INCORPORATION OF COMPANY AND MATTERS INCIDENTAL THERE TO

Section 2(69) - Promoter - Promoter means a person
(a) who has been named as promoter in a prospectus or
(b) who is identified as promoter by the Co in the annual return or
(c) who has control over the affairs of the Co directly or indirectly whether as a shareholder, director or otherwise or
(d) in accordance with whose advice, directions or instructions the Board of Directors of the Co is accustomed to act
but shall not include a person who is acting merely in the professional capacity such as attorney, technical or functional experts.

Section 3 :- Formation of Co.

1. A Co may be formed for any lawful purpose by
minimum 7 persons in case of a Public Co.
minimum 2 persons in case of a Private Co.
1 person in case of OPC
by subscribing to MOA & complying with requirements of this Act

2. Co. formed as specified above may be incorporated either as
(a) Companies limited by shares or
(b) Companies limited by guarantee or
(c) Unlimited liability companies

One person Co. (OPC)

1. Nominee clause ⇒ MOA of Co. to indicate name of other person who becomes member of OPC in case of death / incapacity of subscriber to MOA (current member of OPC)
2. Change of name in nominee clause shall not be deemed as alteration of MOA
3. Nominee to give his prior written consent
4. Nominee may withdraw his consent any time by giving notice to member & OPC

5 Member of OPC may change the name of nominee
by giving notice in prescribed form
Intimating Co about such change
On receipt of such intimation Co to inform ROC.
6 Only Natural person + Indian citizen, whether resident in India or otherwise
Shall be eligible to incorporate OPC
Shall be eligible to become nominee for member of OPC
7 Natural person shall not be member of more than 1OPC at any point of time & the said person shall not be nominee of more than 1 OPC
8 Where a natural person become member in 2OPC due to nominee in OPC, such person shall meet eligibility criteria within 180 days
9. No minor shall become member or nominee of OPC
10 No minor can hold share with beneficial interest
11. OPC cannot be incorporated or converted into sec 8 Co.
12. OPC can be converted to Private/Public Co.
13. OPC cannot carry out Non-Banking financial investment activities
14 OPC cannot invest in securities of any body corporate.

Section 3(A) - Members Severally Liable in Certain Cases
If at any time the no of members is reduced below prescribed limit (i.e 7 in case of public Co or 2 in case of private Co.) AND
Co carries on business for more than 6 months while no of members is so reduced then every person (member) who carries on business after those six months is cognizant (aware) of the fact that business is carried with reduced members shall be liable for the payment of the whole debts of the Co contracted during that time (after elapse of six months) and may be severally sued thereafter.

Sn 7 - Incorporation of Co

1 Application in SPICe+ (INC-32) with ROC within whose jurisdiction the Registered office of Co is proposed to be situated along with the following info & documents -

- MOA (INC-33) and AOA (INC-34) duly signed by all subscribers of to MOA
- Declaration (INC-8) that requirement of Act & rules w.r.t incorporation is complied with by
(a) advocate, CA, Cost Accountant, CS in practice engaged in formation of Co.
(b) Person named in AOA as director, manager, Secretary of Co.
- Address for correspondence till Registered office is established
- Interest of first directors in other firms / Body Corporate & consent to act as directors of Co
- Particulars of subscribers to MOA + Proof of identity
(a) Name (including surname or family name) and recent Photograph affixed
(b) Father's / Mother's name
(c) Nationality, Proof of nationality in case the subscriber is a foreign national
d) Date and place of Birth (District and State)
e) Educational qualification and Occupation
f) Permanent residential address and also Present address
g) Permanent Account Number
h) Email Id and Phone number of subscriber
i) Residential proof such as Bank statement, Electricity Bill, Telephone / Mobile Bill, provided that Bank statement Electricity Bill, Telephone or Mobile bill shall not be more than two months old.
j) Proof of identity (for Indian Nationals - Voter's identity card, Passport copy, Driving license copy, Unique identification Number (UIN) & for foreign nationals and Non Resident

Indians - Passport)

(k) If the subscriber is already a director or promoter of a
the particulars relating to name of the Co. Corporate Ident
Number whether interested as a director or promoter

Where the subscriber to the MOA is a body Corp, then
the following particulars shall be filed with the ROC.

(a) The name of the body Corp and Corporate Identity
Number (CIN) of the Co or Registration number of the body
Corp, if any

(b) Global Location Number (GLN), if any

(c) The registered office address or principal place of business

(d) Email Id

(e) If the body Corp is a Co, certified true copy of the board
resolution specifying inter alia the authorization to subscribe to
the MOA

(f) If the body Corp is a LLP or partnership firm, certified
true copy of the resolution agreed to by all the partners
specifying inter alia the authorization to subscribe to the
MOA

(g) In case of foreign bodies Corp, the details relating to the
copy of certificate of incorporation of the foreign body Corp
& the registered office address.

- Particulars of first directors + Proof of identity
  name including surname or family name, the Director
  Identification Number (DIN), residential address, nationality and
  such other particulars
- Declaration (INC-9) from each subscribers to MOA & person
  named as first directors in AOA that

(a) He is not convicted of offences with respect to promotion
formation or management of any Co.

(b) Not found guilty of any fraud / misfeasance or breach of
duty to any Co under this Act or previous Co. law
during last 5 years.

(c) All docs filed with ROC for registration contain correct, complete & true information to best of his knowledge & belief.

2. On basis of above, ROC shall register and issue certificate of incorporation (COI)

3. ROC shall allot CIN which shall be distinct identity for Co & included in COI. CIN is a 21 alpha-numeric digit based unique identification number, comprising data sections / elements that reveals the basis aspects about Co.

4. Co. shall maintain & preserve at its registered office copies of all docs & info as originally filed till its dissolution.

5. If person furnishes any false / incorrect particulars of information suppresses any material information of which he is aware in any docs filed with ROC such person is liable for action u/s 447.

6. If after incorporation it is proved that Co is incorporated by furnishing false / incorrect information or representation or by suppressing any material info or by fraudulent action then promoters, first directors & person making declaration shall be liable for action u/s 447.

7. Where a Co. has been got incorporated by
(a) furnishing false or incorrect information or representation or
(b) by suppressing any material fact or information in any of the documents or declaration filed or made by incorporating such Co or
(c) by any fraudulent action, then on application made to National Company Law Tribunal (NCLT) or Tribunal it may pass order
(i) for regulation of mgt of Co including changes in MOA / AOA
(ii) direct liability of members shall be unlimited
(iii) direct removal of name of Co. from Register of Cos
(iv) for winding up of Co.

(v) as it may deem fit
Prior to passing such order Reasonable opportunity of being heard (OOBH) to Co + take into consideration transactions already entered into by Co.

Section 8 - Formation of Companies with Charitable Objects Etc.

1. Where CG (delegated to ROC) is satisfied that a person / AOP proposed to be register as Limited Co
- has in its objects to promote
  - (i) Education
  - (ii) Commerce
  - (iii) Arts
  - (iv) Science
  - (v) Research
  - (vi) Social
  - (vii) Religion
  - (viii) Charity
  - (ix) Protection of environment
  - (x) Other objects
- Intends to apply profits or other income in promoting its objects
- Prohibits payment of any dividend to its members.

2. Once license is issued then ROC shall register such Co as limited Co without addition of word 'limited' or 'Private Limited' as may the case be.
3. Can a firm become member of Sec 8 Company ⇒ Yes.
4. Sec 8 Co requires prior permission from
   - CG (delegated to RD) for alteration of its MOA
   - CG (delegated to ROC) for alteration of its AOA.
5. By passing SR ~~at~~ at GM Sec 8 Co can be converted to any other kind of Co.
6. Reasons for Revocation of license:-
   - Contravenes of any requirements of sec 8
   - Contravenes any condition subject to which the license is issued
   - affairs of Co are conducted fraudulently or in violation of the objects of the Co or prejudicial to public interest
7. Powers of CG (delegated to RD)
   (a) after giving reasonable OOBH
   - revoke license
   - direct the Co to convert it's status.

- change its name to add word limited or private limited
(b) Where license is revoked CG may, in public interest
- after reasonable OOBH
- Order for winding up under the Act or
- amalgamate such Co with other Sec 8 Co having similar objects.

(c) In case of winding up, any surplus asset left after satisfaction of its debts & liabilities
- transfer to another Sec 8 Co subject to T & C imposed by Tribunal or
- Sold & proceeds of such assets credited to Insolvency & Bankruptcy Fund.

8. Punishment for default

Particulars	Co	Directors & officer in default
Minimum fine	₹ 10 lakh	₹ 25000
Maximum fine	₹ 1 crore	₹ 25 lakhs

9. When it is proved that affairs of Co were conducted fraudulently every officer in default liable for action u/s 447.

Conversion of Sec 8 Co into other kind of Co
Sec 8 Co may convert itself into Co of any kind-
(a) Sec 8 Co shall pass SR at GM for approving such conversion
(b) Explanatory statement to notice must mention the detailed reason of such conversion.
(c) File application in INC-18 with RD along with a certified true copy of the SR and a notice convening meeting including the explanatory statement for approval for conversion.

Also attach the proof of serving of the notice served by registered post or hand delivery, to
- the Chief Commissioner of Income tax having jurisdiction over the Co.

- Income Tax officer who has jurisdiction over the Co
- the charity Commissioner
- The chief Secretary of the State in which the registered office of the Co is situated
- Any organisation or Department of the CG or SG or other authority under whose jurisdiction the Co has been operating
- If any of these authorities wish to make any representation to RD it shall do so within sixty days of the receipt of the notice, after giving an opportunity to the Co.

(d) A copy of the application with annexures shall also be filed with the ROC.

(e) Within a week from application filing date Co. shall publish a notice in INC-19 at its own expense in English and Vernacular newspaper and a copy of the notice shall be sent forthwith to the RD & same shall be uploaded on the website of the Co if any and as may be notified or directed by the CG.

(f) The Co should have filed all its financial statements and Annual Returns upto the financial year preceding the ~~applicati~~ submission of the application to the RD and all other returns required to be filed under the Act up to the date of submitting the application to the RD.

Note:- In the event the application is ~~not~~ made after the expiry of 3 months from the date of preceding financial year to which the financial statement has been filed, a statement of the financial position duly certified by chartered accountant made up to a date not preceding thirty days of filing the application shall be attached.

(g) RD shall issue order approving the conversion subject to T & C as may be imposed

(h) Before imposing conditions or rejecting application, the Co shall be given a reasonable OOBH by the RD

(i) On receipt of the approval, the Co shall convene a general meeting to pass a RS for amending its MOA & AOA thereafter file these with the ROC

(j) On receipt of the documents. the ROC shall register the doc and issue the fresh COI

Section 9 - Effect of Registration

Subscribers to the MOA and all other persons who may from time to time become members of the Co from the date of incorporation specified in the COI. become body corporate by the names of specified in MOA

Under said name

- Exercising all the functions of an incorporated Co.
- Power to acquire, hold and dispose of movable & immovable
- To contract and to sue and be sued (tangible & intangible)
- Having perpetual succession

Section 4 - Memorandum of Association /MOA

1. Fundamental document for formation of Co.
2. Content of MOA need to be in compliance with Companies Act, 2013.
3. MOA contains object of Co beyond which its action cannot
4. MOA is a public document u/s 399 of Companies Act, 2013
5. Every person entering into contract with the Co is presumed to have knowledge of conditions contained in MOA (Doctrine of Constructive notice)
6. Shareholders must know the purpose for which this money ~~shall~~ can be used by Co.
7. Co. cannot depart from MOA - otherwise ultra vires Act.
8. The MOA of a Co shall be in respective forms specified in Tables A, B, C, D and E in schedule 1 to the Act.

Content of MOA

(a) Name clause -

- Name of the Co. with last word "limited" for Public Co or "Private limited" for Private Co. Not applicable to sec 8 Co

(b) Registered office clause / Domicile clause / situation clause

- name of state in which the registered office of Co is to be situated

Object clause:
- object for which the co is proposed to be incorporated & any matter incidental thereto

Liability clause -
- Liability of members of Co - whether limited or unlimited
- Limited by shares ⇒ liability of members is limited to unpaid amount of shares.
- Limited by guarantee ⇒ liability of members is limited upto the amount undertake to contribute in the event of winding up.

) Capital clause :-
- In case of Co. having share capital, amount of authorised share capital divided into amt & no. of shares

) Nominee clause :-
- In case of OPC, name of person who, in the event of death incapacity of subscriber, shall become the new member of OPC

) Subscription clause:
- Number of share each subscribers agree to subscribe opposite to his name which shall not be less than one share.

Application for reserving name.

Name reservation for new Co	Name reservation for existing Co
A person may make an appl in SPICe + INC-32 with ROC for reservation of name of proposed Co.	(a) A person may make an appl. using web service RUN (Reserve Unique Name) to the ROC for the reservation of a name to which the Co proposes to change its name
Resubmission shall be allowed within 15 days for rectification of defect, if any	(b) Resubmission shall be allowed within 15 days for rectification of defect if any

(b) Upon receipt of an app. the ROC may reserve the name for a period of twenty days from the date of approval.

(c) Upon receipt of an appli for existing Co. the ROC may reserve the name for a period of sixty days from the date of approval.

An application for extension of reservation of name can be made before the expiry of 20 days.
(a) For another 20 days (total of 40 days) with fee of ₹ 1000 which may be further extended by another 20 days (total of 60 days) with fee ₹ 2000.
or
(b) for another 40 days (total of 60 days) with fee of 3000.

Section 5 :- Articles of Association (AOA)

1. AOA shall contain internal rules & regulations for management of Co.
2. AOA to include such matters as may be prescribed (forms given in Schedule 1).
3. Co. may include additional matters in AOA as may be considered necessary for mgt.
4. Entrenchment -
(a) AOA may contain provision for entrenchment
(b) Meaning - specific provision of AOA may be altered only if conditions that are more restrictive than those applicable in case of special resolution are ~~that~~ met or complied with.
(c) Provision for entrenchment shall be made
- either on formation of a Co or
- by amendment in AOA agreed by
  - All members in case of Pvt Co
  - SR in case of public Co

) Co. must give notice to ROC of provision of entrenchment
• New Co - INC - 32
• Existing Co - MGT - 14 within 30 days.

: AOA shall be in respective forms specified in Tables F, G, H, I & J in schedule I to the Act.

5. Co. may adopt all or any regulations contained in model articles applicable to such co.

1. Any Co which is registered after the commencement of this Act either exclude or modify expressly or else it applies what stated in model forms applicable to that Co.

Doctrine of Ultra Vires.

1. The word 'ultra vires' means beyond powers.
2. In case of Co whatever is not stated in MOA as objects is prohibited by doctrine of ultra vires.
3. An act which is ultra vires is void & does not bind the Co
4. The doctrine of ultra vires was first enunciated by the House of Lords in a classic case of Ashbury Railway Carriage and Iron Co Ltd vs Riche.
5. Effect:-
(a) Whenever an ultra vires act is about to be undertaken any member of the Co can get an injunction to restrain it from proceeding with it
(b) Neither party (even outsider) can sue for ~~enfor~~ enforcement or specific performance of such agreement.

Doctrine of Indoor Management

Doctrine of Indoor Management

1. Persons dealing with Co cannot assumed to have knowledge of internal problem of Co.

2. Shareholders need not enquire whether necessary meeting was convened & held properly or whether necessary resolution was passed properly.
3. This doctrine helps protect outsiders from the Co.
4. Outsiders are entitled to presume that internal proceedings and requirements have been duly met.

Basis for Doctrine of Indoor Mgt
- What happens internal in Co. is not matter of public knowledge
- Outsider can only presume the intentions of a Co. but not know the information he/she is not access to
- If not for the doctrine, Co. could escape creditors by denying the authority of officials to act on its behalf.

Exception to Doctrine of Indoor Management

1. Knowledge of irregularity
In case outsider has actual knowledge of irregularity within the Co benefit under Doctrine of Indoor Mgt would no longer be available. Infact he/she may be considered part of irregularity

2. Negligence
If with minimum of effort irregularities within a Co could be discovered, the benefits of doctrine of Indoor Mgt would not apply. The protection of rule is also not available where the circumstances surrounding the contract are so suspicious as to invite enquiry & the outsider dealing with Co does not make proper enquiry.

3. Forgery
The rule does not apply where person relies upon

document that turns out to be forged since nothing can validate forgery.

4 Where the question is in regard to the very existence of an agency.

5 The act done is not merely ultra vires the directors/ officers but ultra vires the Co itself.

Section 6: Act to override MOA. AOA Etc.
Save as otherwise expressly provided in this Act
(a) Provisions of this act shall have overriding to the provisions contained in
- MOA
- AOA
- Agreement executed by Co
- BOD resolution
- Member resolution

(b) any provision contained in MOA. AOA agreement or resolution shall be void which is conflicting to the provisions of this Act.

Section 10: Effect of Memorandum and Articles.

1. When the MOA and AOA got registered, it shall bin the.
   a. Members to the Co.
   b. Co to the members
   c. Members to the members

to observe all the provisions of the MOA and of the AOA as signatory thereof.

2 All monies payable by any member to the Co under the memorandum or articles shall be a debt due from him to the Co.

Ex:- A Co can recover calls in arrear from a member as forcefully as it is recovering loan due.

Note:- "No article can continue a contract between the Co & a third party".

Section 17: Copies of Memorandum / articles etc to be given to members.

1. On being requested by member Co shall send to him within 7 days of request subject to payment of such fee as may be prescribed copy of each of following documents.
   - MOA
   - AOA
   - Agreements & resolution u/s 117(1) not included in MOA/AOA

2. If default u/s 17 Co + every officer in default - 1000/ day or ₹ 1 lakh whichever is lower.

Section 13:- Alteration in MOA

1. Co may alter the provisions of its MOA with the approval of the members by a SR
2. Further Co shall file with ROC copy of such special resolution
3. Change in name clause
   - Voluntary change ⇒ Section 13.

1. SR
2. Approval of CG (ROC)
3. Copy of SR + CG approved filed with ROC.
4 ROC certifies name change & issue fresh COI in INC-25

- compulsory change

Name reserve under section 4(5)(ii) with incorrect info

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Co not incorporated
- Reserved name cancelled
& Applicants liable for penalty upto ₹ 1 lakh

Co. incorporated
- giving OOBH ROC will
(i) order to change name within 3 months by passing OR
(ii) Strike off from register
(iii) file petition for winding up.

If Co registered with identical or similar name of other Co or registered trademark - Section 16.

CG (RD) suo moto
⇓
Order Co to change name within 3 months by passing OR

Application to CG (RD) of proprietor of trademark within 3 years.
⇓
CG order Co to change name within 3 months by passing OR

If Co. fails CG shall allot a new name.

4. Change in registered office
No change in state (State section 12
(a) within same city, town, village
⇓
Board resolution only
⇓
Notice to ROC (30 days)

(b) Outside local limits of city town village
⇓
Board resolution + SR
⇓
Notice to ROC (30 days)

(c) Same state but change in ROC

↓

Board resolution + SR + RD approval

↓

RD to communicate with 30 days of receipt of application

↓

Co to file same with ROC within 60 days

↓

ROC certify within 30 days of date of filing confirmation.

Change in state (Section 13)

Board resolution + SR + CG Approval (RD)

↓

Notice to ROC of both states by Co.

↓

ROC issues fresh COI

5. Change in the registered office from One state to Another state (detailed)

The alteration of MOA relating to the place of the registered office from one state to another shall not have any effect unless it is approved by the CG (RD) on the application in form INC 23 along with the fee and shall be accompanied by the following documents, namely.

(a) Copy of MOA with proposed alteration.

(b) Copy of the minutes of the general meeting at which the resolution authorising such alteration was passed, giving details of the number of votes cast in favour or against the resolution.

(c) Copy of Board resolution or Power of Attorney or the executed vakalatnama as the case may be.

(d) List of creditors and debenture holders.

Acknowledgement of service of a copy of the application with complete annexures to the ROC and chief Secretary of the SG or UT where the registered office is situated at the time of filing the application.

Advertisement in Newspaper.
The Co not more than 30 days before the date of filing the above application, shall advertise in the form INC-26 in vernacular newspaper and in English newspaper.
Dispose of the application by central govt
The CG (RD) shall dispose of the application within a period of 60 days.
Before passing the order CG may satisfy itself that
(a) the alteration has the consent of the creditors, debenture holders and other persons concerned with the Co or
(b) the sufficient provision has been made by the Co either for the due discharge of all its debts and obligations or
(c) adequate security has been provided for such discharge.

Where an alteration of the MOA results in the transfer of the ROC of from one state to another, a certified copy of the order of the CG approving the alteration shall be filed by the Co with the ROC of each of the states in form INC- along with the fee within 30 days from the date of receipt of certified copy of the order, who shall register the same.

Issue of fresh certificate of incorporation.
The ROC of the state where the ROC is being shifted shall issue a fresh COI including the alteration.

6.a. Change in object clause.

Case 1
↓
Co. has unutilised money which raised through prospectus from public
↓
• SR through Postal ballot
• details of such resolution published in 2 newspaper (Vernacular + English) and placed on website of Co. if any indicating justification for such change.
• Exit opportunity to dissenting SH by promoters & SH having control as per SEBI regulations.

Case 2
↓
other cases
↓
Only SR.

The notice in respect of the resolution for altering the objects shall contain the following particulars namely
(a) Total money received.
(b) Total money utilised for the objects stated in the prospectus.
(c) Un-utilised amount out of the money so raised through prospectus.
(d) Particulars of the proposed alteration or change in the objects.
(e) Justification for alteration or change in objects.
(f) Amount proposed to be utilised for the new object
(g) Estimated financial impact of the proposed alteration on the earning and cash flow of the Co.
(h) Other relevant info which is necessary for the members to take an informed decision on the proposed resolution.
(i) Place from where any interested person may obtain a copy of resolution to be passed.

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Section 14: Alteration of AOA

1. By passing SR Co may alter its AOA
2. Alteration of AOA includes conversion of
 (a) Pvt Co to Public Co.
 (b) Public Co to Pvt Co. (subject to CG approval)
3. where a Pvt Co alter its article such that it does not include restriction which a Pvt Co is required to include in AOA as per Act, such Pvt Co shall cease to be private from date of alteration.
4. Following document shall be filed with ROC within 15 days of alteration of AOA for registration.
 - Every alteration of AOA
 - Approval of CG for such alteration.
 - Printed copy of altered article
5. Any alteration of AOA registered shall be valid as if it were originally in the articles.

Section 15: Alteration of MOA or AOA to be noted in Every copy.

1. Every alteration made in MOA and AOA of a Co. shall be noted in every copy.
2. On default ⇒ Co & every officer in default - liable to penalty of ₹ 1000 for every copy issued w/o alteration.

Section 12: Registered Office of Co.

1. Within 30 days of incorporation and at all times there after Co shall have registered Office (RO) capacable of receiving communication & notices.
2. Co shall furnish to ROC verification report of RO within 30 days of incorporation.
3. Change in RO - Refer chart

4. Every Co shall
(a) paint/affix its name, address of RO on the outside of every office in which its business is carried on. in a conspicuous place, in legible letters in language in general use in that locality
(b) have its name engraved in legible characters on its common seal, if any.
(c) following details printed in all its business letters bill heads, letter papers & other official publication
- Name
- RO address
- CIN
- Telephone number
- fax number if any
- email
- website address.

(d) have its name printed on hundies, promisory notes. bills of exchange & such other docs as prescribed

Note: In case of name change during last 2 years print or affix the former name as well.
In case of OPC words 'One person Co' to be mentioned in bracket below such name.

5. In any default is made in complying with this section Co & every officer in default shall be liable to penalty of ₹ 1000/day during which default continues but not exceeding ₹ 1 lakh.

6. If ROC has reasonable ground to believe (RGTB) that Co is not carrying any business or operations. he may cause a physical verification of RO in prescribed manner & if any default its found to be made in complying with requirements of sub-section (1) → Initiate action for removal of name of Co from Register of Cos.

Section 10A: Commencement of Business Etc

1. Co having share capital shall not commence any business or Exercise any borrowing powers unless.

* Declaration in form INC-20A by a director within 180 days of incorp. is filed with ROC that as on date of declaration, every subscriber has paid the value of share agreed to be taken.

⇓

Content of said form shall be: verified by CS/CA/Cost Accountant in practice

⇓

In case Co requires registration/approval from any sectoral regulator - such registration/approval obtained & attached with the declaration.

* The Co has filed with ROC a verification of RO provided u/s 12(2)

2. If any default under this section Co - ₹ 50000 & officer in default - ₹1000/day up to ₹ 1 lakh

3. If no declaration is given within 180 days & ROC has RGTB that Co is not carrying on any business operations, ROC may initiate action for removal of name of the Co from register of Co.

Section 18: Conversion of Companies already registered

1. Co of any class registered under this Act may convert itself as Co. of other class under this Act by alteration of MOA & AOA

2 Where conversion, is required to ~~do~~ be done under this section
- On application made by Co.
- ROC after satisfying himself that provisions of this chapter is complied with.
  ⇒ ROC shall close the former registration of Co
  ⇒ Issue fresh COI in same manner as its first registration.

3. The registration of Co under this section shall not affect any debts, liabilities, obligations, contract entered / incurred before conversion may be enforced in the manner as if such registration had not been done

Section 19: Subsidiary Co. not to hold shares in Holding Co.

⇒ No Co (itself / nominee) shall hold any shares in its holding Co.

⇒ No holding Co shall allot / transfer its share to any of its ~~shareholder~~ subsidiary Co.

⇒ Any such allotment / transfer of shares of Co to its subsidiary Co shall be void.

Exception:

1. Where subsidiary Co holds such shares as legal representative of deceased member of holding Co. 2. Where subsidiary Co holds such shares as trustee.	Right to vote allowed to subsidiary Co.
3. Where subsidiary Co is shareholder even before it became the subsidiary Co of holding Co.	Right to vote not allowed

Section 20: Service of Documents

1. Documents may be served on Co or its officer by sending it at RO of Co by
   - Registered Post
   - Speed post
   - Courier service
   - Leaving it at its RO
   - Means of such electronic or other mode as may be prescribed.

2. Document may be served on ROC or any member by sending it to him by.
   - Post
   - Speed post
   - Courier
   - Registered post
   - Delivering at his office or address.
   - Means of such electronic or other mode as may be prescribed.

3. Member may request delivery through particular mode by paying fees as determined in AGM.

Section 21: Authentication of documents, Proceedings & contracts:

Save as otherwise provided in this Act.

(a) Document or proceedings requiring authentication by Co or
(b) Contracts made by or on behalf of Co may be signed by
   - KMP or
   - Officer or employee of Co duly authorised by Board in this behalf.

Section 22: Execution of Bills of exchange.

1. BOE / hundies / Promissory notes.
   - shall be deemed to have been
   - made / accepted / drawn / endorsed
   - on behalf of Co if the same is
   - made / accepted / drawn / endorsed
   - By any person

• Acting under its authority, express or implied.

2. Co may authorise any person as its attorney to execute other deeds on its behalf in any place (India / o/s India)

Co having common seal	Co not having common seal
authorise such person by writing under its common seal.	Authorisation shall be made by 2 directors or a director + CS, if appointed

3. deed signed by such attorney on behalf of Co & under his seal shall bind the Co.