
Indemnification (The company's agreement to pay legal expenses and/or liability costs for its directors and officers sued in their corporate capacity.)	**Indemnification:** Covered by company's AOA and D&O (Directors and Officers) insurance policies. Generally permissible, provided the director did not act fraudulently or illegally.
Insider Trading (The illegal practice of trading on the stock exchange to one's own advantage through having access to confidential, non-public information.)	**Insider Trading:** Strictly prohibited and severely penalized under the SEBI (Prohibition of Insider Trading) Regulations, 2015. SEBI is the enforcement authority.
Letter of Intent (LOI) (A non-binding document outlining the initial terms of a transaction, such as a merger or acquisition.)	**Letter of Intent (LOI) / Term Sheet:** Commonly used. The non-binding nature of key commercial terms is governed by the Indian Contract Act, 1872.
Liquidation Preference (A clause in a company's charter that determines the order in which investors get paid when a company is sold or liquidated.)	**Liquidation Preference:** A standard clause in Indian Private Equity/VC investment agreements, often linked to Preference Share Capital terms, providing priority repayment to investors.

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Lock-up Agreement (A contractual provision preventing insiders/major shareholders from selling their shares for a specified period after an Initial Public Offering (IPO).)	**Lock-up Agreement:** Mandatory for promoters and pre-IPO investors, governed by the SEBI ICDR Regulations, 2018, to ensure market stability post-listing.
Material Adverse Effect (MAE) (A contractual clause, especially in M&A, allowing a party to terminate the deal if a major event substantially harms the target company's business.)	**MAE Clause:** Widely used in M&A agreements in India. Disputes regarding invocation are subject to arbitration or jurisdiction of civil courts/NCLT.
Non-Disclosure Agreement (NDA) (A legally binding contract that establishes a confidential relationship, preventing parties from sharing specified information.)	**NDA:** Governed by the Indian Contract Act, 1872. Confidentiality breaches are actionable, typically seeking damages or injunctive relief.
Piercing the Corporate Veil (The judicial act of imposing liability on otherwise protected shareholders/directors for the company's acts.)	**Lifting the Corporate Veil:** Indian courts and statutes (like Section 339 of the Companies Act) invoke this doctrine to hold individuals personally liable for fraudulent or improper conduct.
Poison Pill (A defensive tactic used by a target company to make its shares unattractive to an acquirer during a hostile takeover attempt.)	**Poison Pill:** While direct U.S.-style poison pills are legally complex in India, defensive tactics are generally permitted, provided they don't violate the SEBI Takeover Code or breach directors' fiduciary duties.
Public Offering (IPO/FPO) (The sale of a company's securities to the public market for the first time (IPO) or subsequent times (FPO).)	**Initial Public Offer (IPO) / Follow-on Public Offer (FPO):** Governed primarily by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR). Requires filing a Draft Red Herring Prospectus (DRHP) with SEBI.

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Securities Act of 1933 (The first major federal legislation in the U.S. that mandates comprehensive disclosure requirements for the sale of securities.)	**SEBI (ICDR) Regulations, 2018:** These regulations, along with the Securities Contracts (Regulation) Act, 1956, and the Companies Act, 2013, form the primary legal framework for public issuance and disclosure in India.
Shareholder Activism (Actions taken by shareholders to compel a company's management to act in a certain way, often related to governance or financial performance.)	**Shareholder Activism:** Increasing in India. Activist actions often involve filing complaints with SEBI, initiating class action suits (Section 245), or raising issues at the Annual General Meeting (AGM).
Special Purpose Acquisition Company (SPAC) (A "blank check" company formed solely to raise capital via an IPO to acquire an existing private company.)	**SPAC:** Though the structure is popular globally, a formal SPAC framework for listing is not fully established in India, but Indian companies have been targets of SPACs listed abroad.
Spin-off (A corporate action where a company creates a new, independent company by separating a division or subsidiary.)	**Demerger / Arrangement:** Governed by Section 232 of the Companies Act, 2013, requiring approval from the NCLT. The process is legally termed a "Scheme of Arrangement."
Stock Split (A corporate action that increases the number of shares outstanding by dividing each share into multiple shares, without changing the company's total market capitalization.)	**Stock Split:** Governed by Section 61 of the Companies Act, 2013, which requires alteration of the AOA and an Ordinary Resolution to increase the authorized capital.
Subsidiary (A company whose management and operations are controlled by another company (the holding company) through ownership of more than half its voting power.)	**Subsidiary Company:** Defined in Section 2(87) of the Companies Act, 2013, as a company where the holding company controls the composition of the Board of Directors or holds more than half of the total voting power.

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Successor Liability (A legal principle that allows a purchaser of assets or a merged entity to be held responsible for the liabilities of the selling/merged company.)	**Successor Liability:** Applies primarily in mergers/amalgamations sanctioned by the NCLT, where the transferor's liabilities are automatically transferred to the transferee (amalgamated) company.
Swap (Financial) (A derivative contract where two parties exchange the cash flows or liabilities from two different financial instruments over a specified period.)	**Swap:** Regulated as derivatives under the Securities Contracts (Regulation) Act, 1956 (SCRA), and the Reserve Bank of India (RBI) for foreign exchange and interest rate swaps.
Takeover Code (A set of regulations governing the acquisition of shares and takeovers of publicly traded companies, ensuring fair treatment of all shareholders.)	**SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Code):** India's primary regulation for takeovers, mandating public disclosure and open offer requirements for listed companies.
Valuation (The process of determining the present worth of an asset, company, or security.)	**Valuation:** Required for M&A, share issuance, and insolvency. Often conducted by a registered valuer under the Companies (Registered Valuers and Valuation) Rules, 2017, and in compliance with IBBI guidelines for IBC cases.
White Knight / White Squire (A company that comes to the rescue of a target company by offering a friendly merger or acquisition to counter a hostile takeover attempt.)	**White Knight / White Squire:** Permitted defense tactics, provided they adhere to the disclosure and offer requirements of the SEBI Takeover Code.
Conflict of Interest (A situation where a person, such as a director, has competing professional or personal interests that could influence their actions or decisions.)	**Conflict of Interest:** Directors are explicitly prohibited from engaging in conflicted situations under Section 166(4) and must disclose their interests in contracts under Section 184 of the Companies Act, 2013.

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Corporate Opportunity Doctrine (A rule preventing directors from usurping a business opportunity that rightfully belongs to the corporation.)	**Corporate Opportunity Doctrine:** Enforced under the general fiduciary duties (Section 166), preventing directors from making undue gain or advantage (Section 166(5)) from opportunities belonging to the company.
Quorum (The minimum number of members of an assembly or society that must be present at any of its meetings to make the proceedings of that meeting valid.)	**Quorum:** Mandatory requirement for Board and General Meetings. Section 103 of the Companies Act, 2013, specifies the number of members required for a valid meeting.
Private Company (A company whose shares are not offered to the public and are held by a limited number of members.)	**Private Limited Company (Pvt. Ltd.):** Defined under Section 2(68). Restricts the transferability of shares and limits the number of members to 200. Requires a minimum of two members.
Public Company (A company whose shares are traded freely on a stock exchange or offered to the public.)	**Public Limited Company (Ltd.):** Defined under Section 2(71). Allows free transferability of shares and requires a minimum of seven members.
Certificate of Incorporation (The document issued by a state/government authority that confirms a company's formation and existence.)	**Certificate of Incorporation (COI):** Issued by the ROC upon successful registration of the MOA and AOA. It is conclusive evidence of the company's registration.
Memorandum of Association (MOA) (See Articles of Incorporation).	**MOA:** A constitutional document that contains the Name, Situation, Object, Liability, Capital, and Association clauses of the company. Mandatory under the Companies Act, 2013.

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Articles of Association (AOA) (See Bylaws).	**AOA:** Sets out the rules and regulations for the internal administration of the company and defines the rights, duties, and powers of its members and directors.
Corporate Social Responsibility (CSR) (A self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public.)	**Corporate Social Responsibility (CSR):** Mandatory in India for companies meeting certain thresholds of net worth, turnover, or net profit, requiring them to spend 2% of their average net profits on CSR activities (Section 135 of the Companies Act, 2013).
Private Equity (PE) (Investment capital supplied by PE firms or funds, typically acquiring a significant or controlling interest in a private company.)	**Private Equity:** Regulated in India under the SEBI (Alternative Investment Funds) Regulations, 2012 as a category of AIF. The PE sector is highly active in the Indian market.
Asset Sale (A transaction where a company sells all or substantially all of its assets to a buyer, rather than selling its stock.)	**Sale of Undertaking/Assets:** Governed by Section 180(1)(a) of the Companies Act, 2013, which requires a Special Resolution from shareholders to sell, lease, or dispose of the company's whole or substantially whole undertaking.
Due Diligence (Financial) **(**The financial investigation of a company's accounts, projections, and tax filings before a merger, acquisition, or investment.)	**Financial Due Diligence:** Essential in M&A. Often conducted by Chartered Accountants in accordance with Indian Accounting Standards (Ind AS) and the Income Tax Act, 1961.
Covenant (A contractual promise or provision that is legally binding, often requiring a party to perform or refrain from performing a specific action.)	**Covenant:** Used extensively in loan agreements and shareholder agreements, governed by the Indian Contract Act, 1872. Breach of a covenant can trigger a default or termination right.

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Representations and Warranties (R&W) (Statements of fact made by one party in a contract to induce the other party to enter into the agreement.)	**R&W:** Standard clauses in M&A/SPA (Share Purchase Agreement) documents. Indemnification clauses typically protect a buyer against losses resulting from a breach of R&W.
Closing (The final event of a transaction where all conditions are satisfied, legal documents are executed, and funds/assets are formally exchanged.)	**Closing:** The concluding step in Indian M&A. Post-closing, statutory filings must be made with the ROC within the prescribed timelines.
Earn-out (A provision in an M&A deal that makes a portion of the purchase price contingent on the acquired company meeting certain financial milestones after the closing.)	**Earn-out:** Used in India, often structured to comply with FEMA guidelines regarding pricing for foreign investment/divestment.
Intellectual Property (IP) (Creations of the mind, such as inventions, literary and artistic works, and designs, legally protected by patents, trademarks, or copyrights.)	**Intellectual Property:** Governed by various acts including the Patents Act, 1970, Trademarks Act, 1999, and Copyright Act, 1957. IP is a key asset in corporate transactions.
Vesting (The process by which an employee gains the legal right to a benefit, such as stock options or retirement funds.)	**Vesting:** Most commonly seen with ESOPs. The vesting period and schedule must comply with the SEBI ESOP Regulations and the provisions of the Companies Act, 2013.
Drag-Along Rights (A right that allows a majority shareholder to force a minority shareholder to join in the sale of the company to a third-party buyer.)	**Drag-Along Rights:** Common in Indian shareholder agreements, enforceable via contract, but must be structured carefully not to violate minority protection provisions under the Companies Act.
Tag-Along Rights (A right protecting a minority shareholder, allowing them to sell their shares alongside the majority shareholder, typically at the same price and terms.)	**Tag-Along Rights:** Common contractual protection for investors/minority shareholders in India, ensuring an exit opportunity on par with the majority.

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Debentures/Bonds (A medium- to long-term debt instrument issued by a company to raise capital.)	**Debentures/Bonds:** Governed by Chapter V (Sections 71) of the Companies Act, 2013, and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 for listed debt.
Registrar of Companies (ROC) (A governmental office responsible for maintaining the records of all registered companies and LLPs in the country.)	**Registrar of Companies (ROC):** The central authority under the Ministry of Corporate Affairs (MCA). All statutory filings, incorporations, charge registrations, and annual returns are submitted to the ROC.
Annual General Meeting (AGM) (A mandatory yearly meeting of a company's shareholders to elect directors, approve the financial statements, and discuss company matters.)	**Annual General Meeting (AGM):** Mandatory under Section 96 of the Companies Act, 2013, to be held within six months of the financial year-end. Section 108 mandates E-Voting for certain companies.
Statutory Audit (An audit legally required by statute to provide an opinion on the accuracy and fairness of a company's financial records.)	**Statutory Audit:** Mandatory under Section 139 of the Companies Act, 2013. Conducted by a Chartered Accountant (CA) under the Institute of Chartered Accountants of India (ICAI) guidelines.
Corporate Social Responsibility (CSR) (See Term 69).	**CSR:** In India, this is a statutory obligation for companies meeting specific criteria to spend 2% of their profits (average of the last three years) on specified social activities (Schedule VII of the Companies Act, 2013).
Key Managerial Personnel (KMP) (Senior executives or officials who are essential to the management of a company.)	**Key Managerial Personnel (KMP):** Defined under Section 2(51) and Section 203 of the Companies Act, 2013, including the CEO, Managing Director, Company Secretary, and Chief Financial Officer. Appointment is mandatory for certain companies.

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National Company Law Tribunal (NCLT) (A specialized court established to handle corporate civil disputes, including insolvency, mergers, and oppression of minority shareholders.)	**National Company Law Tribunal (NCLT):** Established under the Companies Act, 2013, as a quasi-judicial body replacing the Company Law Board and High Courts for corporate matters. Appeals go to the NCLAT.
Insolvency and Bankruptcy Code (IBC) (The primary law governing corporate insolvency, aimed at rescuing viable businesses and ensuring timely liquidation of others.)	**Insolvency and Bankruptcy Code, 2016 (IBC):** A watershed reform that consolidated India's insolvency laws. Adjudicated by the NCLT. Focuses on time-bound resolution (CIRP) over mere liquidation.
One Person Company (OPC) (A company structure with a single shareholder who is also the sole director, offering limited liability.)	**One Person Company (OPC):** A specific corporate structure introduced under Section 2(62) of the Companies Act, 2013, allowing a single person to form a private company with limited liability.
Dematerialisation (Demat) (The process of converting physical share certificates into electronic book entry form.)	**Dematerialisation (Demat):** Governed by the Depositories Act, 1996. Mandatory for listed securities and increasingly required for private companies to facilitate easy, safe transfer of shares.
Sweat Equity Shares (Shares issued by a company to its employees or directors for non-cash consideration, such as expertise or intellectual property.)	**Sweat Equity Shares:** Governed by Section 54 of the Companies Act, 2013, and specific SEBI regulations for listed entities. Must be issued for a defined value and lock-in period.
Promoter (The person or group responsible for the initial structuring, forming, and floating of a corporation.)	**Promoter:** Defined under Section 2(69) of the Companies Act, 2013, and the SEBI ICDR Regulations. They have significant disclosure obligations during an IPO.

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Related Party Transaction (A transfer of resources, services, or obligations between a company and a related party, such as a director or key management personnel.)	**Related Party Transaction (RPT):** Strictly regulated under Section 188 of the Companies Act, 2013, and SEBI LODR for listed companies. Requires Board/Shareholder approval and prohibits interested parties from voting.
Escrow (A legal arrangement where an asset (money, stock, etc.) is held by a neutral third party until all contractual conditions are met.)	**Escrow:** Used in M&A (for indemnity reserves) and public issues (for application money). Governed by the Indian Contract Act, 1872, and relevant SEBI guidelines.
Letter of Credit (A document from a bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount.)	**Letter of Credit (LC):** Used in international trade. Governed by international banking standards (UCP 600) and enforced under the Indian Contract Act, 1872.
Capital Structure (The composition of a company's debt and equity used to finance its operations and growth, measured by the Debt-Equity Ratio.)	**Capital Structure:** Governed by the Companies Act, 2013, with restrictions on raising certain types of capital. Debt instruments are governed by specific sections and RBI/SEBI regulations.
Certificate of Incorporation (Amendment) (Formal changes made to the foundational charter of a company, often requiring government approval.)	**Alteration of MOA/AOA:** Alterations to the MOA (e.g., Objects Clause) or AOA require various levels of shareholder approval (Ordinary or Special Resolution) and sometimes NCLT or ROC approval (Section 13, 14, 61).
Non-Convertible Debentures (NCD) (A fixed-income security that cannot be converted into equity shares, used for long-term debt financing.)	**NCD:** A popular debt instrument. Governed by Section 71 and SEBI regulations for public issuance. Requires creation of a Debenture Redemption Reserve (DRR) and appointment of a Debenture Trustee.

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Preferential Allotment (The issue of shares or other securities by a company to specific, pre-identified individuals or groups on a private basis.)	**Preferential Allotment:** Governed by Section 62(1)(c) of the Companies Act, 2013, and strict SEBI (ICDR) Regulations for listed companies. Requires a Special Resolution and compliance with valuation norms.
Private Placement (An offering of securities to a select group of investors rather than to the general public, often used to raise capital quickly and cheaply.)	**Private Placement:** Governed by Section 42 of the Companies Act, 2013. The process is strict, limiting the number of offerees (50 per offer) and requiring specific disclosures to the ROC.