

## Corrigendum: Study Material of Corporate and Allied Laws

### Final Course (October, 2014 edition)

Students may note that in the study material of the Corporate and Allied Laws, the notified definitions of the Companies Act, 2013 are given in the initial pages from Page No. xxiii to Page No. xxxv for the easy understanding of the Act. Below are some modifications made in the study material which students may refer while reading the same:

Definitions/Topics	Page No.	Particulars	Content
Associate Company [Section 2(6) of the Companies Act, 2013]	xxiii	Addition of a clarification issued by MCA dated 25 <sup>th</sup> June, 2014	The shares held by a company in another company in a 'fiduciary capacity' shall not be counted for the purposes of determining the relationship or 'associate company' u/s 2(6) of the Companies Act, 2013.
Financial year [Section 2(41) of the Companies Act, 2013]	xxvi	Addition of a clarification issued by MCA dated 3 <sup>rd</sup> June, 2014	Until the NCLT is constituted u/s 408 of the Companies Act, 2013, the Board of Company Law Administration constituted in pursuance of sub-section (1) of Section 10E of the Companies Act, 1956 shall exercise the jurisdiction, powers, authority and functions under the exception to Clause (41) of section 2 of the Companies Act, 2013.
Related Party [Section 2(76) of the Companies Act, 2013]	xxxii & 5.35	Replace the existing definition with the new one	<p>Related party-with reference to a company, means—</p> <ul style="list-style-type: none"> <li>(i) a director or his relative;</li> <li>(ii) a key managerial personnel or his relative;</li> <li>(iii) a firm, in which a director, manager or his relative is a partner;</li> <li>(iv) a private company in which a director or manager or his relative is a member or director;</li> <li>(v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;</li> <li>(vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;</li> <li>(vii) any person on whose advice, directions or instructions a director or manager is accustomed to Act:</li> </ul> <p>Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a</p>

			<p>professional capacity;</p> <p>(viii) any company which is—</p> <p>(A) a holding, subsidiary or an associate company of such company; or</p> <p>(B) a subsidiary of a holding company to which it is also a subsidiary;</p> <p>(ix) such other person as may be prescribed.</p> <p>Rule 3 of the Companies (Specification of Definitions Details) Rules, 2014 provides that for the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.</p>
Section 149(5) of the Companies Act, 2013	3.2	Printing mistake (Transition period related to Resident Director)	<p>It was earlier read as <i>“Transition period: Section 149(5) provides for the transition period of one year from the date of commencement i.e. 1<sup>st</sup> April, 2014 to comply with section 149(3).”</i></p> <p><b><i>It may be corrected as “Transition period: Section 149(5) provides for the transition period of one year from the date of commencement i.e. 1<sup>st</sup> April, 2014 to comply with section 149(4).”</i></b></p>
Current Account Transactions under chapter 21 i.e. Foreign Exchange Management Act, 1999	21.10	Two transactions to be added under (a) Transactions for which drawal of foreign exchange is prohibited	<p>(i) Drawal of foreign exchange by any person for the purpose of travelling to Nepal and/or Bhutan;</p> <p>(ii) Drawal of foreign exchange by any person for a transaction with a person resident in Nepal or Bhutan.</p> <p>Provided that the prohibition in clause (ii) may be exempted by RBI subject to such terms and conditions as it may consider necessary to stipulate by special or general order.</p>