

Introduction to Companies

Nature of Companies

Q1 Structure of Co. Act, 2013

29 chapters + 433 sections + 7 Schedules + 96 Definitions + Skeleton Approach

Q2 Authorities under Co. Act, 2013

MCA + TRDs + ROC (Every State) + 11 NCLT + Principal Bench (Delhi)

Q3 Company & its characteristics

Sec 2(20) - Company incorporated under Co. Act, 2013
or
Any Other Previous Co. Law

Characteristics

① Separate Legal Entity - Salomon v/s Salomon & Co. Ltd. (1897)
- Lee v/s Lee's Air Farming Co. Ltd. (1960).
- Re Kumbhari Tea Co. Ltd. (1866).
- Abdul Haq v/s Das Mal

② One Man Co. - OMC is different from OPC.

③ Experience of Shareholder as an experience of Co.
New Horizons Ltd. v/s UOI (1994)

④ Limited Liability = Ltd. by Guarantee [Sec 2(21)] + Ltd. by Shares [Sec 2(22)].

⑤ Perpetual Succession = Members may come & go but company continues forever.

⑥ Separate Property = Macaura v/s Northern Assurance Co. Ltd. (1925)

⑦ Transferability of Shares = Sec 44 (Movable Property)

⑧ Common Seal = Inkless + Mandatory, if any + Use SC
POA
Deeds & Contracts

⑨ Contractual Obligations

⑫ Separate Management

⑩ Capacity of being sued & sue

⑬ Voluntary Assocⁿ for Profit

⑪ Limitation of Action

⑭ Termination of Existence

Q4 Legal Status of Company

Person = Artificial Person

National = Home Country where incorporated first.

Residence = Determination of Tax Liability

Citizen = STC v/s CTO (1963)

Q5 Body Corporate or Corporation or Corporation Aggregate

Includes = All Companies incorporated in India or Outside India.

Excludes = Society (BOT v/s SODelhi) + Co-op Society (Defⁿ)

4 Condⁿ = Regd under any act + SLE + PS + Capable of sued & sue.

Madrass Central Urban Bank Ltd
v/s
Corporation of Madras (1932)] ⇒ Every Co. is a BC
but
Every BC isn't a Company.

Q6 Lifting or Piercing of Corporate Veil

Statutory Proⁿ = Sec 3A + Sec 7 + Sec 35 + Sec 75 + Sec 224 + Sec 339.

Judicial = ① Improper Conduct [Wilford Motors v/s Horne (1933)]
Pronouncements [Jones v/s Lipman (1962)]

② In the interest of revenue [CIT v/s Meeraxi Mills, Madurai (1966)]
[Re-Six Dinshaw Maneckjee Petiz]

③ For Determining Residential Character [Daimler Co. Ltd. v/s Continental
Tyre & Rubber Co. (1916)]
(Alien Enemy)

④ Avoidance of Welfare Legislation

[The Workmen Employed in Associated Rubber Industries Ltd.
v/s
Associated Rubber Industries Ltd.] (1985)

AMIT VOHRA LAW CLASSES