

chapter 3: Prospectus & Allotment

Public offer

At large

Pvt offer

→ selected group

Sec 23

CO

Public (1)

Pvt (2)

Public - (2)

✓

x

Pvt Placement

✓

✓

Right / Bonus

✓

✓

SEBI

✓

x

Rules

SHIKHAR

REGULAR BATCH



**CA INTER
MAY 2025**

**CORPORATE &
OTHER LAWS**

TOTAL HOURS

170

NO. OF LECTURES

85

~~₹10,000~~

₹8,000

**CA
INDRESH
GANDHI**

**OPTION 1
LIVE STREAMING**

**OPTION 2
PRE RECORDED**



BOOKS



Law - Volume 1, Law - Volume 2
Law Section-wise Question
Bank (Incl. Ans & MCQs)



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Security - SCRA

Read only

✓ ① share, scrip, stock, Bonds, Debenture and any marketable security

✓ ② Derivative  gold ↑ ↓

✓ ③ unit or any other Instrument issued by collective Investment scheme to Investor in such scheme

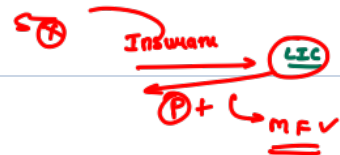
✓ ④ Security Receipt (FD)

✓ ⑤ mutual Fund - unit

✓ Security policy → will not include any unit linked combined benefit

life Investment

(MCG)



② Govt security

③ security - CG Debit

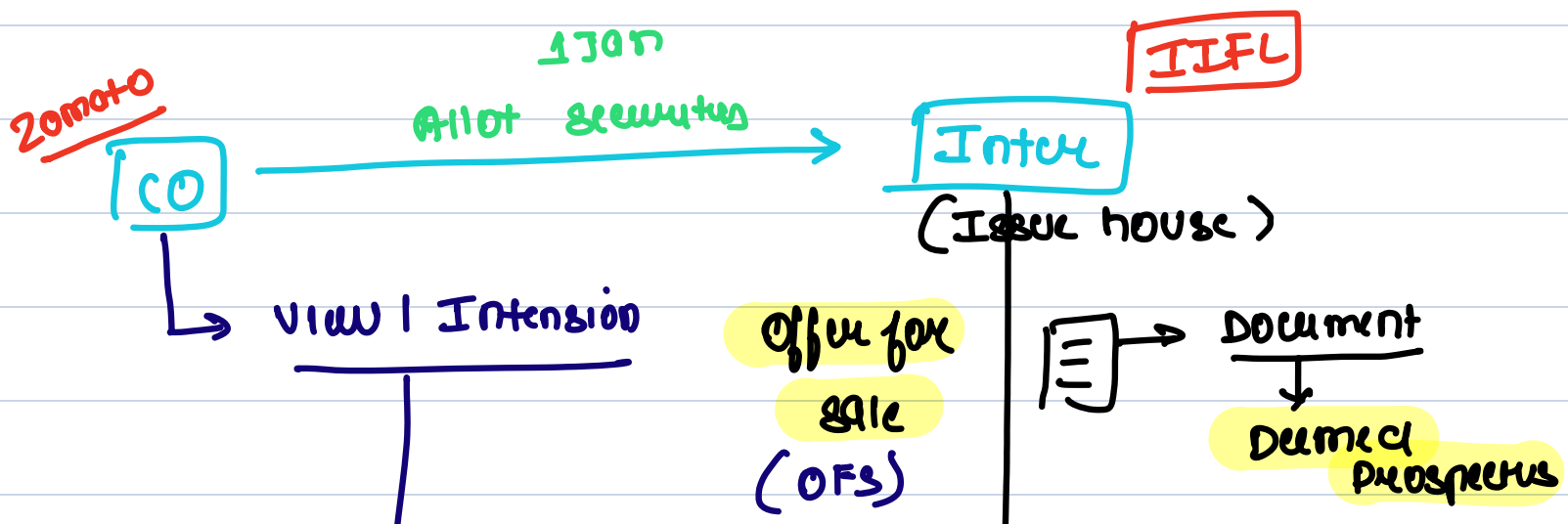
④ Rights / Int in security

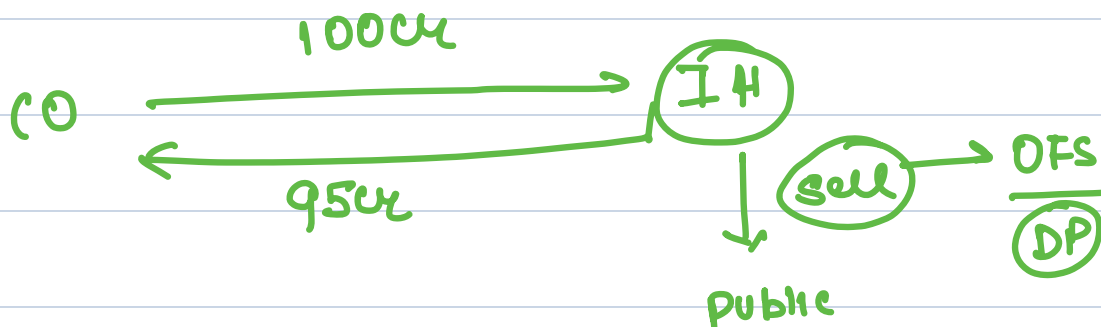
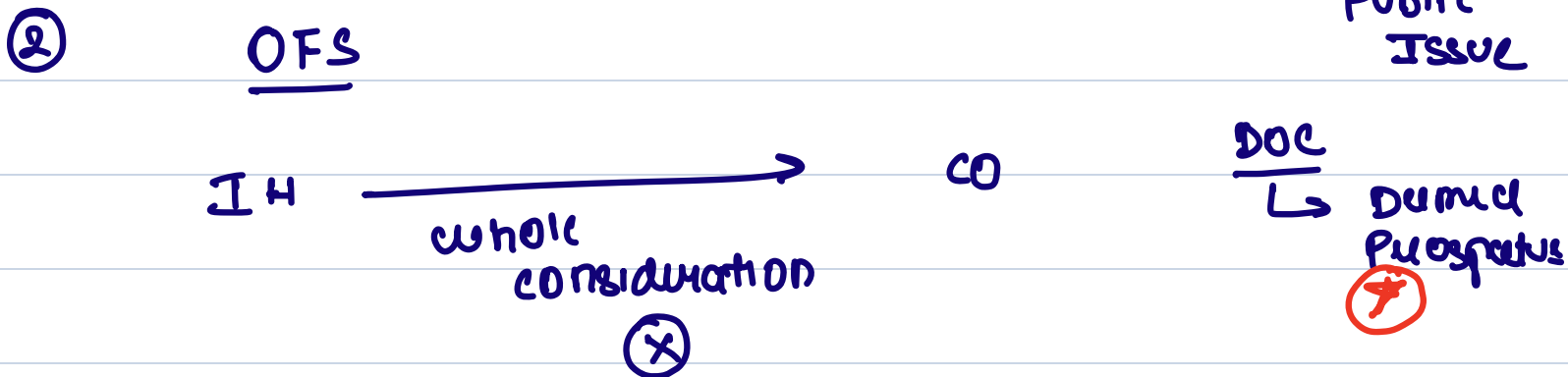
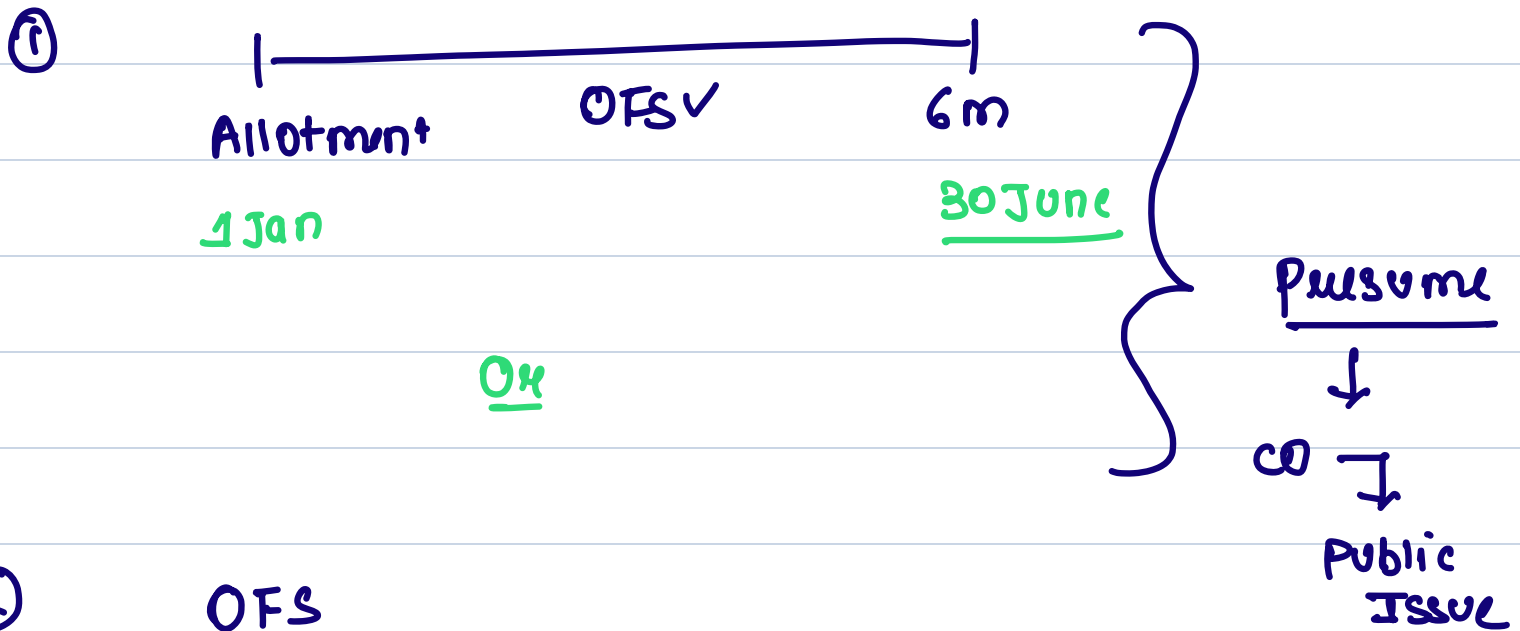
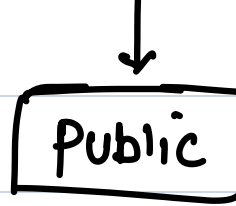
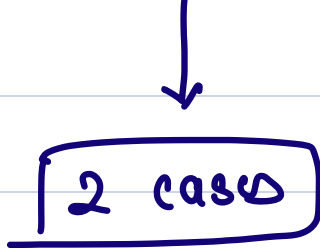
Prospectus



Imp

Sec 25: Demand Prospectus





* - matters to be stated

①. Sec 26 matters

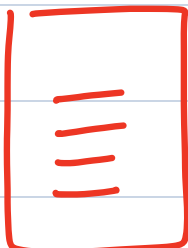
② Net amt - co pd from Issue house

③ Time + Place - contract
↓
Inspect

④ Director of co.

⑤ Sign - 2 Dir of co.

Sec 26: matters to be stated in prospectus

①  } kya kya aana chahiye ↓

①. Dated + Sign ↓
↓
[Dt of Publication] All Dir / Proposed Dir

+

Info [SEBI + CG]

②. Info x → SEBI Regulation ✓

③ Declaration — Affirmation →
compliance of CO Act

④ Statement
↓
Nothing contrary { CO Act
SCRA } Rule
SEBI

⑤

(1) will not Apply

↓

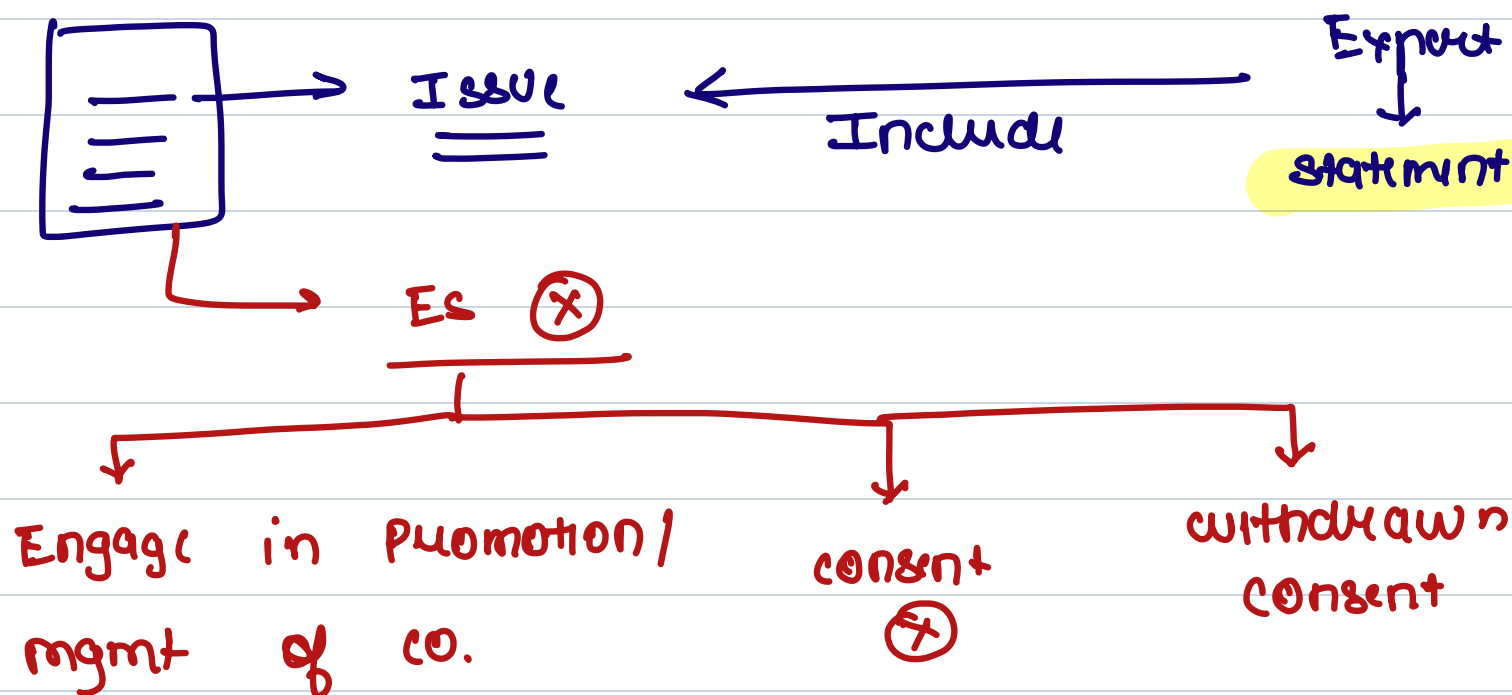
Existing member /
DH
(share allot)

↓

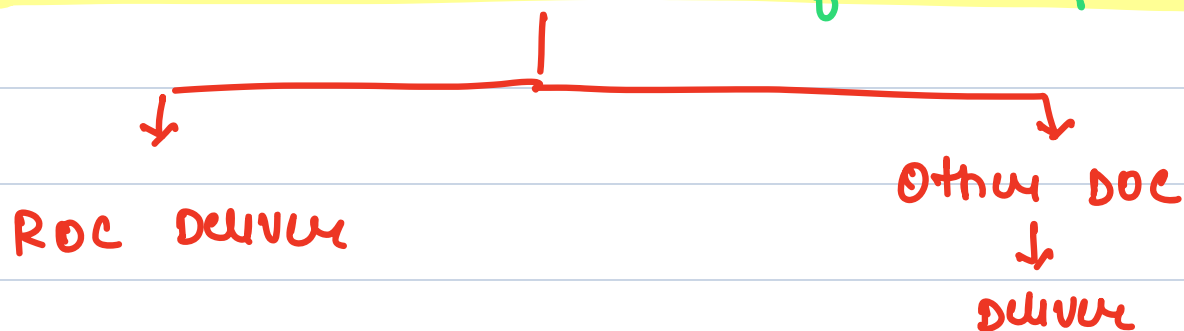
Existing share
↓
New member



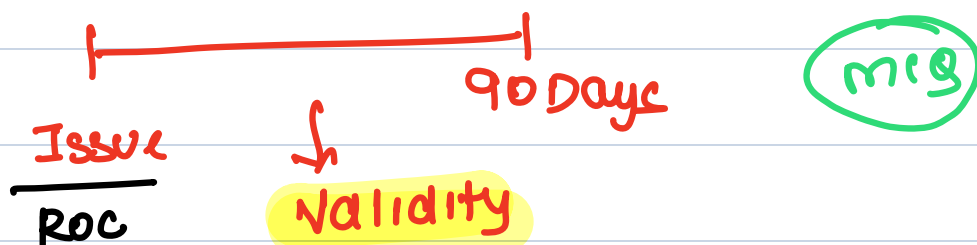
condition Regarding Expert statement



Disclose On Face of Prospective

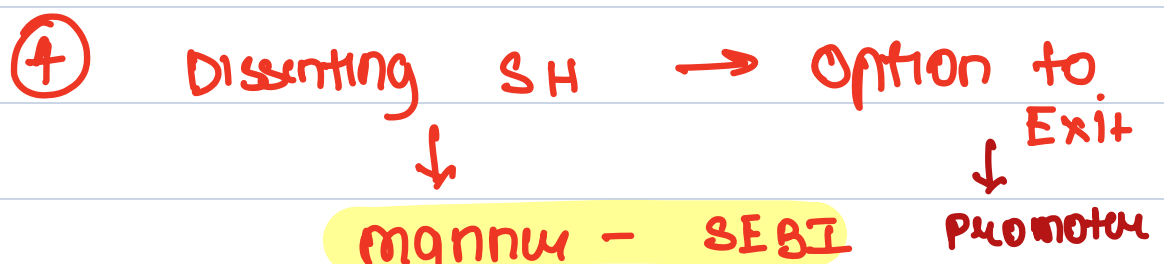
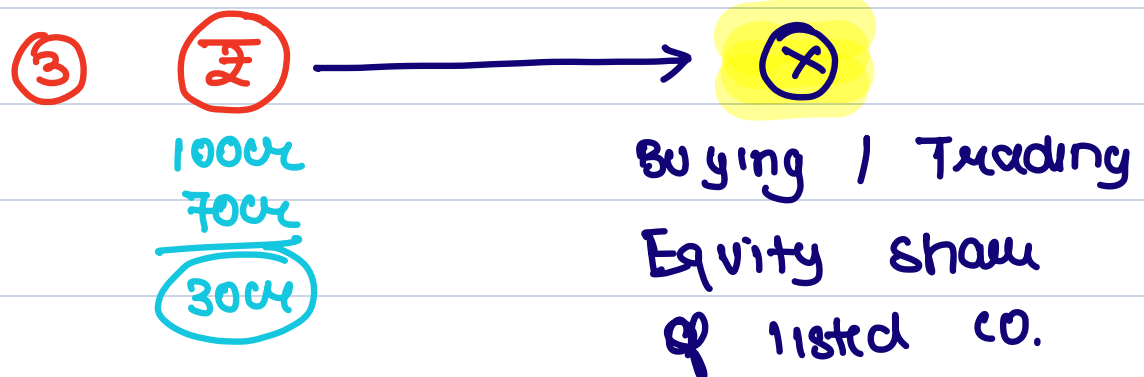
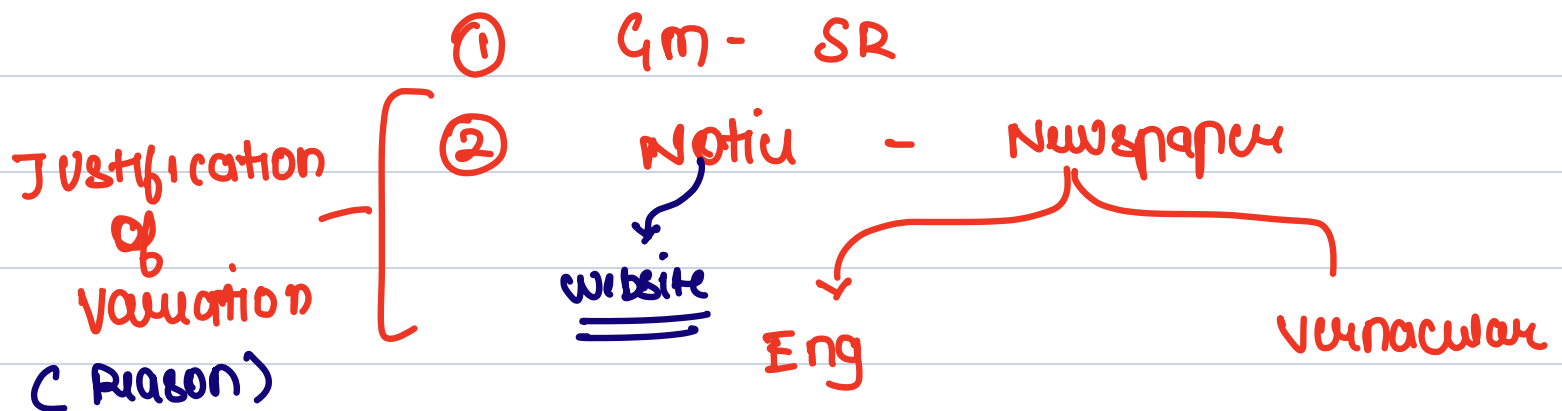
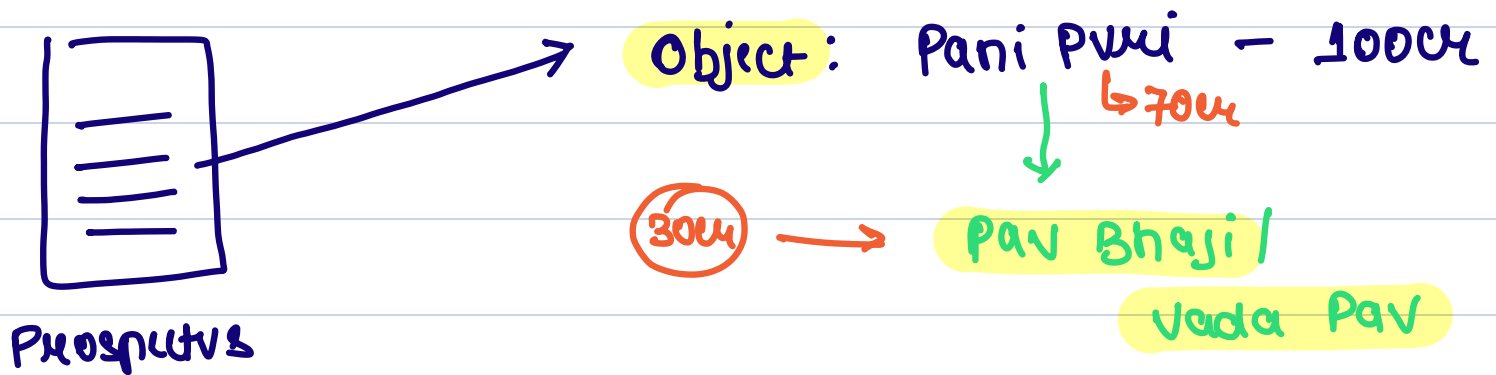


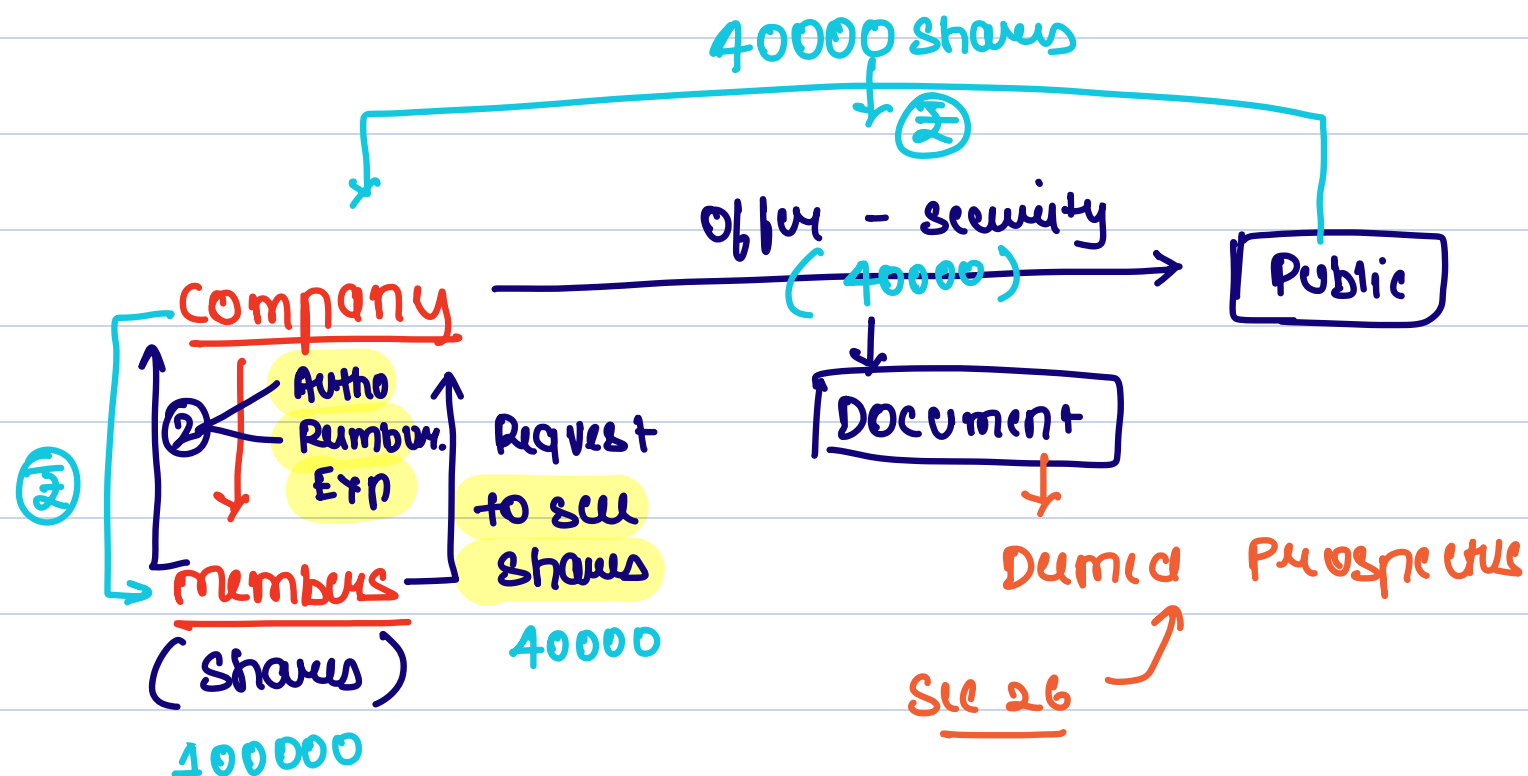
Validity



Day 02

Sec 27: Valuation in Terms of Prospects

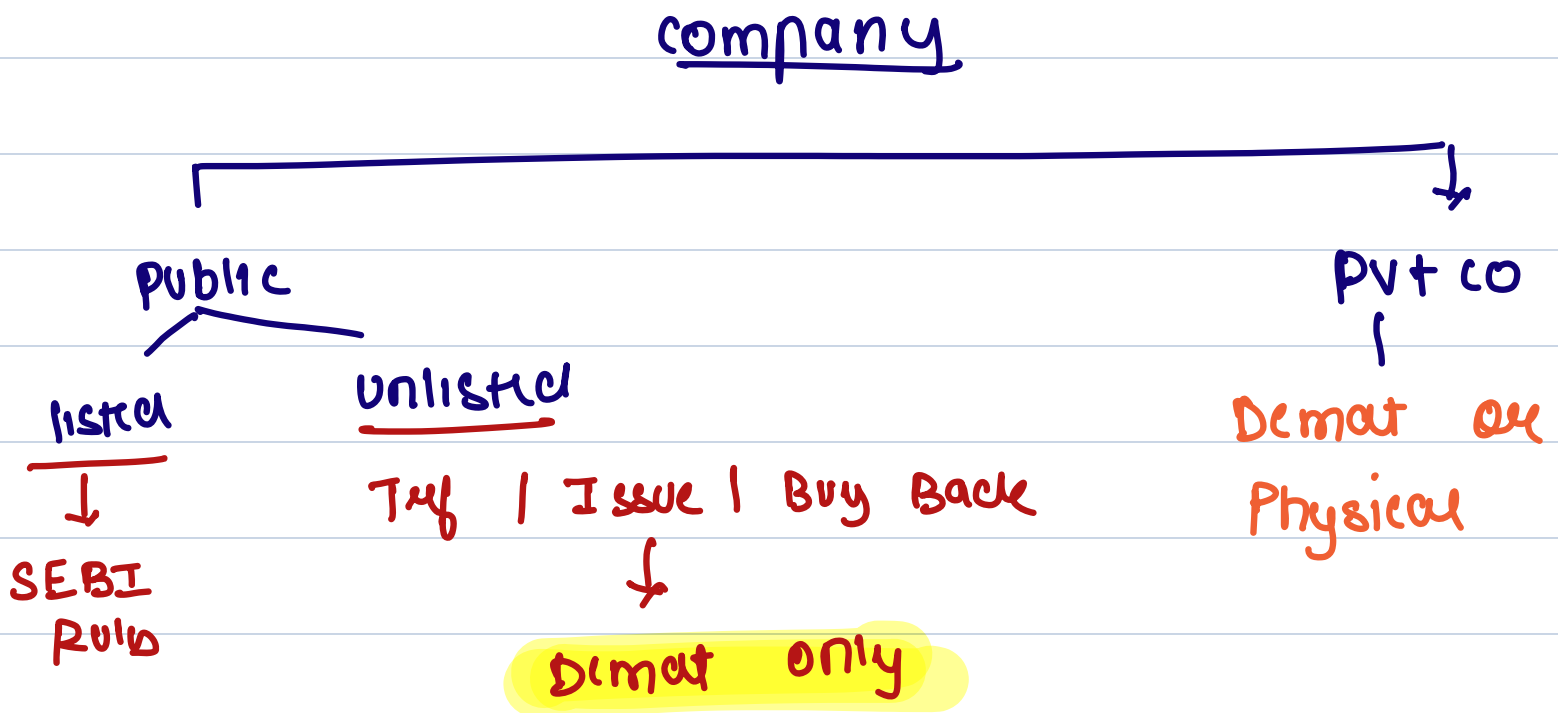




Following matters- Not Required

- ①. Minimum subscription
- ②. Min Application value
- ③. Statement $\rightarrow$ Booked
 ↓
 utilization of money
- ④. Any Info - Not able to give ⊕
 we have given justification for that

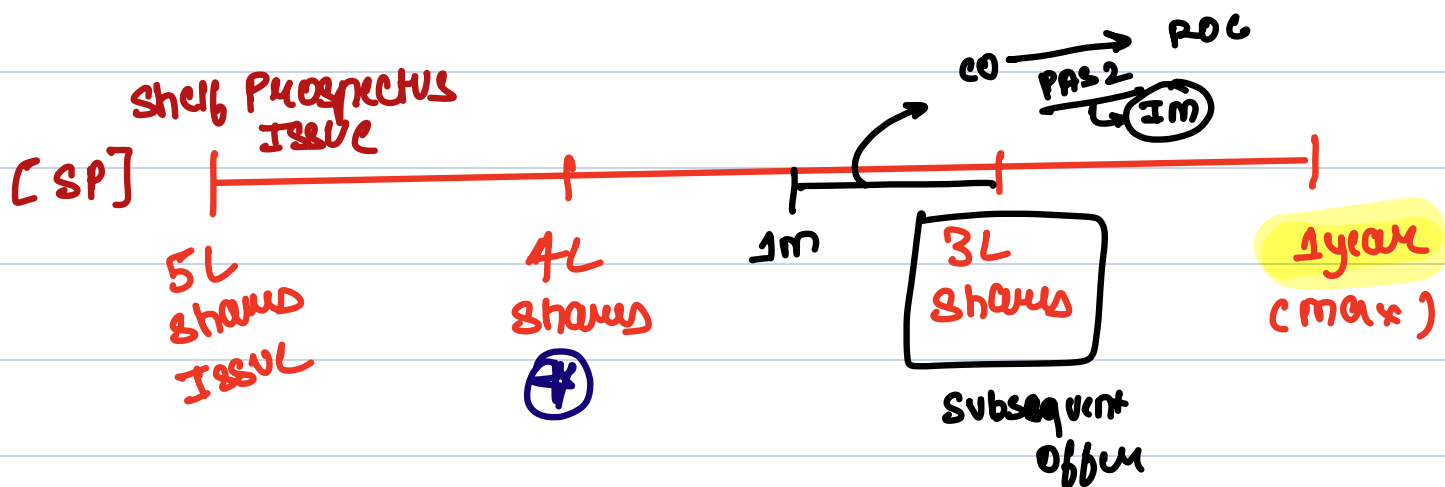
Sec 29 : Issue of security in Demat Form



Sec 30 : Ade of Prospectus

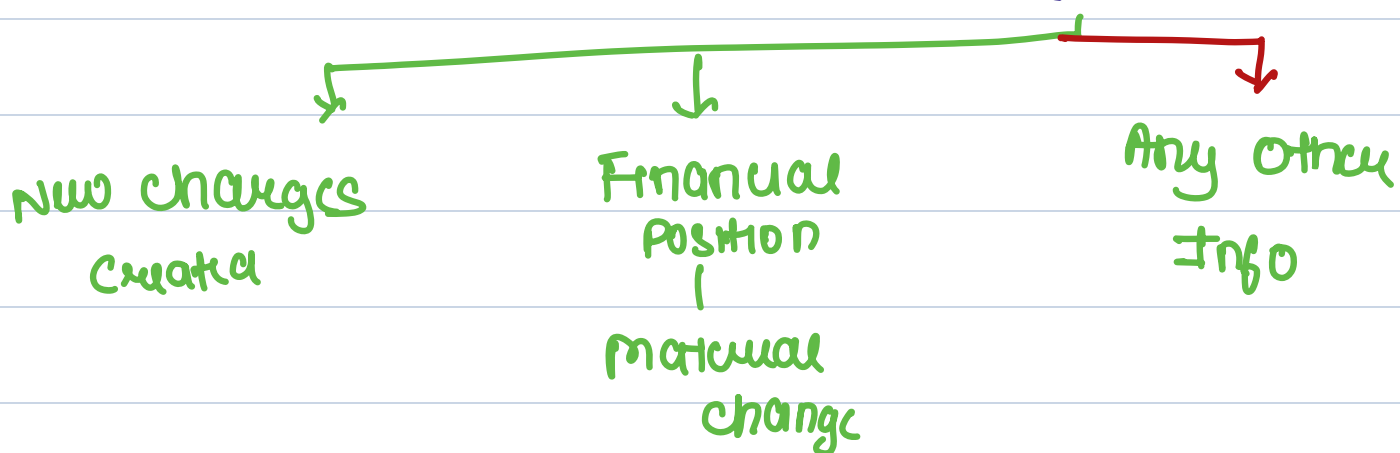
L - Liability
O - Object
C - Capital
Nam - Name
Number - Number

Sec 31: Shelf Prospectus

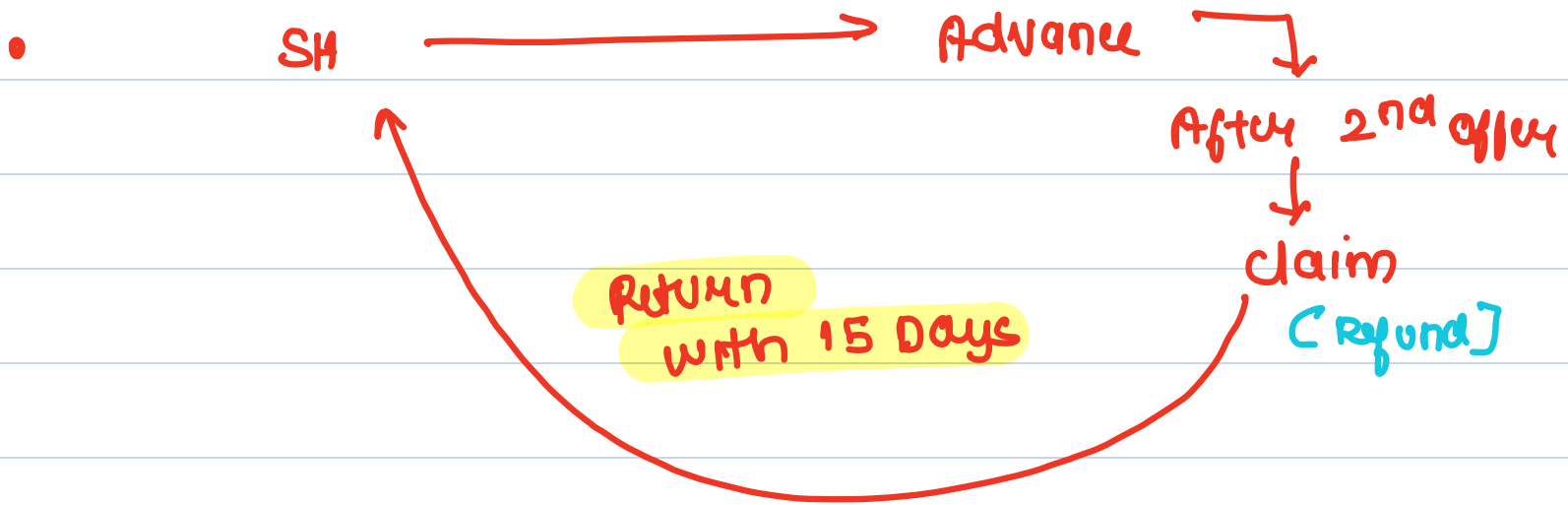


- multiple Issue
- NO need to Issue Prospectus

⊕ - Next Issue - IM : Information memorandum (PAS-2)

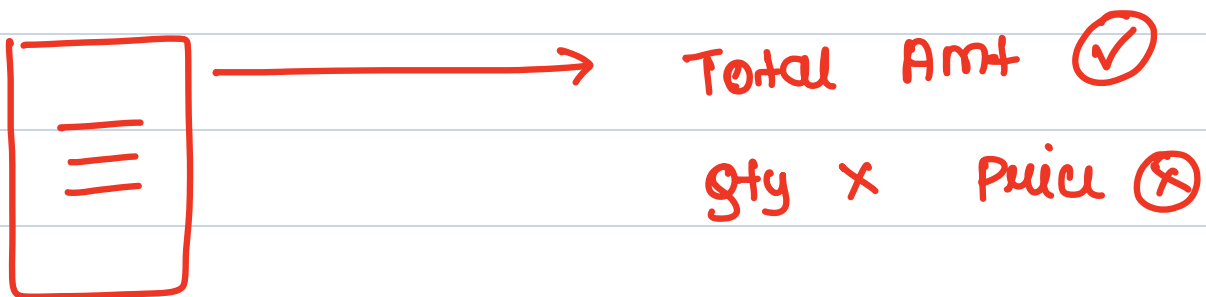


SP + Im = Demand Prospectus



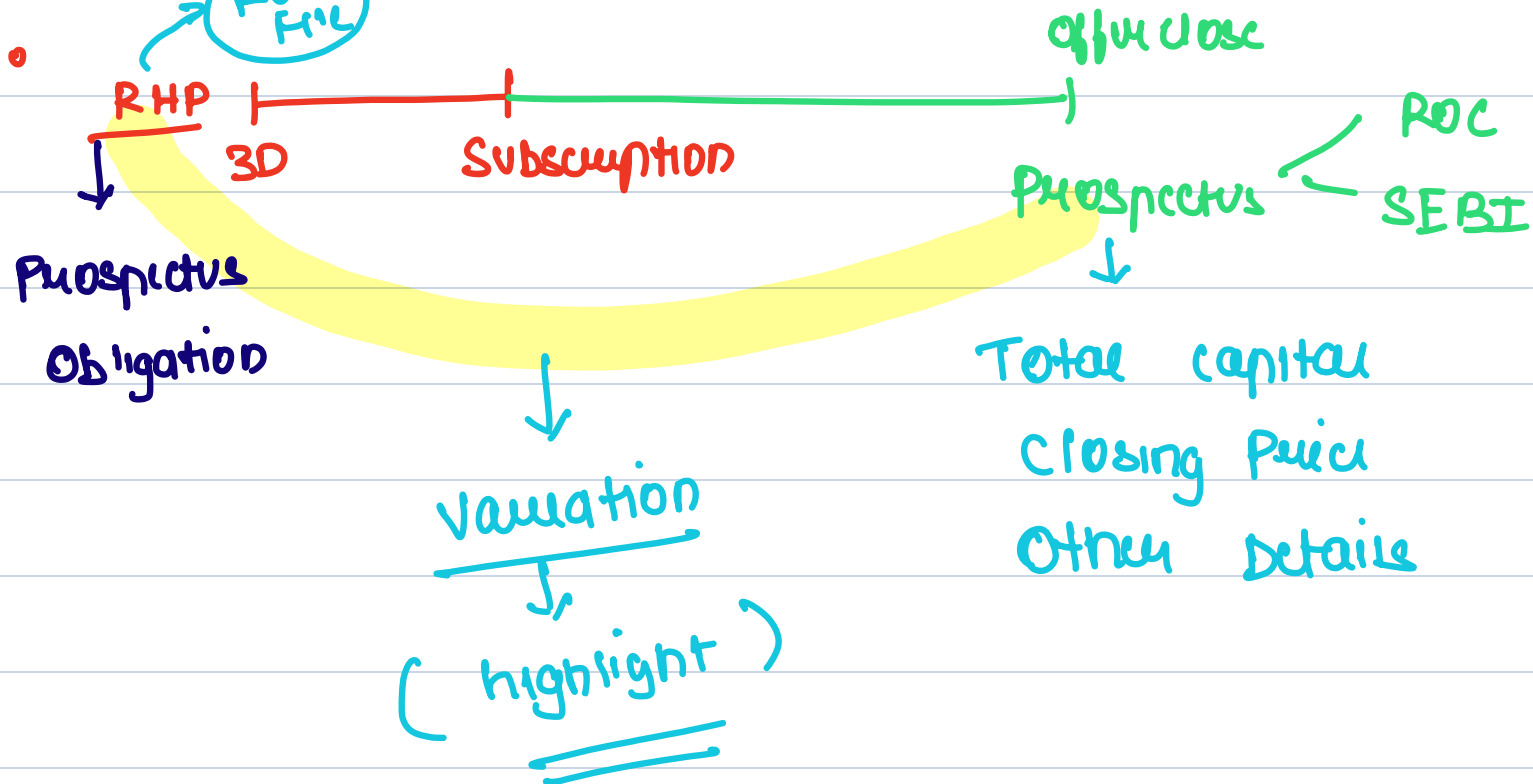
Day 03

Sec 32 : Bid Issuing Prospectus

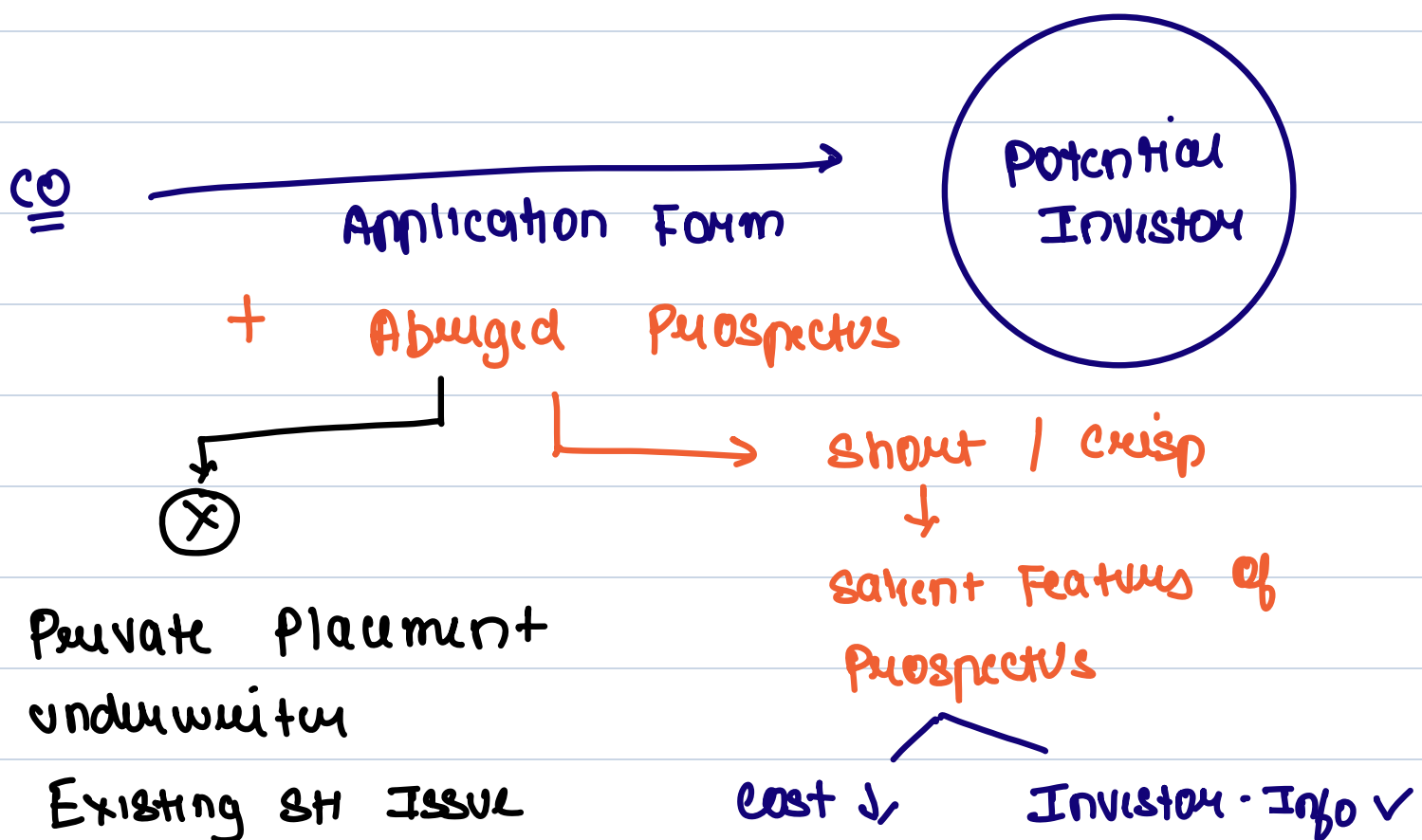


- optional

RPC

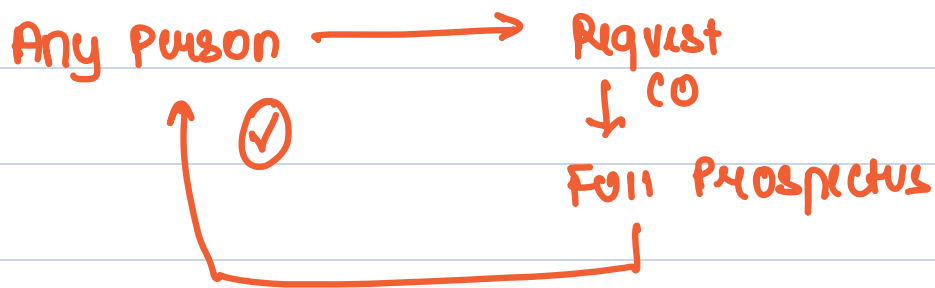


Sec 33: Abridged Prospectus



PSU

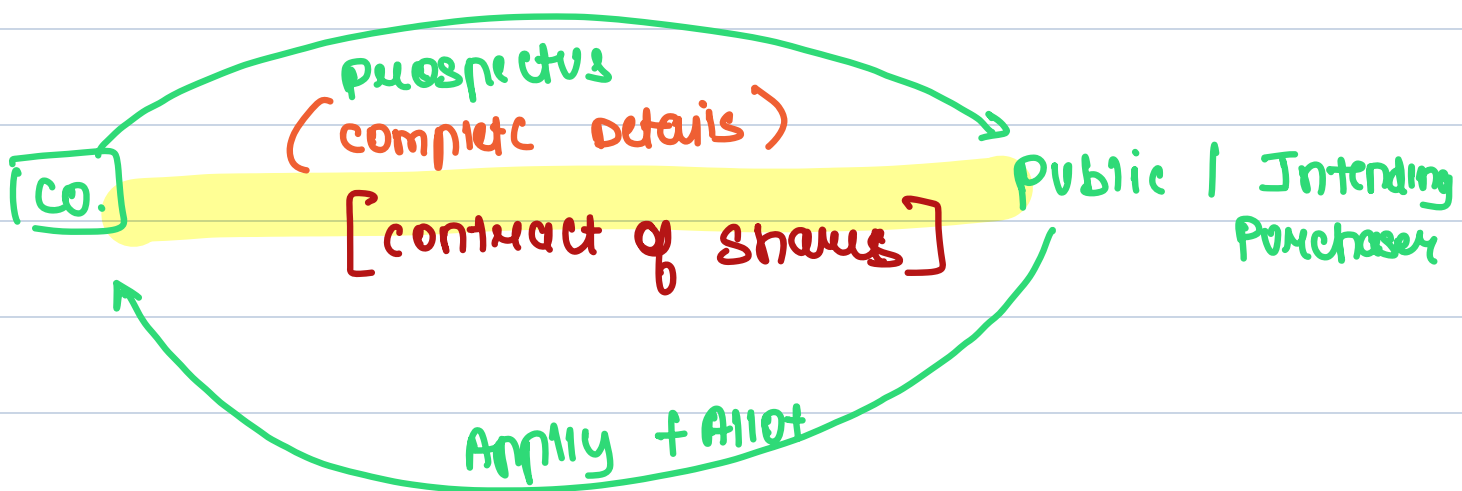
Application Close



Fail
↓
50000/
Default

Misstatement in prospectus

↓
(galtiyan)

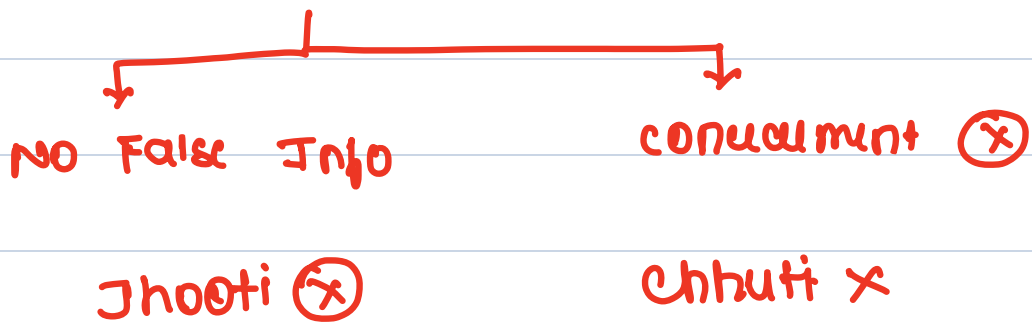


- Utmost good Faith

- Full Declaration / Disclose: material

- True + correct Disclosure

- Prospectus - Accuracy



- Misstatement

sec 34 : criminal

sec 35 : civil

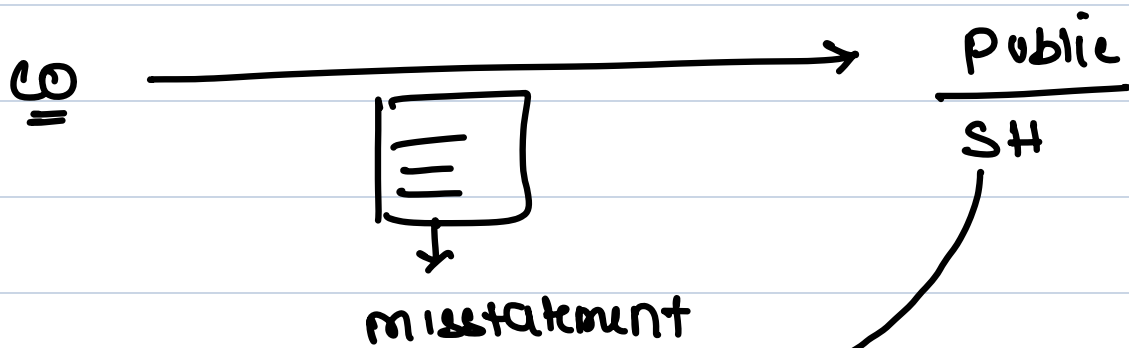
Anything False : wrong Impression of Fact

Commission

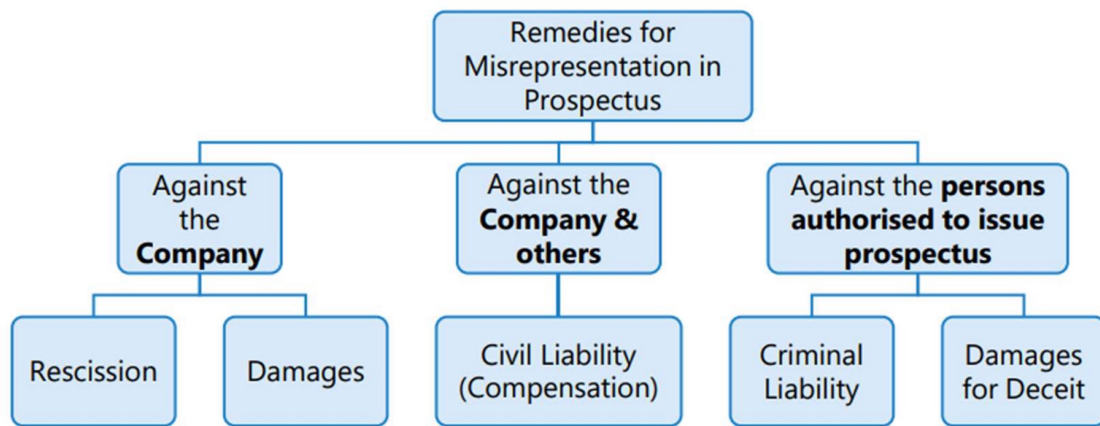
100 → 1000

Omission

~~100~~
0



Remedies



①.

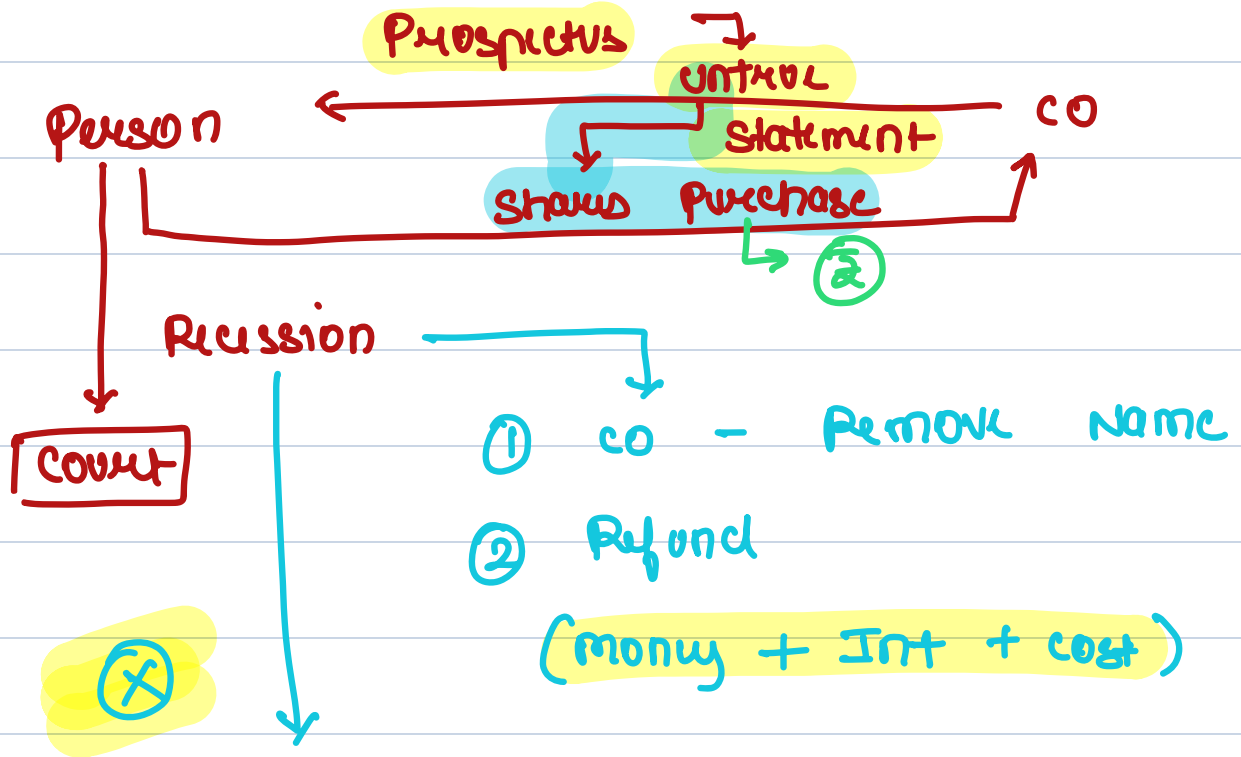
Rescission



Indian contract Act



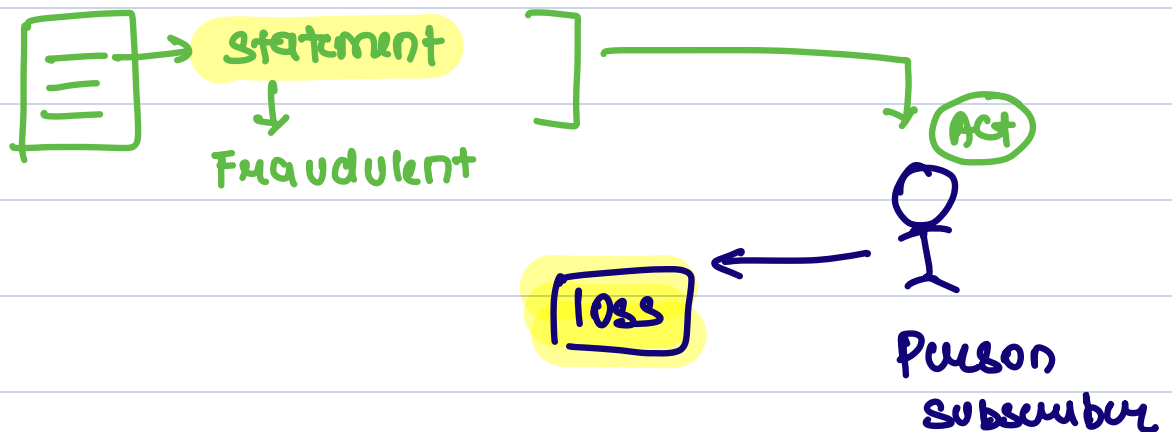
cancellation



- ① Market Purchase - Shaw's
- ② Subscriber of MOA

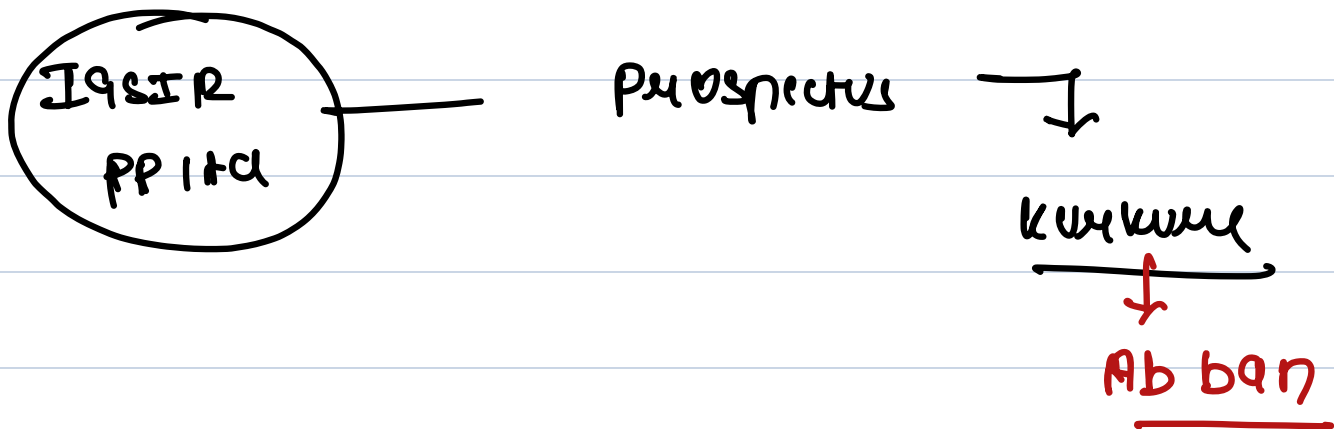
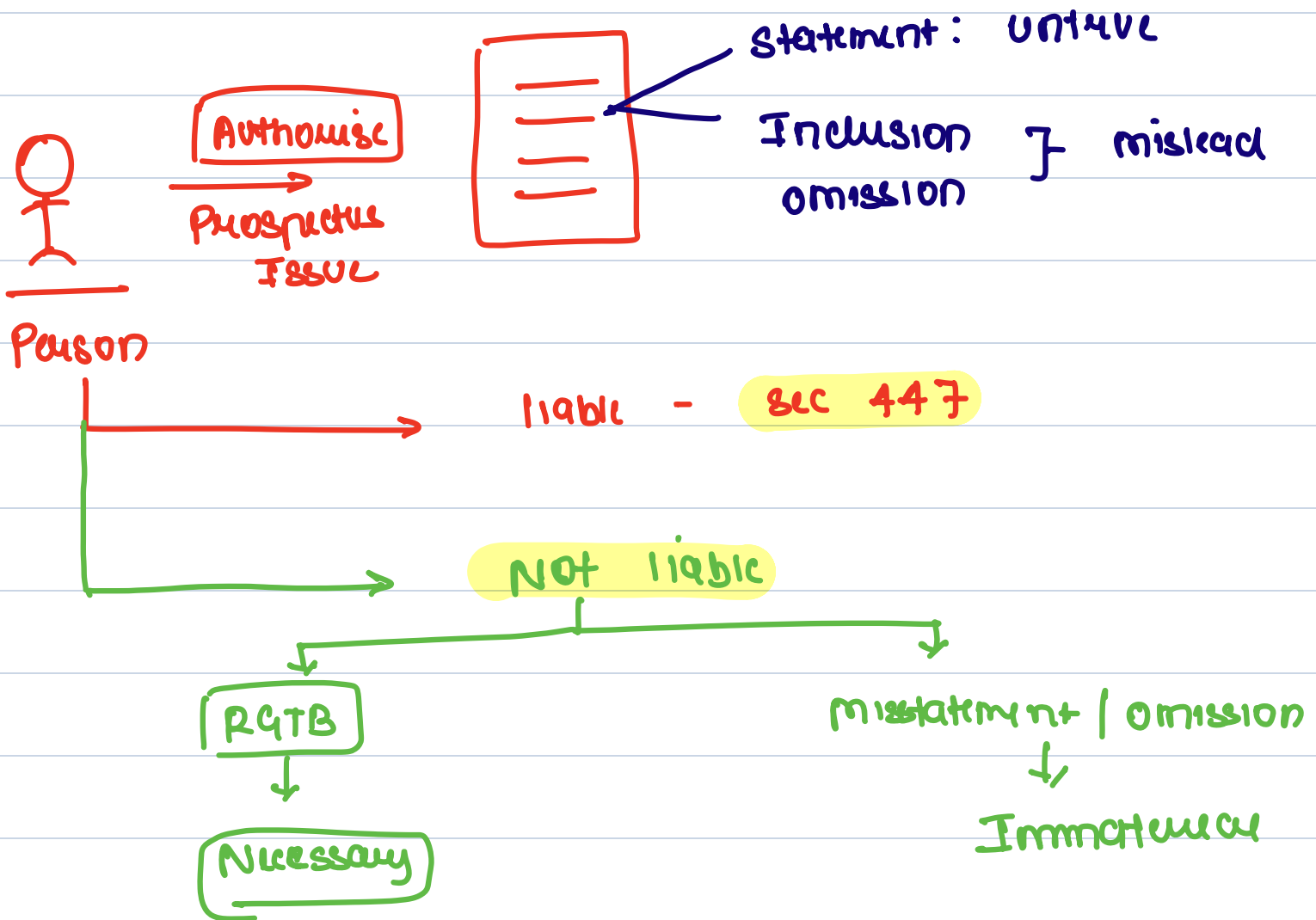
Day 04

Damage

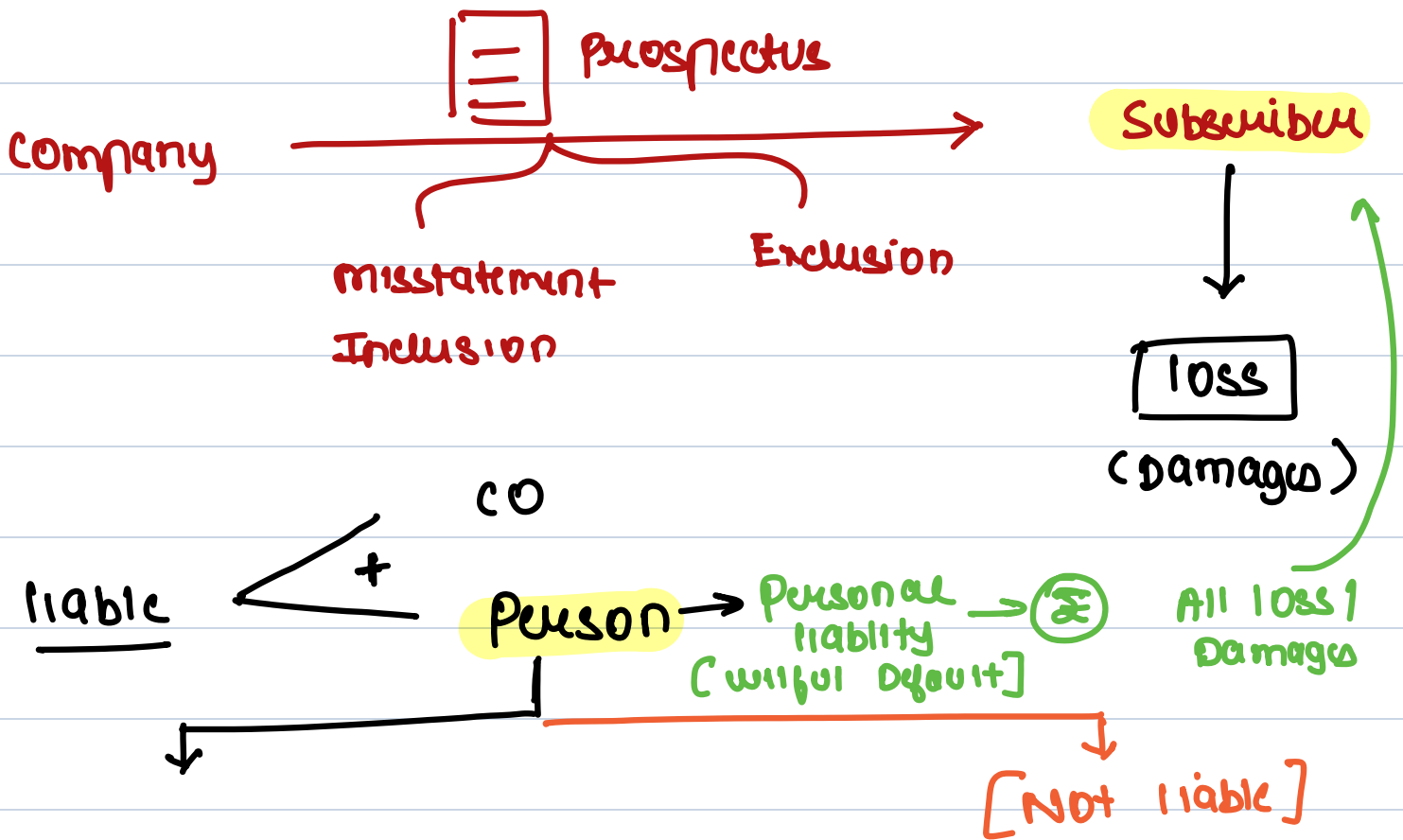


Sec 34 :

Criminal Liability



Sec 35 : civil liability



- Director
- Authorized Person
- Promoter
- Expert
- Authorized to Issue Prospectus

DAP APE

- ①. withdraw consent
- ②. Prospectus Issue + Public Notice
↓
without consent
- ③. made statement on Authority of Expert who was competent (Tegs sin)

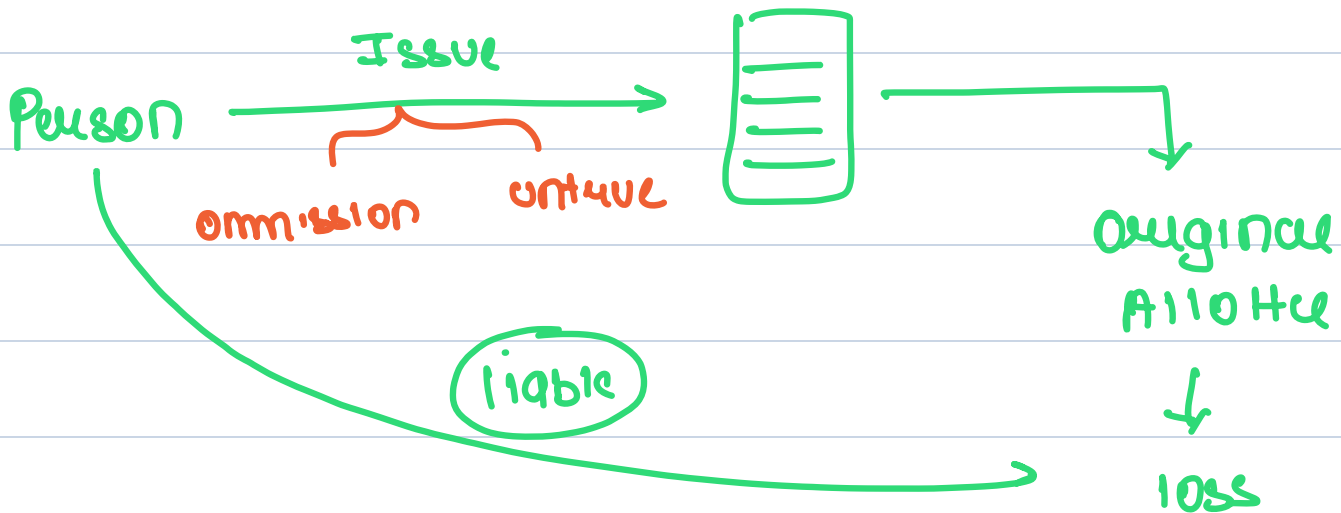
④. RGTB - statement : True

⑤. correct copy

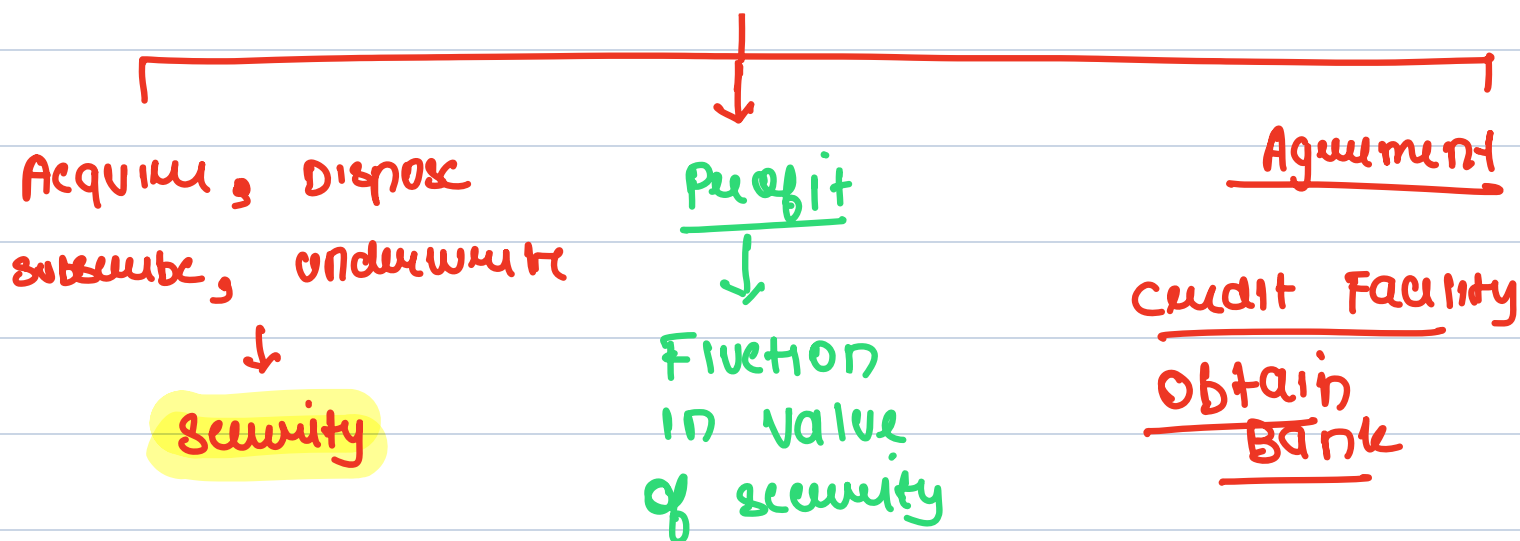
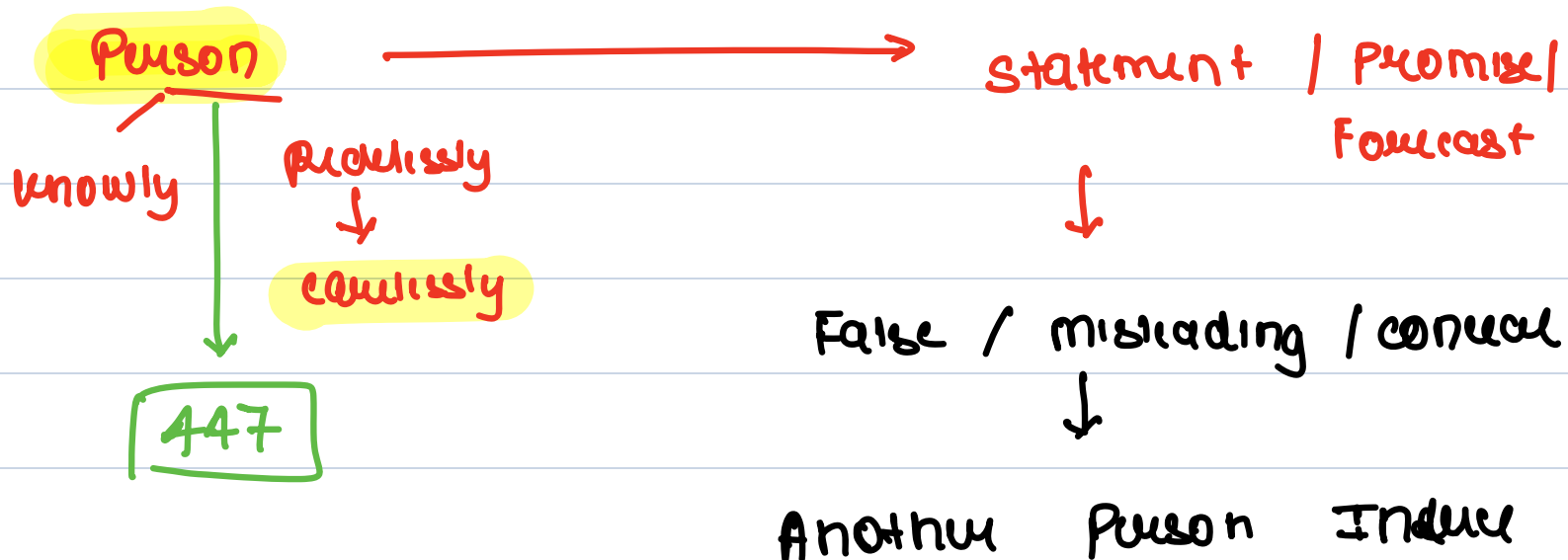
↓
Extract

↓
statement + believe

Damage for Debit

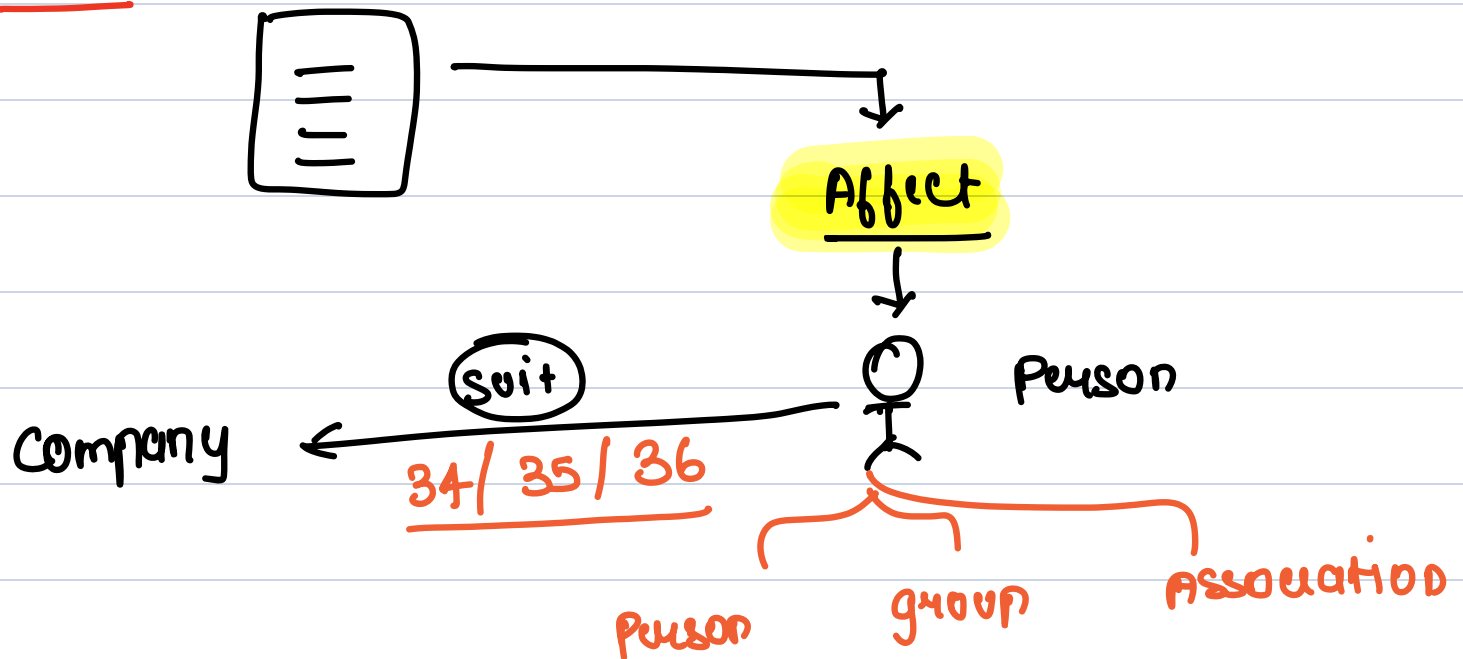


Sec 36: Punishment for Fraudulently Inducing Person to Invest money



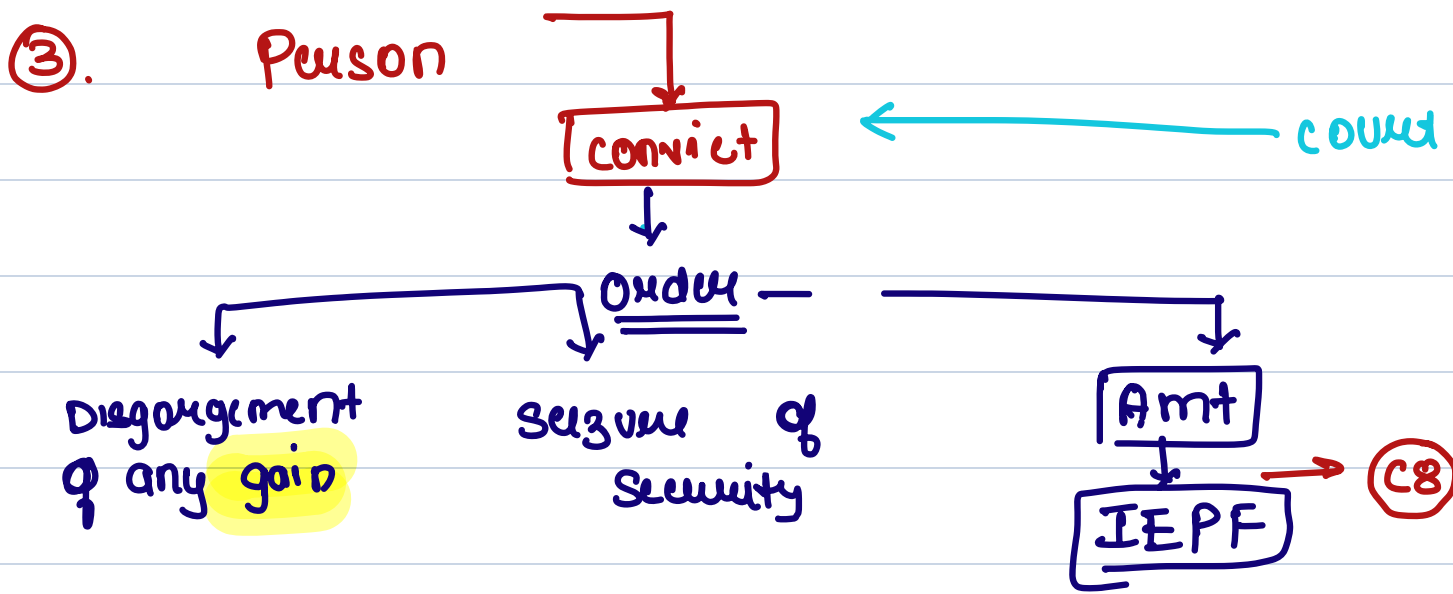
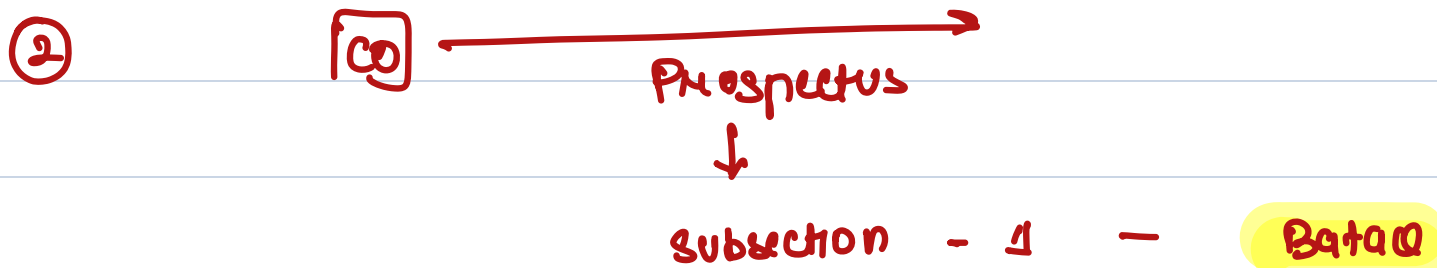
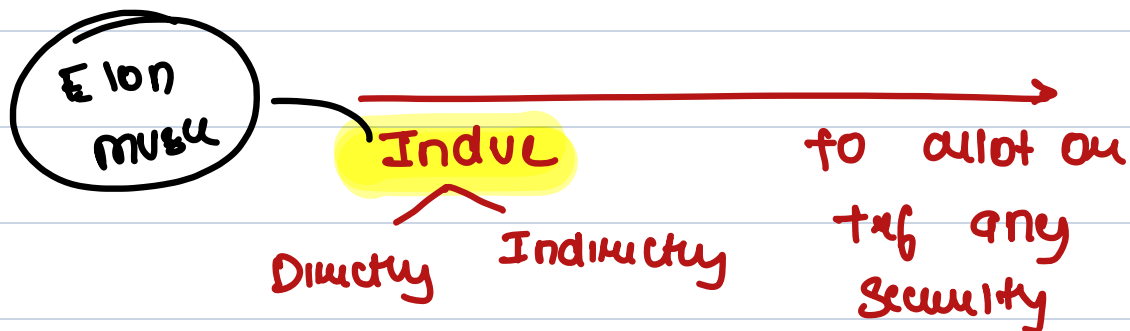
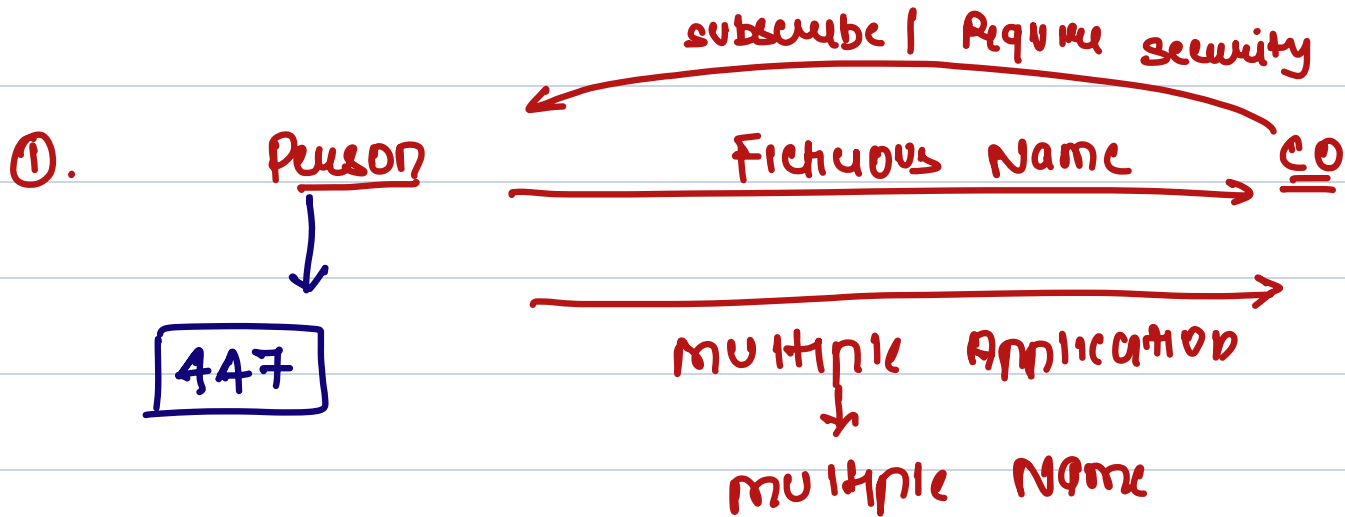
Day 03

Sec 37:



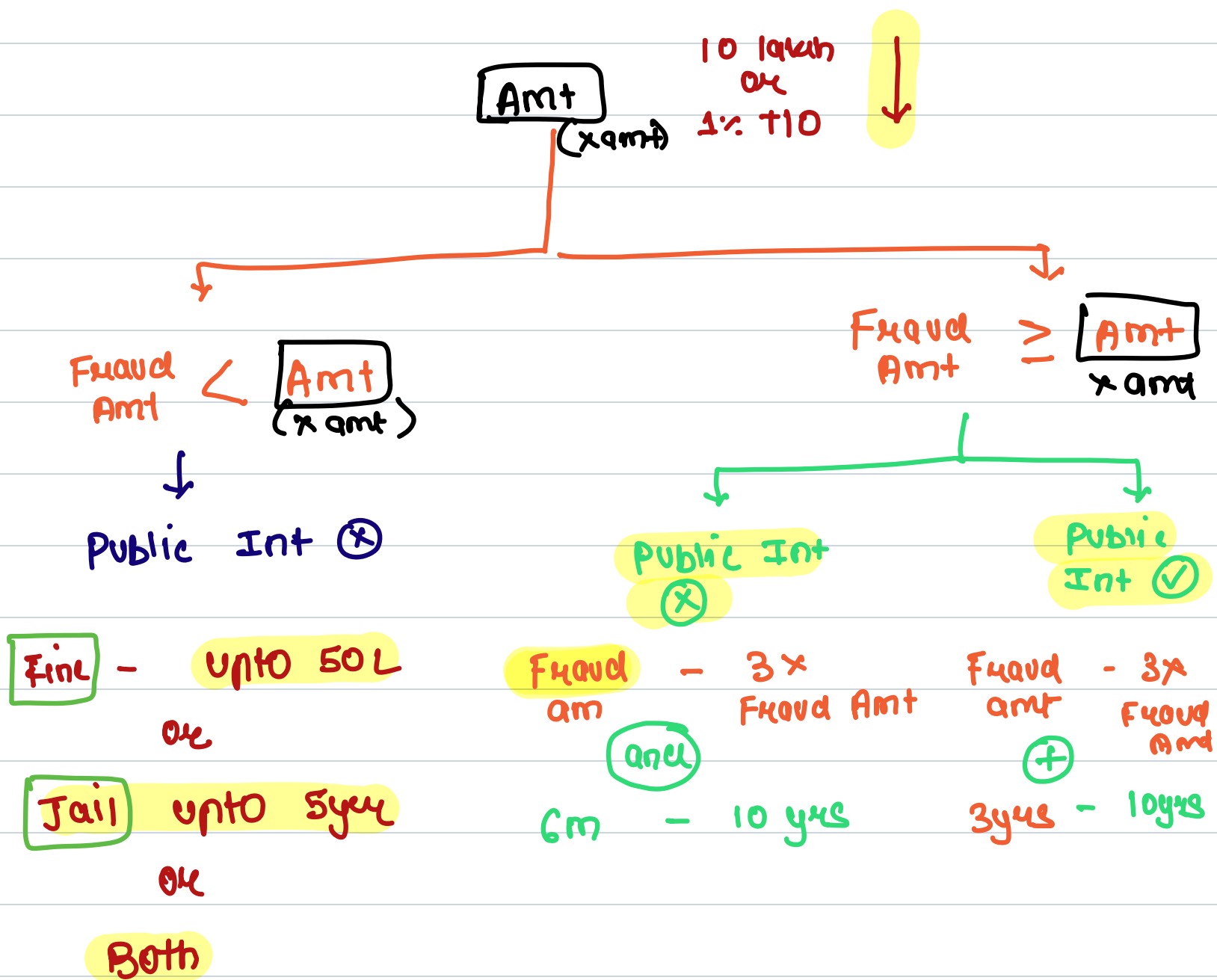
Sec 38 Punishment for Personation for
Acquisition of security

Purpose : Not to allot shares in
Fictitious Name

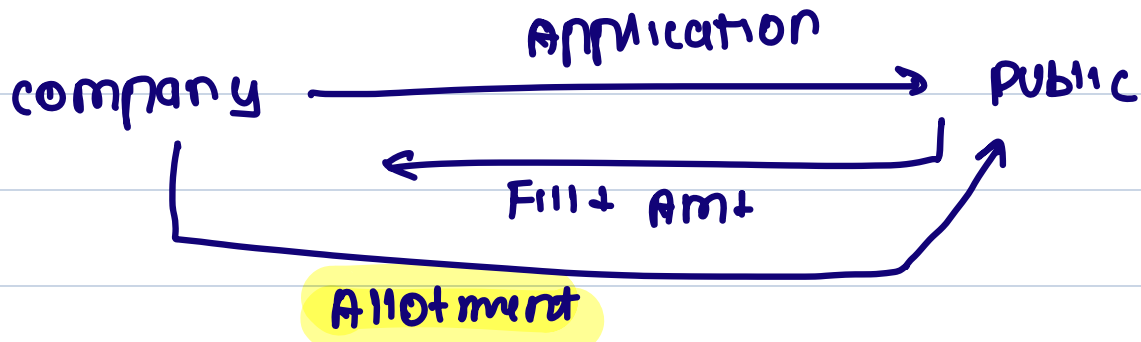


Sec 447 :

Punishment for Fraud.

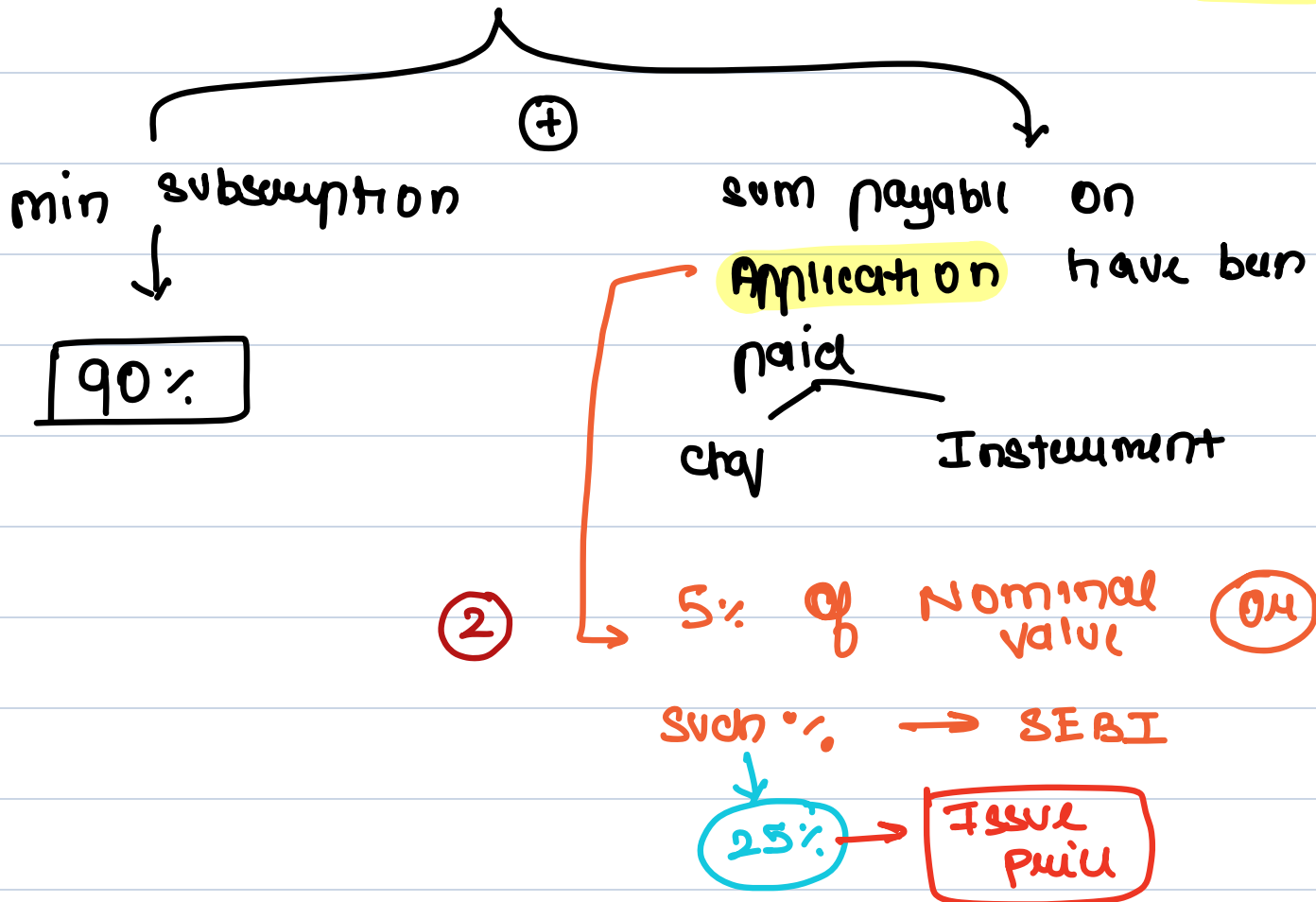


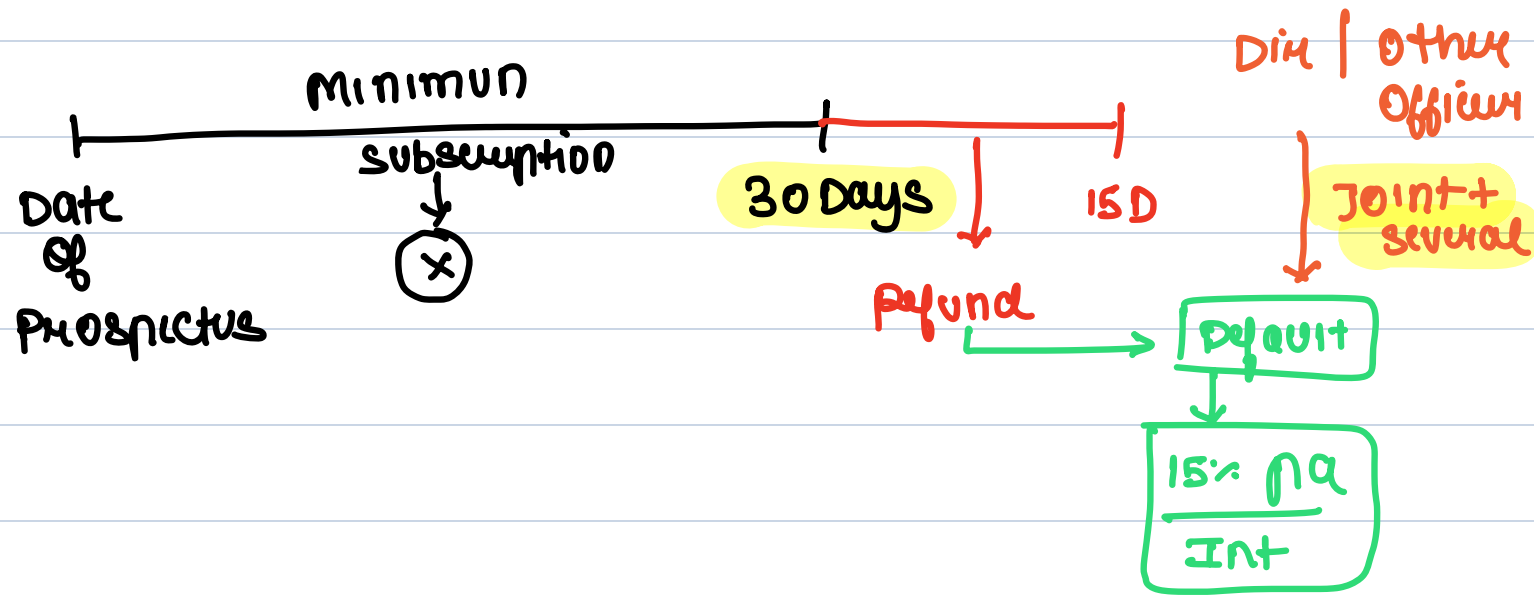
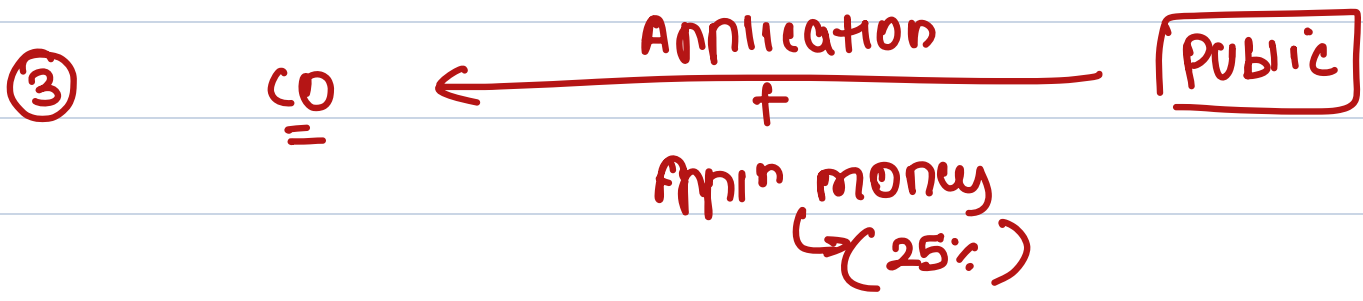
sec 39: Allotment of security by co.



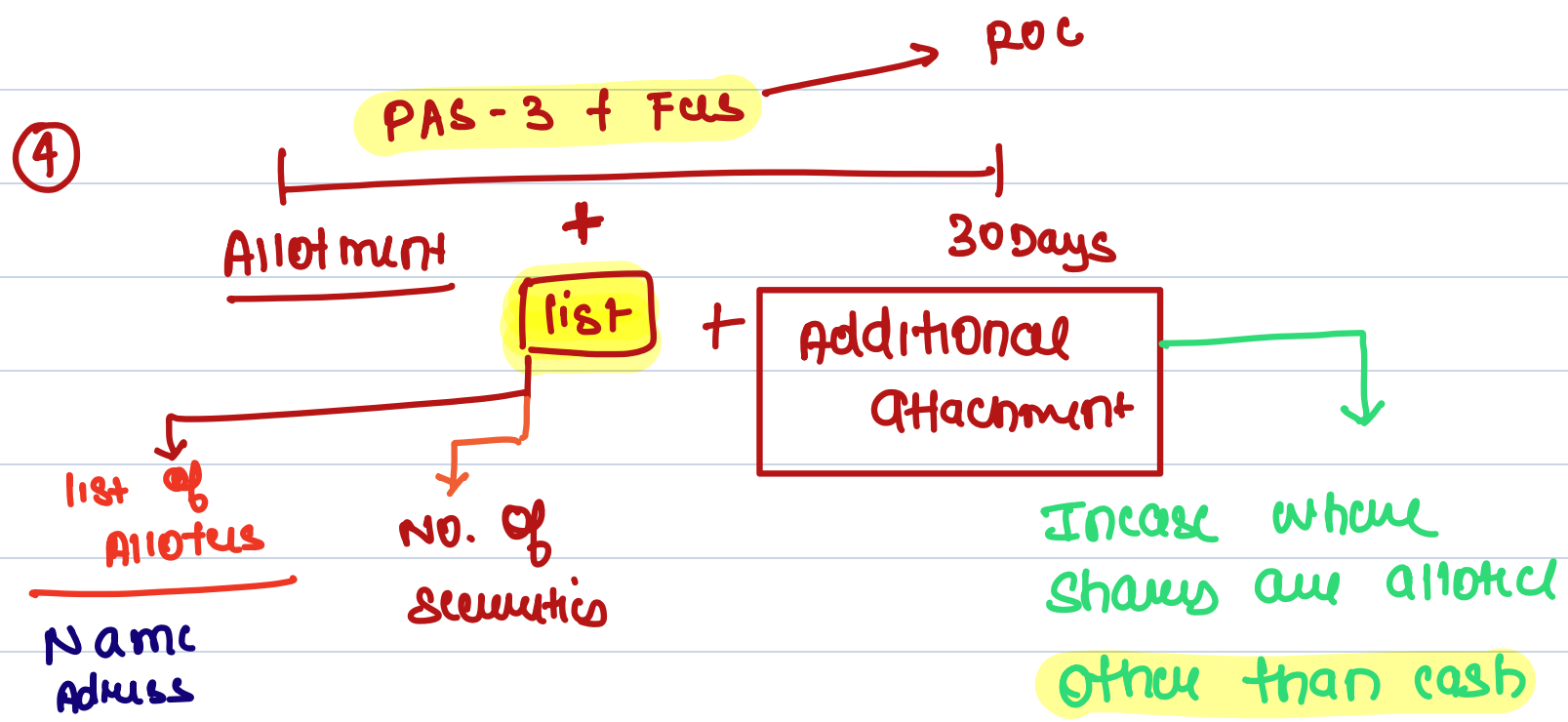
①. Minimum subscription

- stated in prospectus
- No shares can be allotted unless





Allotment ✓



Occupation

NAO

Bonus

OR
copy

Other case

→ copy of contract

Duly stamp
Pursuant to which
securities are
allotted

→ contract of sale

(property / Asset /
service)

→ Registered Valuer
Report

Not in
writing



writing + stamp
✓

→ Any unlisted
co

→ Issue shares

cash

other
than cash

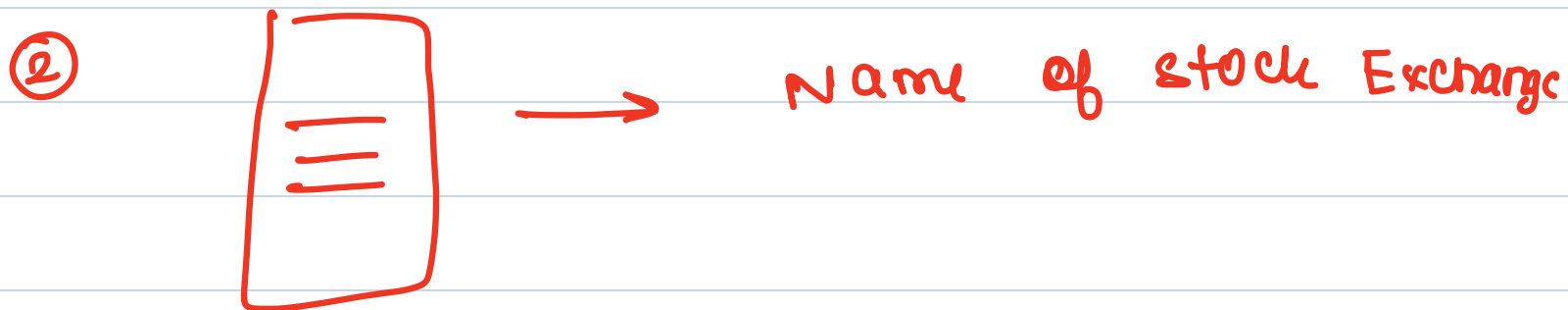
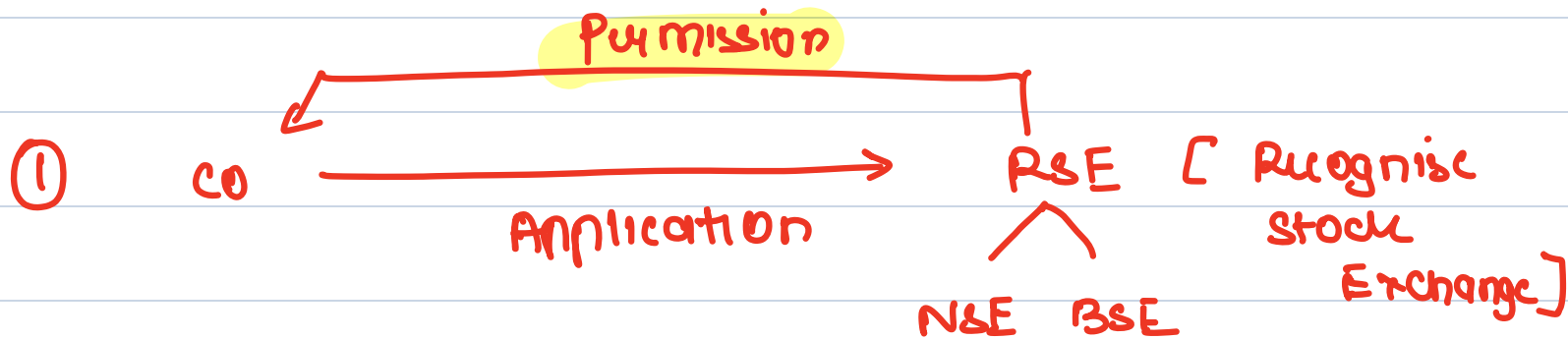
61(1)(c)

Valuation
Report



RV

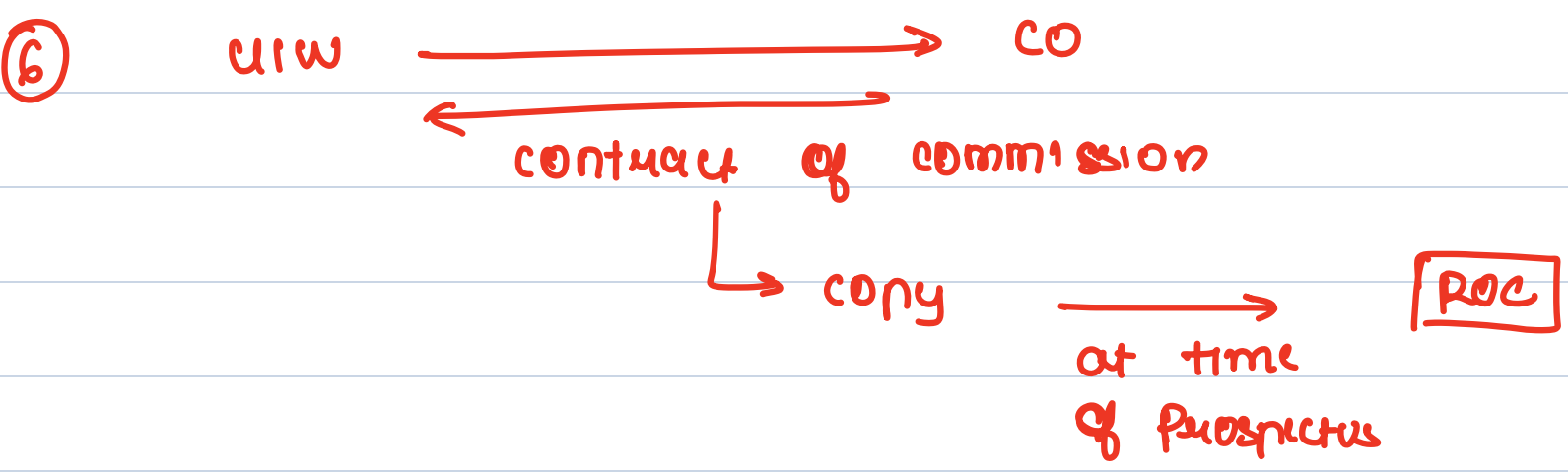
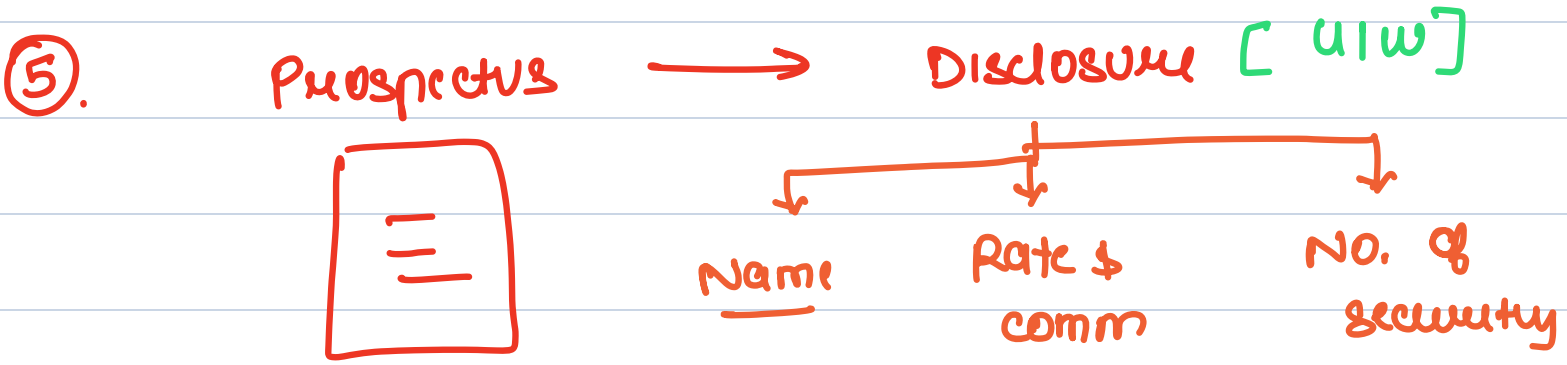
Sec 40: Security to be dealt stock Exchange



commission of ulw - Rule 13

- ①. Public offer ✓ Pvt ⊗
- ②. AOA authorise
- ③. Paid out of
 └── Proceeds Pft Both

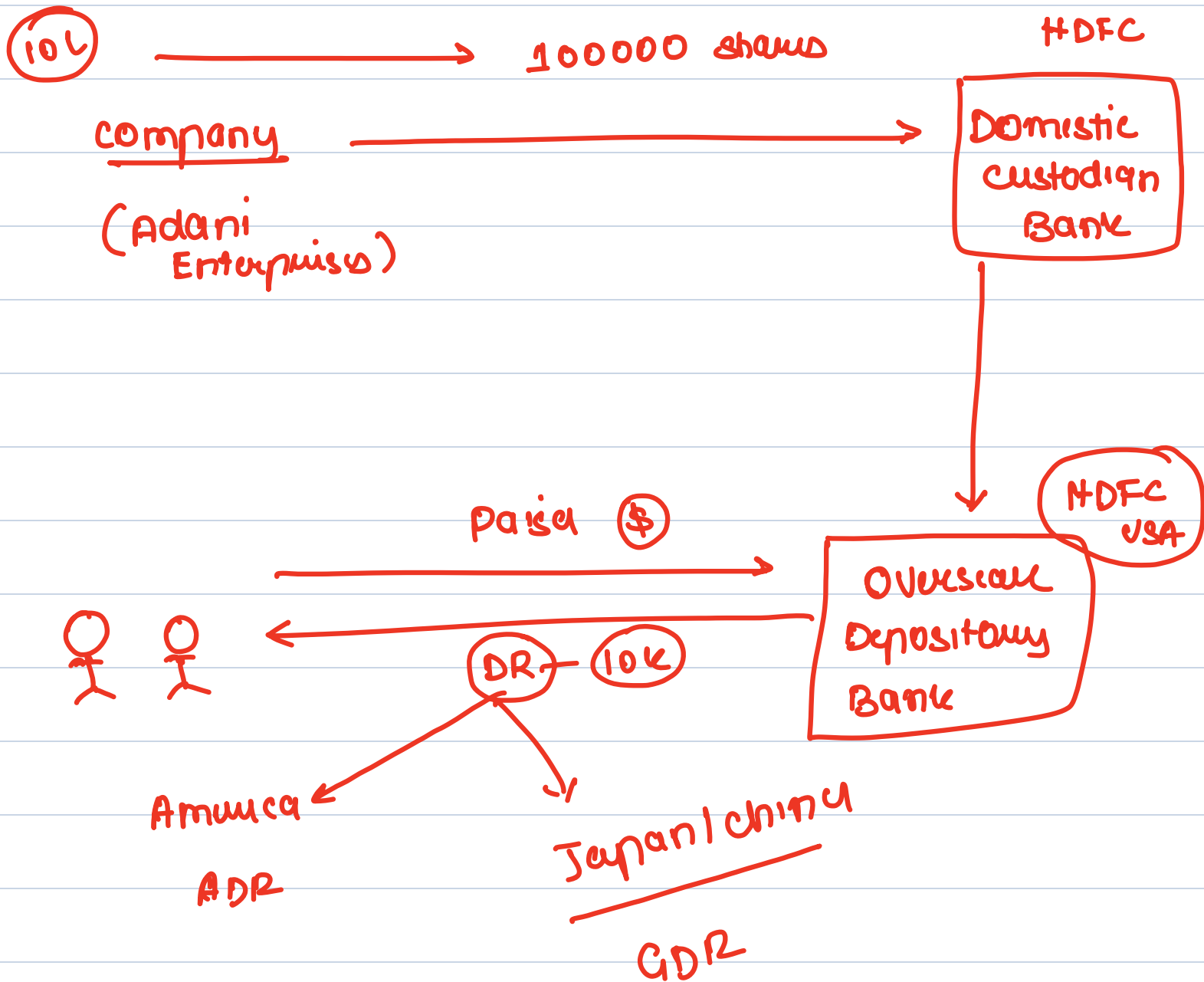
- ④. Rate of commission
 ├── Share
 5% Issue Price
 OR
 AOA - Rate
 └── Debt
 2.5% of IP
 OR
 AOA Rate



Sec 41:

GDR :: Global Depository

Receipt



BR SR custody DR

- member Entitled to vote (✓)
Same Ratio

- Compliance Report ✓

- Public & Put Placement

$$2DR = 2 \times 10 = \frac{20}{100}$$

V Imp

Chapter III

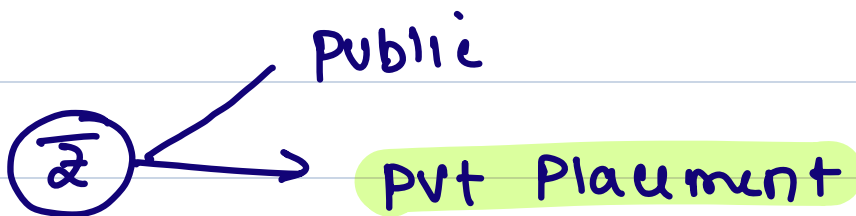
Part I

(Public Issue)
(23-41)

Part II

↓
Pvt Issue

Sec 42



per FY

CO
BOD

PPO

[PAS - 4]

IP

Identified
Person

max 200

- Aggregate limit
- Sequential limit

(ES/PS/Deb)

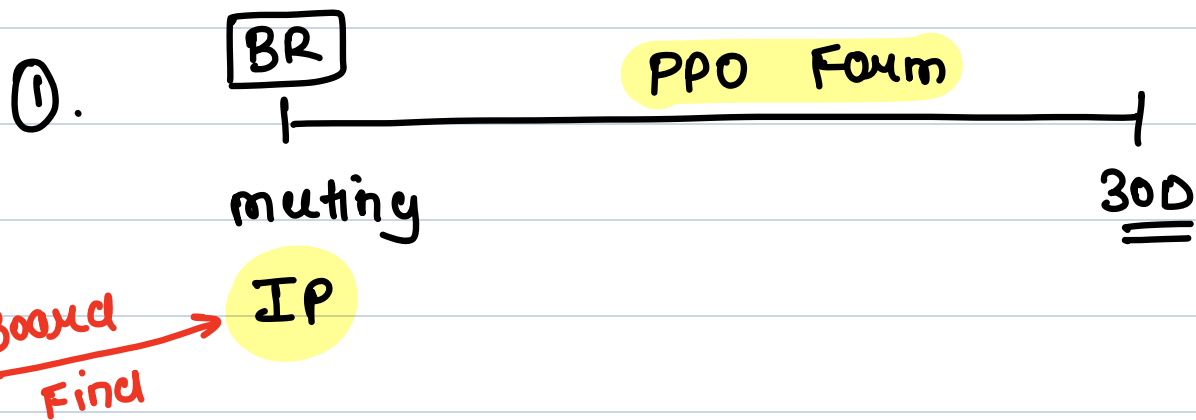
Exclude

- ① NBFC
- ② HFC

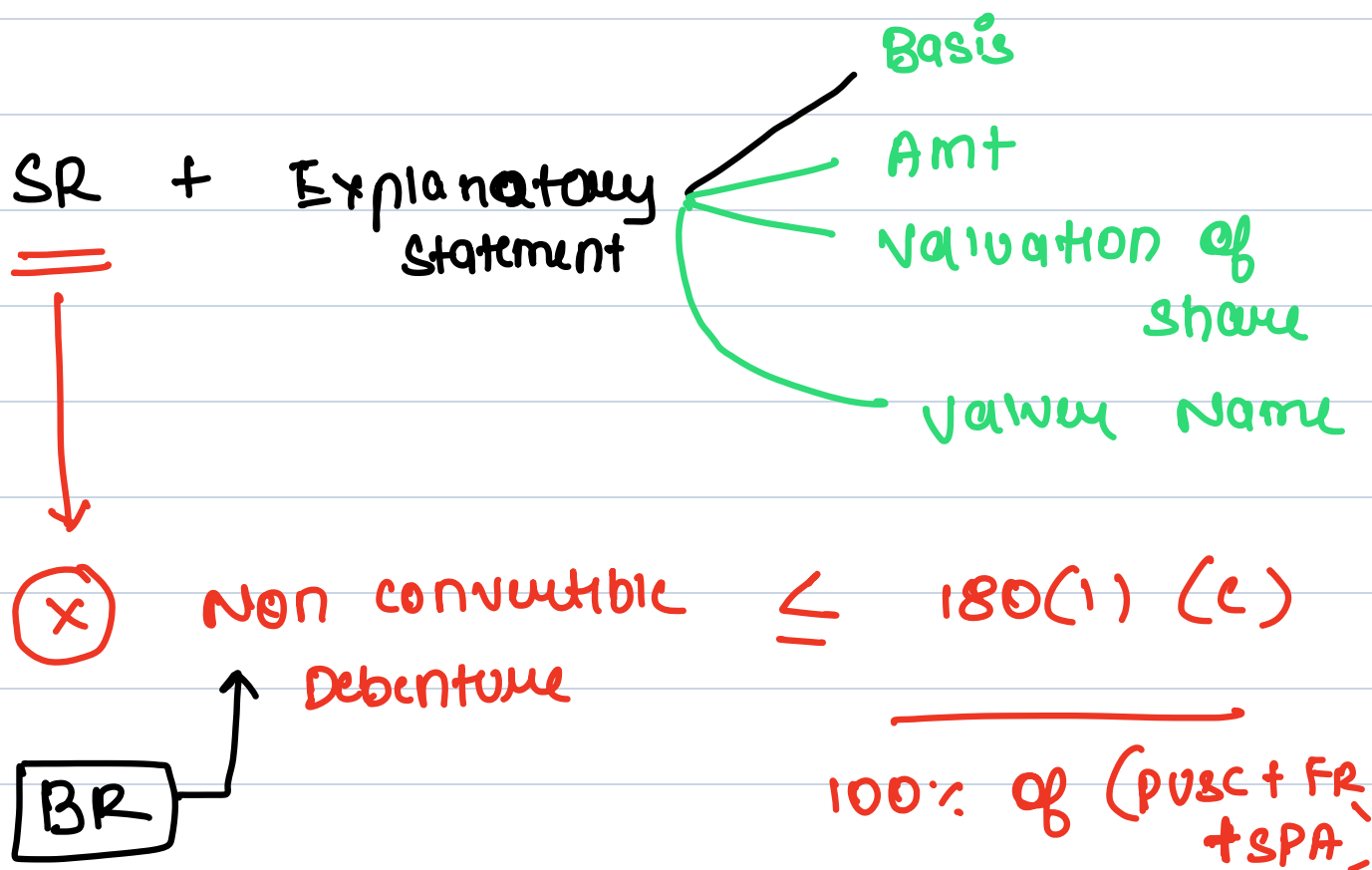
Do not
Exclude

- ① GIB
- ② Employee

↳ [GIB + Employees - will be counted in 200 limit]



② Before Issuing Form

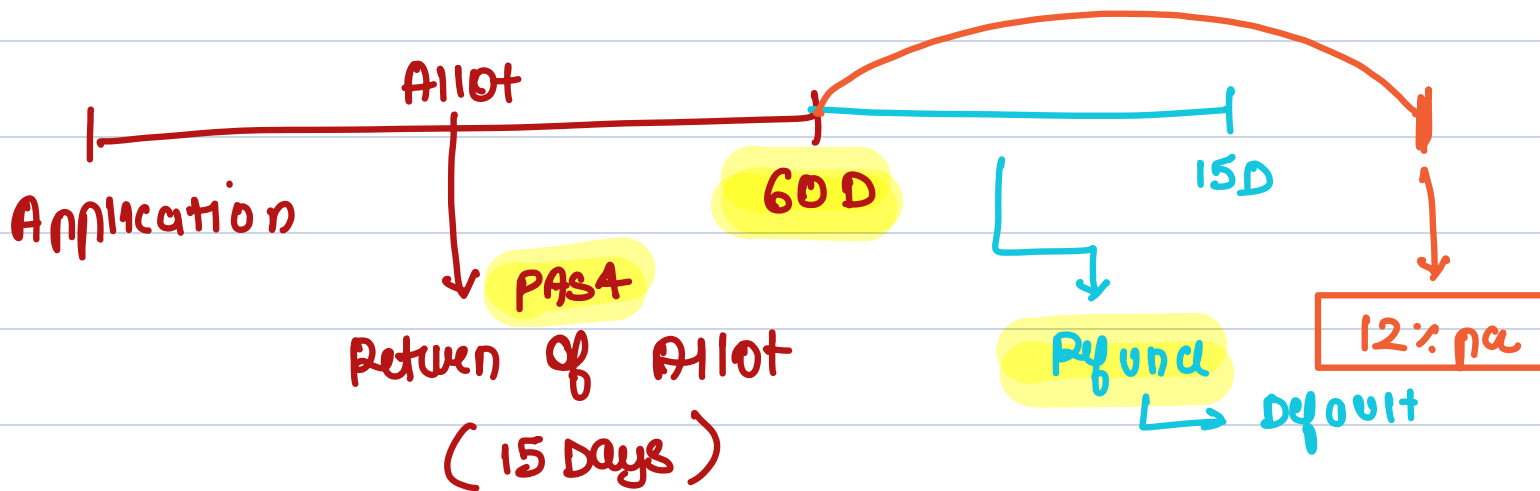
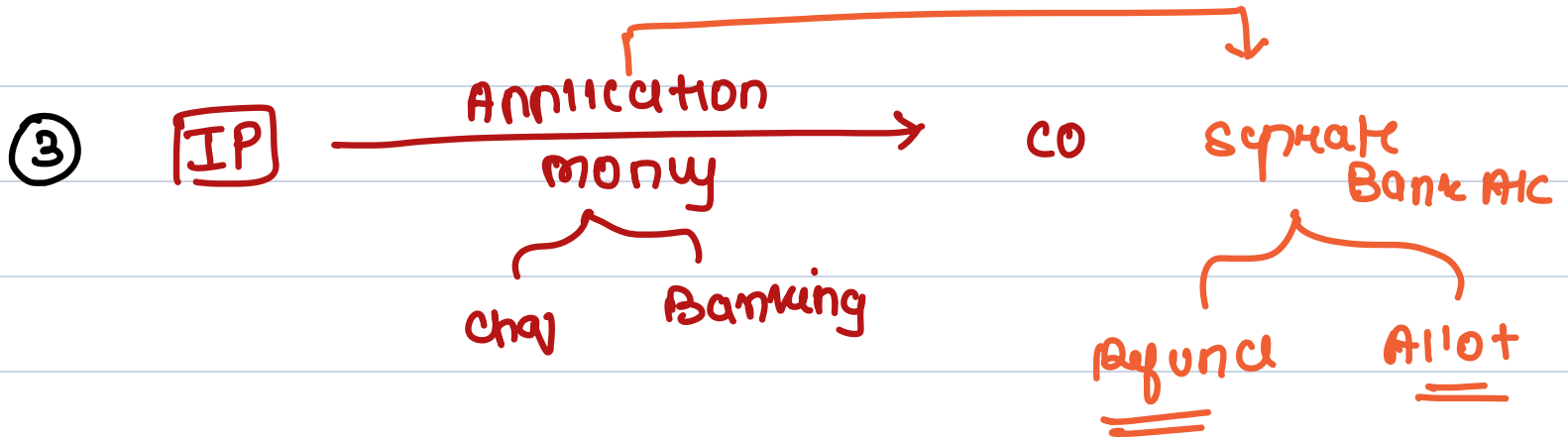


NCD $> 180(1) (c)$
(one SR / year)

GIB

-

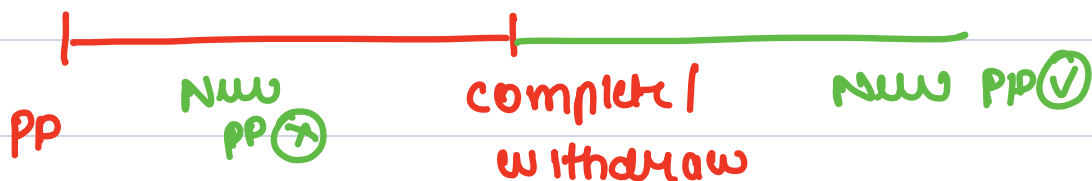
ONE SR



IPAS-5: RECORDS OF PRIVATE PLACEMENT

Extra Points

- ① NO PUBLIC INVOLVE
- ② NO FRESH OFFER



③

PP

200
IP



Demanded Public
Offer

→ part I

Penalty

Return of Allotment
Fail

contravention
of
Sec 42

1000 / Day - 25 L

PID

Amt. Raise
on
2M

CO

Refund
+ Int 12%
[30 days]