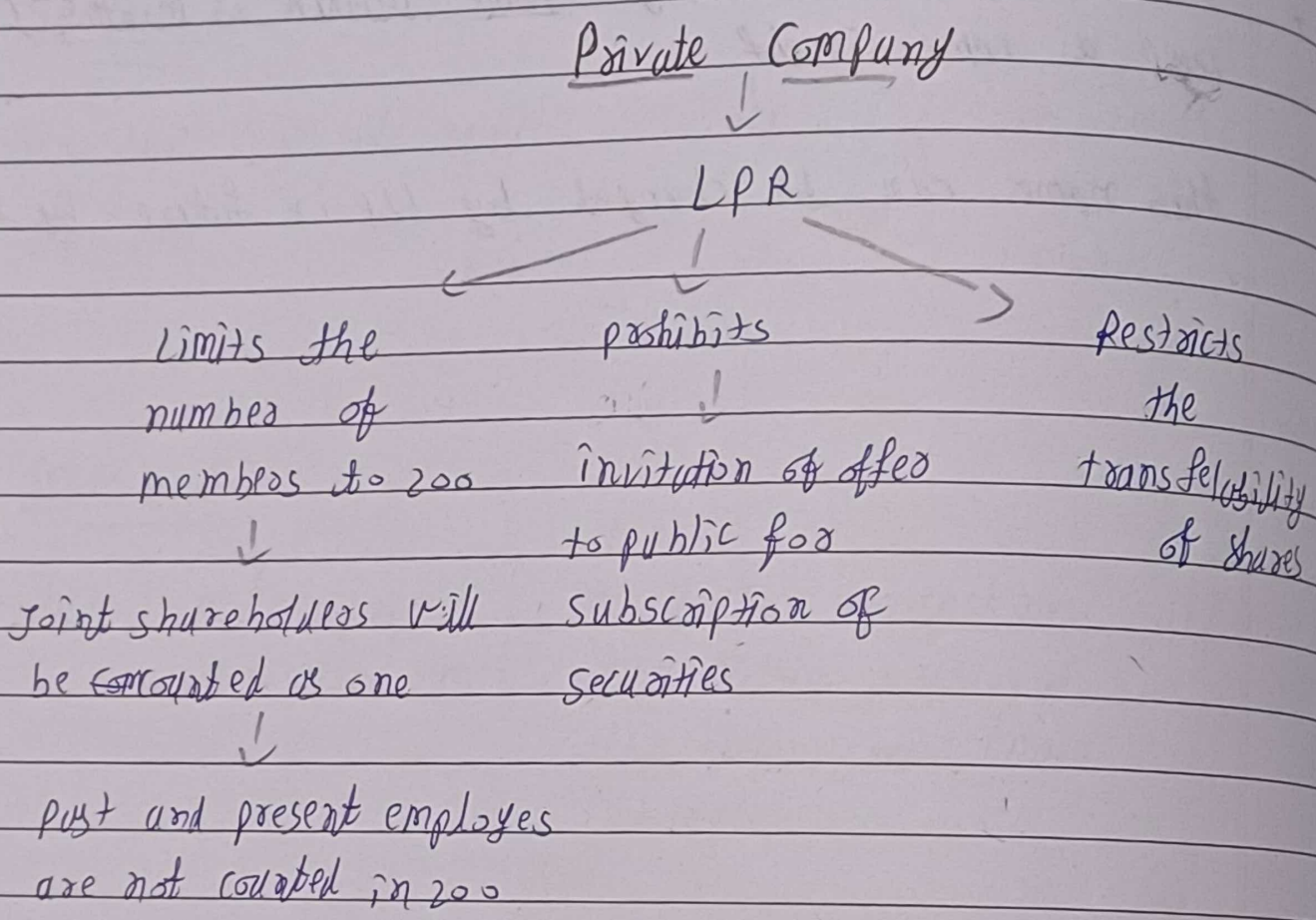
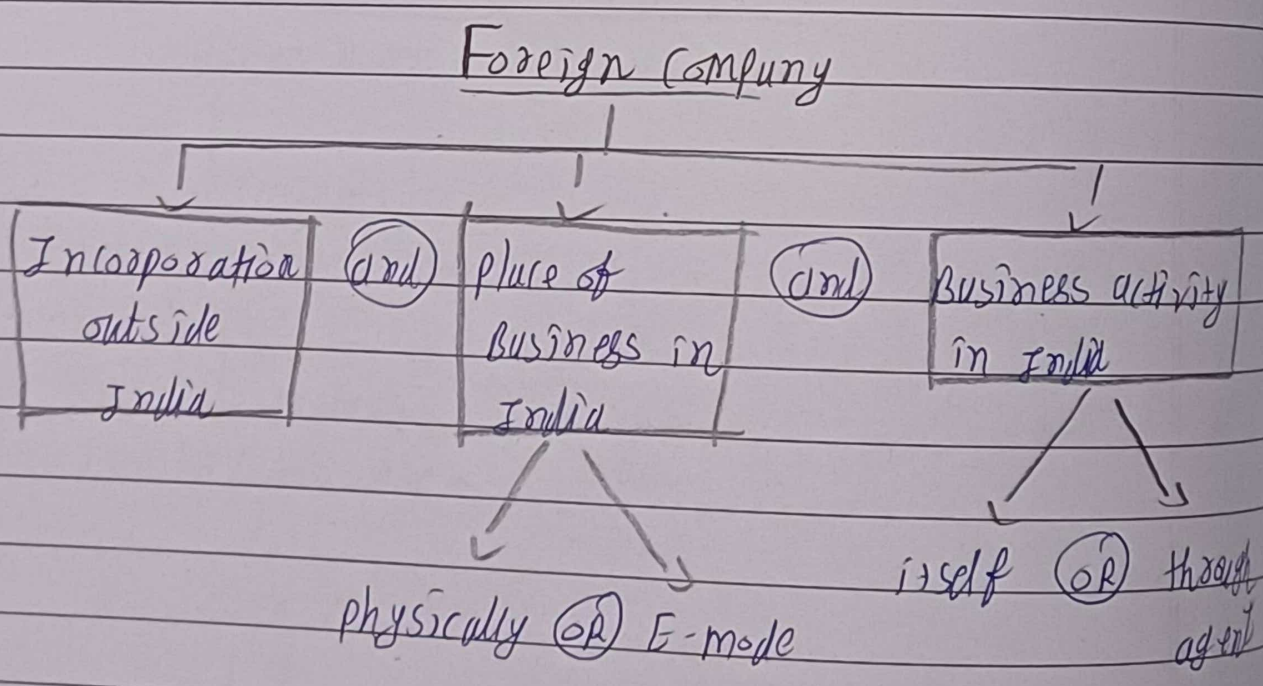


# Chapter 6 The Companies Act, 2013

\*

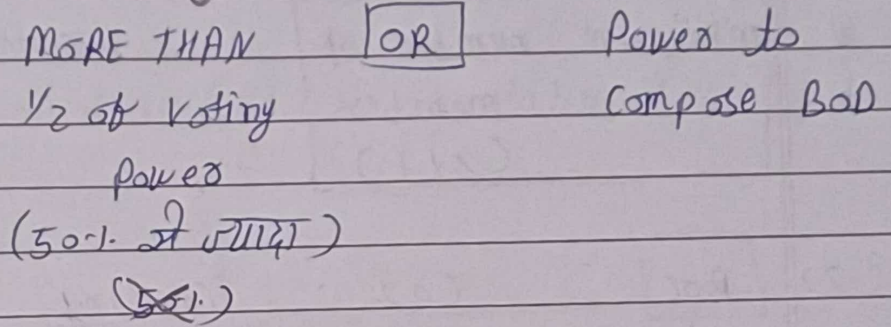


\*



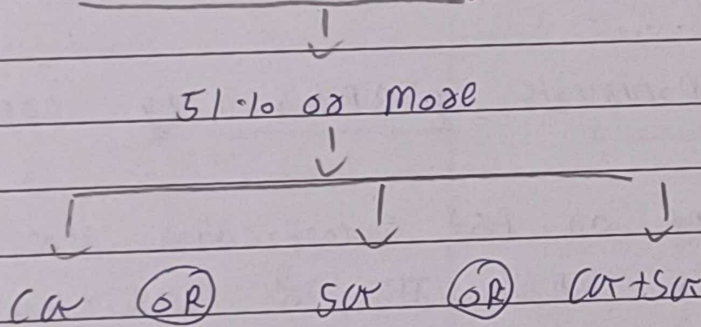
\*

## Holding - Subsidiary Relationship



\*

## Government company



-> Subsidiary of Govt. co. will always be deemed to be a Govt. Company.

\*

## Associate company

20% or more voting power

significant influence

\* Section - 7 Incorporation of Company

① minimum number of members (2/7) Documents → ROC

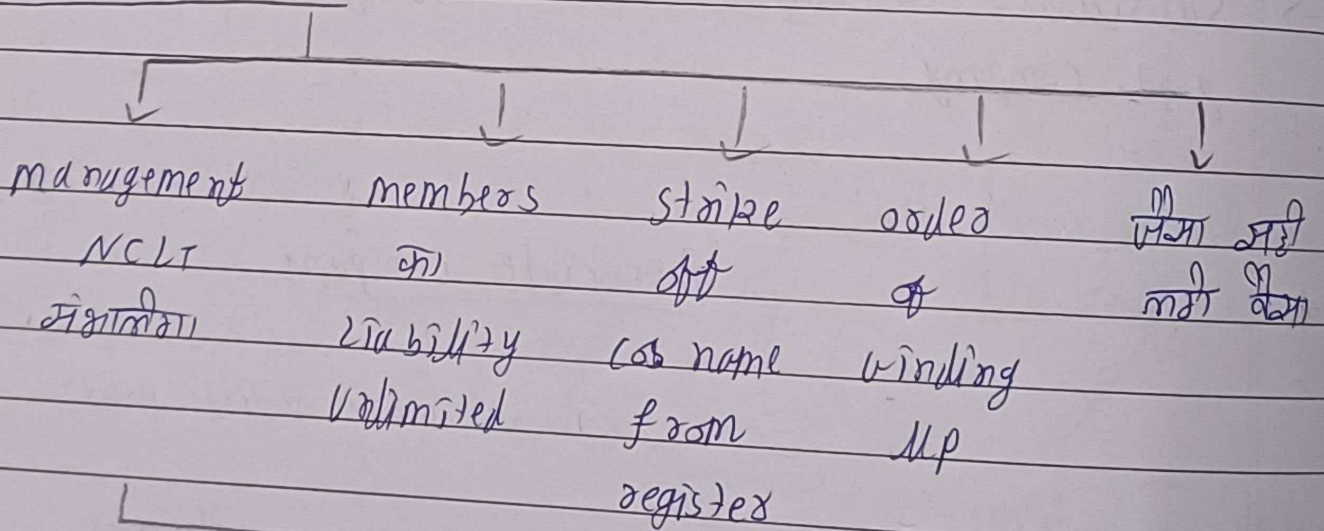
(2) ROC CoI → Company

(3) ROC CIN → Company

(4) 1<sup>st</sup> point of Documents PERMANENTLY preserve करी

(5) and (6) during or post incorporation, documents of जिसके अन्तर्गत गणना, ती Section 447 लगी है

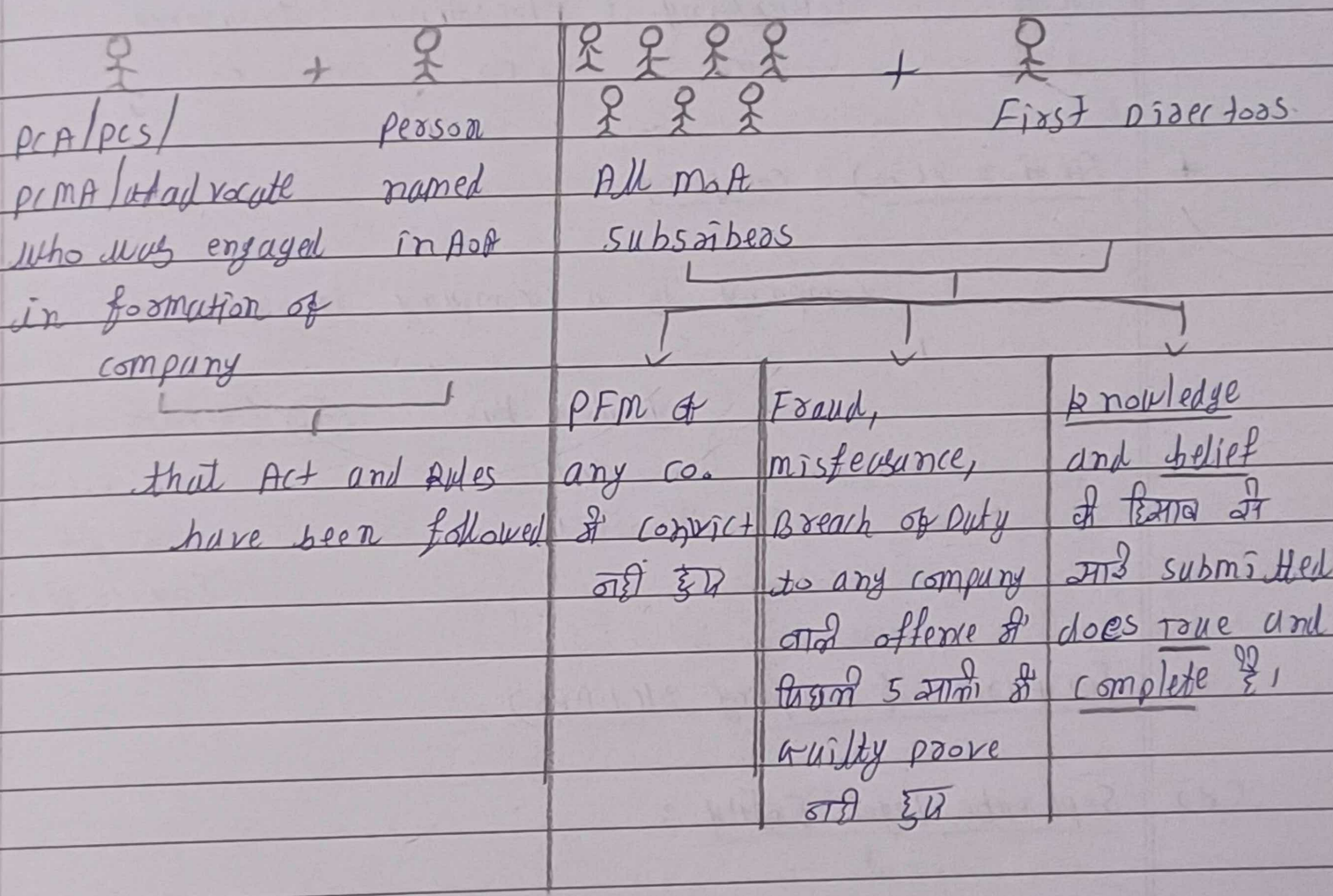
(7) order of NCLT



इसमें उसी OBH आयादी आयेगी, यदि order pass करे

\* Document of Section 7

- (1) MoA and AoA
- (2) Address of correspondence [till Ro is established]
- (3) Declarations by



(4) MoA subscribers + First directors + person named in Articles  
 ↓  
 की particulars [E.g. Name, Residential address, nationality]

\* Companies Act, 2013

↓  
applicable to all the companies in India

↓  
except special Act co.

Banking  
co.

Electricity  
co.

Insurance  
co.

\* Section 2(20) : company

↓  
company is a company incorporated.

Under this  
act  
(Co. Act 2013)

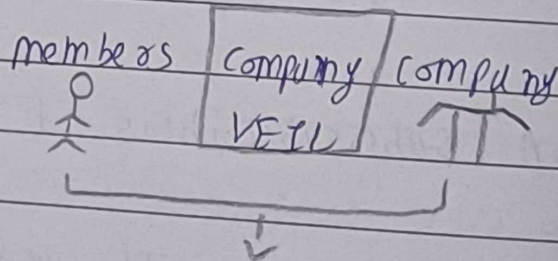
OR

Under any  
~~prev~~ previous  
corporate laws  
[eg. Co. Act 1956]

\* Features of company : (CLAPS)

(a) Separate Legal Entity :

↓  
Company can own  
property, borrow  
loans, enter into  
contracts, incur  
obligations



↓  
company's existence is  
SEPARATE from that of  
its members

(b) Liability / Legal person

(c) Artificial person's company is a person in the eyes of law, but not born naturally

natural ✓ artificial x  
sent to jail,  
take an oath  
marry, divorce,  
practice a learned  
profession.

natural ✓ artificial  
sue & get sued, own  
property, board, loan,  
enter into contracts

(d) Perpetual succession.



- A company is unaffected by the death, insanity or insolvency of members.
- members may come and go, but the company will continue to exist

(e) Common Seal



not mandatory (optional)



If no common seal then documents signed by



+



CS

Directors



If no CS, then directors

\* Liability of company

LIMITED

UNLIMITED

Limited by  
~~share~~  
SHARES

Limited by  
GUARANTEE

Liability of members  
is LIMITED to the  
amount of liability  
which is in excess  
of assets.

↓  
Liability of  
members is  
limited to  
the amount  
remaining  
unpaid on the  
issue value of  
shares

↓  
Liability of members is  
LIMITED to the amount of  
guarantee taken by them.

↓  
The guarantee amt. is paid  
by members only ~~at~~ duty  
during winding up

↓  
Such companies operate  
through donations,  
subsidiaries, loan, debentures etc.

\* Corporate veil Theory

(v/s)

LIFTING of corporate veil

↓  
separate legal entity concept

↓  
Landmark case:

Salomon v/s Saloman & Co. Ltd.

↓  
Saloman खुद की बनी company का member था और creditor था

↓  
liquidation of co. के time में creditor को पैसा ले सकना है नाक because co. अपना and members अपना।

↓  
EXCEPTIONS to the concept of separate legal Entity

↓  
5 points

(a) To check whether friend/foe

(b) Tax evasion (Dunshaw Manekjee)

(c) avoid legal obligation (Workmen Association)

(d) obtaining license as agent (British transport Commission)

(e) Fraud etc. के लिए co. बना

\* PUBLIC company

↓  
company which is not private

↓  
subsidiary of public co. always deemed to be a public company irrespective of the fact that whether it was registered as a public co./private co.



\* LISTED company



Company whose securities are listed on any recognised stock exchange.

\* UNLISTED company



Company which is not listed.