

Dear Students,

To help you with a good grip in Law, as promised we have develop a sheet with easy explanation of Key words from all the Chapters!

Let me Know!

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Chapter 1: Indian Regulatory Framework

Term / Concept / Maxim	One-Line Explanation
Constitution of India	Supreme law laying the foundation for all legal authority in India.
Preamble	Introduction stating the ideals and objectives of the Constitution.
Fundamental Rights	Basic freedoms guaranteed to all citizens.
Directive Principles	Guidelines for the state to establish social and economic democracy.
Separation of Powers	Division among Legislature, Executive, and Judiciary.
Rule of Law	Law applies equally to all, including the government.
Legislative Authority	Power to make laws—Parliament and State Legislatures.
Judiciary	Courts that interpret and apply the law.
Executive	Branch that enforces laws.
Central Government	National authority that governs the country.

Term / Concept / Maxim	One-Line Explanation
State Government	Government of an individual state in India.
Delegated Legislation	Laws made by an authority under powers from the legislature.
Lok Sabha	Lower House of Parliament elected by citizens.
Rajya Sabha	Upper House representing states and UTs.
Union List	Subjects only Parliament can legislate on.
State List	Subjects for State Legislature's legislation.
Concurrent List	Both Parliament and states can legislate.
Regulatory Bodies	Institutions created to regulate specific sectors.
SEBI	Regulates securities market and protects investors.
RBI	Controls monetary policy and banking.
IRDAI	Regulates insurance industry.
MCA	Supervises corporate affairs.
NCLT	Tribunal for company law and insolvency issues.
Doctrine of Ultra Vires	Acts beyond powers granted are void.
Audi Alteram Partem	"Hear the other side"—ensures fair hearing.
Mens Rea	Guilty mind; necessary for proving criminal liability.
Legal Validity	Recognition of lawfulness under statutory framework.

Term / Concept / Maxim	One-Line Explanation
Ordinance	Temporary law by President or Governor.
Ombudsman	Official for investigating complaints against administration.
Subordinate Legislation	Rules made by authorities under primary laws.

Chapter 2: Indian Contract Act, 1872

Term / Concept / Maxim	One-Line Explanation
Consensus ad Idem	Mutual agreement on the same thing in the same sense.
Void ab initio	Invalid from the beginning.
Caveat Emptor	Let the buyer beware.
Restitution	Returning benefits under a void contract.
Executed Contract	Fully performed contract.
Executory Contract	Yet-to-be-performed contract.
Consideration	Something of value exchanged.
Privity of Contract	Only parties can sue or be sued.
Revocation	Withdrawal of offer/acceptance.
Time is the essence	Time-bound performance is crucial.

Term / Concept / Maxim	One-Line Explanation
Reciprocal Promise	Mutual promises forming part of the contract.
Quantum Meruit	Reasonable payment for services rendered.
Frustration	Contract becomes impossible to perform.
Novation	Replacing old contract with a new one.
Accord & Satisfaction	Discharge by new agreement and performance.
Specific Performance	Court-ordered fulfillment of contract.
Injunction	Court order to prevent certain acts.
Promissory Estoppel	Cannot go back on a relied-upon promise.
Coercion	Forcing consent through unlawful threat.
Undue Influence	Dominating another's will unfairly.
Misrepresentation	Innocent false statement causing contract.
Fraud	Intentional deception in a contract.
Illegal Agreement	Forbidden and void agreement.
Wagering Agreement	Based on uncertain events; void.
Capacity to Contract	Legal ability to enter a contract.
Locus Standi	Right to bring a legal action.
Offer	Proposal to create legal relations.
Acceptance	Assent to an offer.

Term / Concept / Maxim	One-Line Explanation
Free Consent	Consent without force, fraud, or error.
Legal Object	Contract's purpose must be lawful.

Chapter 3: The Sale of Goods Act, 1930

Term / Concept / Maxim	One-Line Explanation
Sale	Transfer of ownership for a price.
Agreement to Sell	Transfer of ownership in future or on condition.
Property in Goods	Legal title over goods.
Specific Goods	Identified goods at contract formation.
Unascertained Goods	Not identified at time of contract.
Future Goods	Yet to be produced goods.
Contingent Goods	Existence depends on an uncertain event.
Price	Monetary consideration for sale.

Term / Concept / Maxim	One-Line Explanation
Condition	Essential term of the contract.
Warranty	Collateral term not affecting the root.
Implied Condition	Assumed important contract term.
Implied Warranty	Assumed assurance of quality or title.
Caveat Emptor	Buyer must check goods.
Caveat Venditor	Seller's responsibility to disclose defects.
Risk passes with Property	Risk follows ownership unless agreed otherwise.
FOB	Seller's responsibility ends at shipment.
CIF	Seller pays for cost, insurance, freight.
Ex-Works	Buyer bears all transport costs.
Transfer of Title	Legal change in ownership.
Sale by Non-owner	Valid only under exceptions.
Auction Sale	Public bidding sale.
Right of Lien	Right to retain goods till paid.
Right of Stoppage	Stop goods in transit if buyer insolvent.
Right of Resale	Seller can resell in certain cases.
Delivery of Goods	Voluntary transfer of possession.
Nemo dat quod non habet	Cannot give what one doesn't own.

Term / Concept / Maxim	One-Line Explanation
Ascertainment	Process of identifying specific goods.
Earnest Money	Advance paid to confirm sale.
Passing of Property	Ownership transfer from seller to buyer.
Trade Usage	Established practice in trade.

Chapter 4: Indian Partnership Act, 1932

Term / Concept / Maxim	One-Line Explanation
Partnership	Agreement to share profits from business.
Mutual Agency	Every partner is agent and principal.
Firm	Collective name for partnership.
Firm Name	Official name of the partnership.
True Test of Partnership	Existence of mutual agency.
Partnership Deed	Written agreement defining partnership terms.

Term / Concept / Maxim	One-Line Explanation
Express Partnership	Formed by clear agreement.
Implied Partnership	Inferred from conduct or transactions.
Partner by Estoppel	One who acts or allows to appear as partner.
Minor as Partner	Can enjoy benefits, not liabilities.
Dissolution of Firm	Ending all business and relations.
Dissolution of Partnership	Change in partner relation without ending business.
Registration of Firm	Optional but offers legal benefits.
Holding Out	Liability by representation.
Joint and Several Liability	Individual and collective liability.
Goodwill	Reputation value of firm.
Sub-Partnership	Sharing profits with outsider.
Sleeping Partner	Does not take active role.
Active Partner	Participates in daily business.
Limited Partnership	At least one partner has limited liability.
Notice of Retirement	Required to free retiring partner from liability.
Partnership at Will	No fixed term; can be dissolved anytime.
Fiduciary Duty	Duty of trust and honesty.
Outgoing Partner	Partner who leaves the firm.

Term / Concept / Maxim	One-Line Explanation
Reconstitution	Change in structure without dissolution.
Liabilities of Incoming Partner	Liable from date of joining.
Implied Authority	Power to bind firm within usual course.
Profit Sharing Ratio	Agreed distribution of profits/losses.
Registration Certificate	Document proving firm's legal status.
Restraint of Trade	Agreement restricting lawful trade is void.

Chapter 5: Limited Liability Partnership Act, 2008

Term / Concept / Maxim	One-Line Explanation
LLP	Body corporate combining partnership and company features.
Body Corporate	Legally recognized separate entity.
Separate Legal Entity	LLP exists independently from partners.

Term / Concept / Maxim	One-Line Explanation
Perpetual Succession	Continues despite changes in partners.
LLP Agreement	Governs partner rights and duties.
Designated Partner	Responsible for compliance and filings.
DPIN	Identification number for designated partner.
Contribution	Investment made by partners.
Partner's Liability	Limited to agreed contribution.
Mutual Rights	Governed by LLP Act and agreement.
Incorporation Document	Filed to form an LLP.
Incorporation Certificate	Proof of LLP's registration.
Registrar of LLP	Authority overseeing LLP compliance.
Annual Return	Yearly filing of LLP details.
Statement of Account	Financial report filed annually.
Whistle Blower	Discloses internal fraud or misconduct.
Fraudulent Conduct	Intentional deception in LLP affairs.
Investigation	Government probe into LLP matters.
Conversion to LLP	Firm or company becoming LLP.
Strike Off	Registrar removes inactive LLP.
Winding Up	Formal closure of LLP.

Term / Concept / Maxim	One-Line Explanation
Compromise/Arrangement	Restructuring deal with creditors or partners.
Partner Admission	Process of adding new partners.
Partner Cessation	Resignation or removal of a partner.
Filing Authority	MCA—Ministry of Corporate Affairs.
Audit Requirement	Depends on contribution and turnover.
Foreign LLP	LLP formed outside India.
LLP Name Guidelines	Naming norms by MCA.
Professional LLP	LLP formed by professionals like CA, CS.
Tribunal Powers	Powers to wind up LLP.

Chapter 6: Companies Act, 2013

Term / Concept / Maxim	One-Line Explanation
Company	Artificial legal person created by law.

Term / Concept / Maxim	One-Line Explanation
Separate Legal Entity	Company exists independently.
Limited Liability	Liability limited to unpaid share capital.
Perpetual Succession	Company continues despite member changes.
MOA	Defines company's objectives.
AOA	Internal management rules.
Certificate of Incorporation	Legal proof of company formation.
Private Company	Restricts share transfer and has limited members.
Public Company	Offers shares to public; no limit on members.
One Person Company	Company with a single member.
Director	Individual managing company affairs.
Shareholder	Owner of company through shares.
Prospectus	Invitation to public for subscription.
Annual Return	Filed yearly with ROC.
DIN	Unique ID for directors.
Company Secretary	Ensures compliance and governance.
Auditor	Verifies financial records.
Corporate Veil	Legal shield between company and members.
Lifting Corporate Veil	Disregarding separate identity in fraud cases.

Term / Concept / Maxim	One-Line Explanation
Indoor Management	Outsiders assume proper internal procedure.
Constructive Notice	Public presumed to know MOA/AOA.
Ultra Vires Acts	Beyond company's legal capacity.
Winding Up	Process of dissolving company.
KMP	Key Managerial Personnel.
AGM	Annual General Meeting of shareholders.
Share Capital	Fund raised through share issue.
Debentures	Debt instrument issued by company.
ROC	Registrar of Companies.
Resolutions	Formal decisions made by company.
Corporate Governance	Ethical management of business.

Term / Concept / Maxim	One-Line Explanation
Negotiable Instrument	Document guaranteeing payment.
Promissory Note	Promise to pay a sum.
Bill of Exchange	Order to pay money.
Cheque	Bill of exchange on a bank.
Drawer	Person who creates the instrument.
Drawee	Person ordered to pay.
Payee	Recipient of the payment.
Holder	Possessor entitled to receive payment.
Holder in Due Course	Holder who got the instrument in good faith.
Endorsement	Signature to transfer ownership.
Blank Endorsement	No named endorsee.
Full Endorsement	Specifies payee.
Restrictive Endorsement	Restricts further transfer.
Negotiation	Transfer of instrument.
Maturity	Date payment is due.
Days of Grace	Extra 3 days post due date.
Dishonour	Refusal to accept/pay.
Noting	Notary record of dishonour.

Term / Concept / Maxim	One-Line Explanation
Protest	Official certificate of dishonour.
Inland Instrument	Made and payable in India.
Foreign Instrument	Drawn/payable outside India.
Ambiguous Instrument	Can be note or bill.
Inchoate Instrument	Incomplete but signed instrument.
Presumptions	Legal assumptions unless proved otherwise.
Forgery	Unauthorized alteration or signature.
Material Alteration	Change affecting the legal effect.
Bearer Instrument	Payable to whoever holds it.
Order Instrument	Payable to specified person or order.
Stale Cheque	Cheque older than 3 months.
“Nemo dat quod non habet”	No one can transfer a better title.