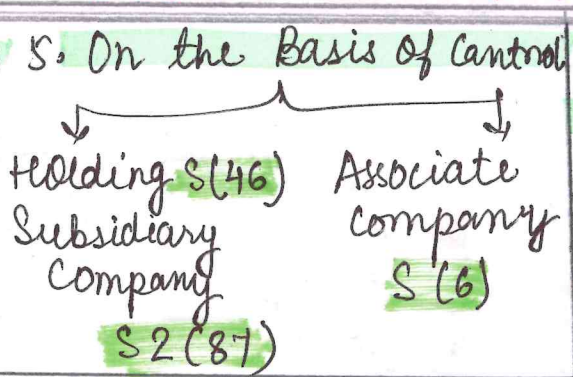


# THE COMPANIES ACT, 2013

**DEFINITION - S-2(20)**  
 "Company means a company incorporated under this Act or under any previous company law".

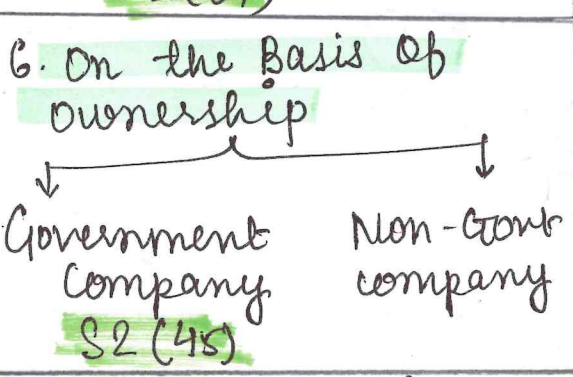


**SECTION - 9**  
 EFFECT OF REGISTRATION (CLAPS)

**ARTICLES OF ASSOCIATION - SECTION - 5**

**APPLICABILITY -**

- All companies
- Insurance Companies
- Banking Companies
- Electricity Companies
- Governed by Special Act
- On notification by Central Govt on its behalf.



**SECTION - 10**  
 EFFECT OF MEMORANDUM & ARTICLES  
 (Binding of the company & its members.)

Definition (same as MOA)  
 \* Internal rules & regulations  
**PROVISION FOR ENTRENCHMENT**

**FEATURES - [CLAPS]**

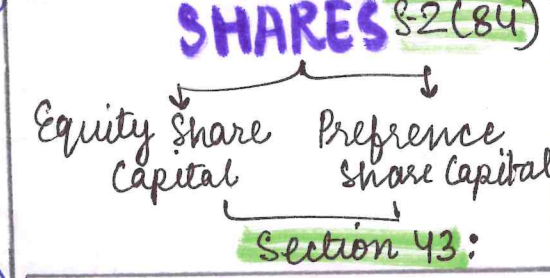
- Common Seal
- Limited Liability
- Artificial legal Person
- Perpetual Succession
- Separate legal Entity.

7. Other Companies
- Small company - S2(85)
  - Foreign Company - S2(42)
  - Dormant company - S2(55)
  - Non-Profit Company - S-8
  - Nidhi Company - S-406(C)
  - Public Financial Institutions - S2(72)

**CLASSIFICATION OF CAPITAL -**

- (a) Authorised Capital - S-2(8)
- (b) Issued Capital - S-2(50)
- (c) Subscribed Capital - S2(86)
- (d) Called-up Capital - S2(15)
- (e) Paid-up Capital

- ADA may contain provision for entrenchment.
- In this case specified provision may be altered if procedures which are more restrictive than special resolution are complied



\* Formality

- At the time of incorporation
- Amendment in Articles

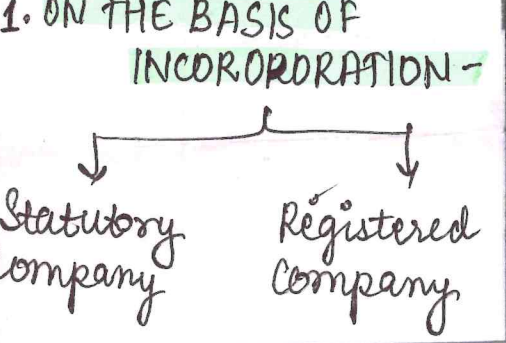
Public Co. by Special Resolution  
 Private Co. by consent of all members

**CLASSIFICATION -**

**INCORPORATION SECTION - 7**

**MEMORANDUM OF ASSOCIATION - SECTION - 4**

\* Model ADA  
 • Company may adopt all or any regulation of Model ADA.  
 • If registered ADA is silent, provisions of model ADA shall apply.

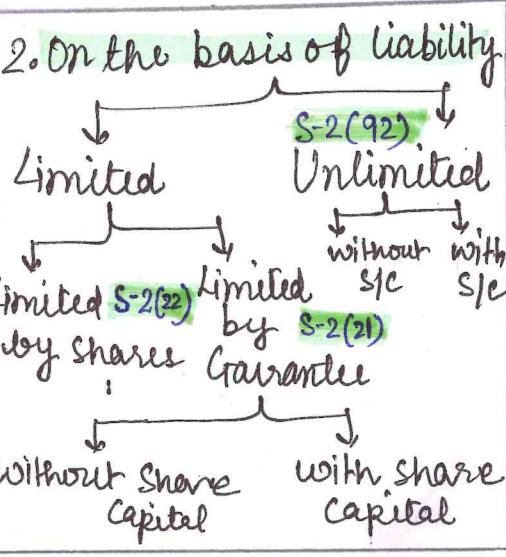


Filing of certain documents -

- Copy of MOA/ADA duly signed by subscribers
- Declaration - Req. of Act related to incorporation has been duly complied

Definition - S2(56)  
 MOA means memorandum as originally framed or as altered from time to time either under this law or under any previous company law

**CORPORATE VEIL**  
 → It is a legal concept where company is identified separately from the members

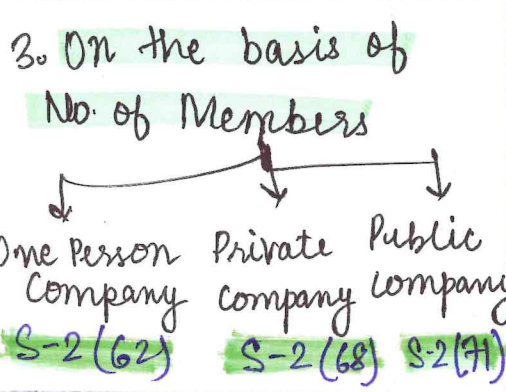


- Person named in the ADA as ~~First~~ Director/Manager/Sec.
- Person engaged in the formation of the company (i.e. lawyer, CA)
  - Declaration - Not convicted of any offence, fraud, breach etc
- Subscribers to the MOA
  - Person named in the ADA as First Director.
- Address for correspondence
  - Particulars of subscribers of Memorandum
  - Particulars of Person named in ADA as First Director + DIN (Director Identification No.)
  - Particulars of interest of FID. and consent to act as Director

- \* CLAUSES -
- Name Clause
  - Registered Office Clause
  - Object Clause
  - Liability Clause
  - Capital Clause
  - Subscription Clause

\* LIFTING OF CORPORATE VEIL -

- To determine enemy character
- To Protect Revenue (Tax)
- To avoid legal obligation
- Formation of subsidiaries to act as agents
- Co. formed for fraud.



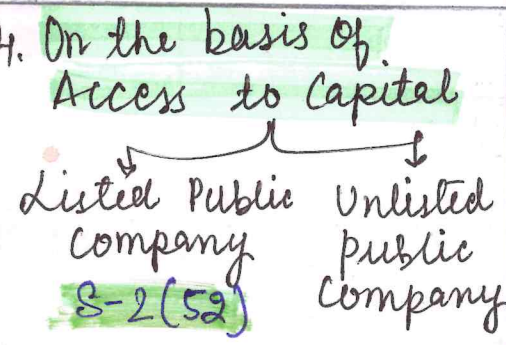
Then, ROC will register such company & issue COI, and allot CIN - (Corporate Identification Number).

\* Company should maintain & preserve all documents at registered office till dissolution.

\* Importance -  
 Charter of the company Co. cannot depart from its MOA  
 If beyond MOA - it ULTRAVIRES THE MOA AS VOID  
 MOA IS A PUBLIC DOC. S-399

**DOCTRINES -**

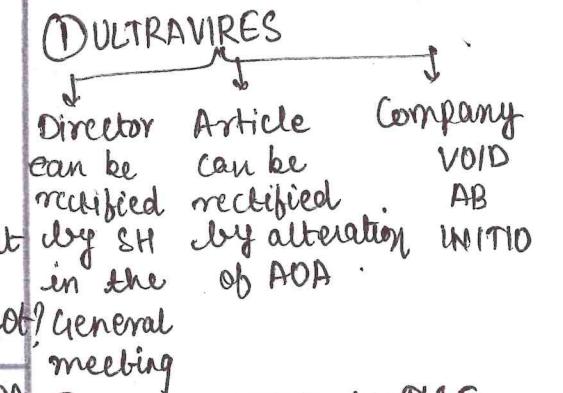
- Doctrine of Ultravires
- Doctrine of consecutive notice
- Doctrine of Indoor Management



**SECTION - 3 FORMATION OF CO.**

- Public Co. → 7 or more person
- Private Co. → 2 or more person
- One Person Co. → One Person

\* PURPOSE  
 Shareholder - Purpose for which his money will be used and the amt of risk he is taking.  
 Outsiders - To know that dealing is within the powers of the co. or not?



COMPANY	Model	Table	MOA	ADA
1) Co. Limited by Shares	A	F		
2) Guarantee w/o s/c	B	H		
3) Guarantee with s/c	C	G		
4) Unlimited w/o s/c	D	J		
5) Unlimited with s/c	E	I		

② CONSTRUCTIVE NOTICE (Presumed to have knowledge)

③ INDOOR MANAGEMENT (FRANK TURQUAND'S RULE)