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Corporate and Other laws
↓
70 Marks

↓
30 Marks

Introduction

Law = Act + Rules + Regulations + Court's Judgements
↓

Supreme Court
Judgement (applicable
to whole India)

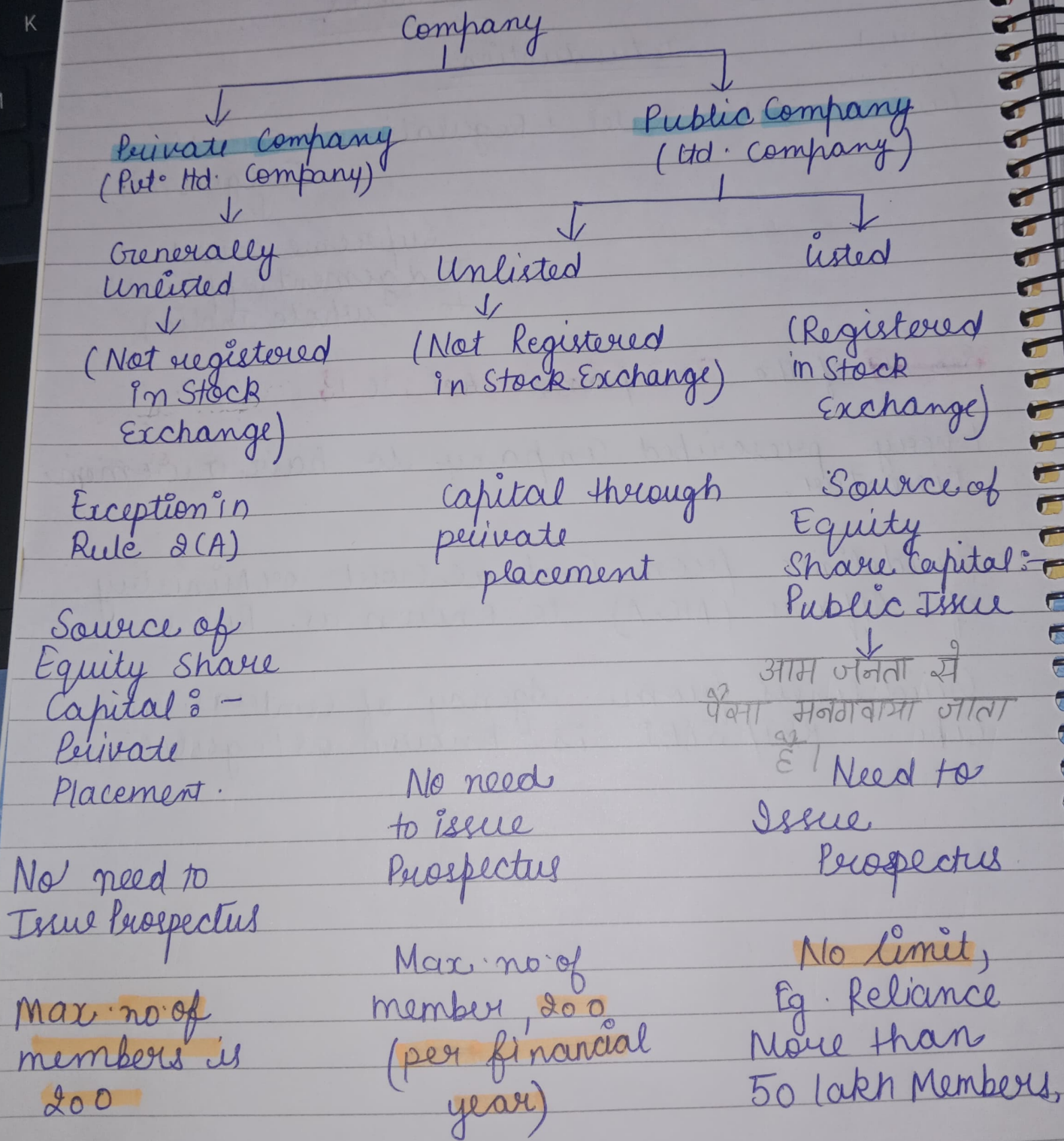
Sec 149 of the Companies Act, 2013

Every prescribed Company to have a women Director.

Guidelines from Central Govt. or Ministry of Affairs (MCA) is known as Rules

Guidelines from Agency of Central Govt. like RBI/SEBI is known as Regulations

Some basic concepts



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Dassault Reliance Aerospace Limited
(Joint Venture Company)

CIN U 35999 (MH) 2017 PLC 291083
(Company Identity Number)

Steel Authority of India Limited

CIN L 27109 (DL) 1973 GOI 006454

U → Unlisted Private Company

L → Listed Company

35999 → Which type of Industry (पिछत चीज का काम है company का)

MH → State of Incorporation

2017 → Year of Incorporation

PLC → Type of Company

(i.e) PTC → Pvt. Ltd. Company

PLC → Public Ltd. Company

GOI → Government of India

FO → Foreign Company

Last Six Digit → Unique Identity Number
(Separate for each company)

Basic Terms

1) Subscriber

(जो person company k incorporation se phle share lene ka promise krta h)

A person who undertake to acquire shares of company even before its incorporation

2) Signatory

A person who sign the Memorandum while its submission to ROC.

(जो subscribe करती वही sign करती)

Subscribers and Signatories are same.

3) Members

	Pvt°	Public
Min°	2	7
Max°	200	No limit

एक person जिसका नाम incorporation k register m hota h wo member hota h, and subscriber hi company k first member hne isliye incorporation wle din hi register bna diya jata h.

- Every person whose name is entered in the register is the member of Company
- Subscriber / Signatories shall be the first ~~the~~ members of Company.

4) Every person to whom shares are allotted is Shareholder of the Company.

	MOA Submitted to ROC	Shares Issued	
Two person Jay, Biru opened a company	ROC issued Certificate of Incorporation ↓ Members Register opened	Application from Shareholder	Allotment
Jay, Biru become Subscriber + Signatory	They become Subscriber + Signatory + Members	They become Subscriber + Signatory + Member + Shareholders.	

Shareholders / Members - These terms are interchangeable even though in one situation, a person can be a member but not shareholder

Ques) If there can be a situation where a person is shareholder but not member

Ans) Yes (100 App. Received for Issue of Shares)

Two person Jay, Biru	MOA Submitted to ROC, Incorporation Certificate issued ↓ Member's Register opened	Issue of Shares, Application Received	Allotment	Name of Another Alloties entered in Register. (Jin person ko abhi abhi share allot hueh)
				At this point person become not shareholder but not a member.

DOMS

8) Director

An individual appointed by members to manage day to day affairs of Company.

1) Who is more powerful → Director / Member

Ans) Members (they are also called owners) as directors are appointed by members.

2) A person having no share become director, Possible?

Ans) Yes as any individual whether member or not may become director.

9) Board of Directors

Group of Directors or Collective group of Directors.

Decision Making

Day to Day Decisions

Routine Decisions

Example:-

Insurance for state

Purchase of goods

Sale of goods

Major Decisions

Example:-

1) Appointment of Directors

2) Appointment of Auditors

3) Expansion

4) Merger, Amalgamation

5) Change in Capital

→ How members take their decision

↓
Resolution (Decision taken by members)

Ordinary Resolution

Special Resolution

↓
A situation when votes in favour are more than against.

↓
A situation when votes in favour are more than or equal to 3X Against.

Decide which Resolution is passed in following situations :-

Case 1)	Votes in favour	Votes against	Total Votes = 100 Absent from vote	Resolution Passed
1)	50	50	-	No
2)	49	51	-	No
3)	51	49	-	Yes (Ordinary)
4)	74	26	-	Yes (Ordinary)
5)	75	25	-	Yes (Special)
6)	90	10	-	Yes (Special)
7)	20	5	75	Yes (Special)

* Types of Agenda / Business → where Resolution is to be passed

Special Business

Except four ordinary business every other business / Agenda will be special business

- 1) Company want to change its business
- 2) Company want to change its name
- 3) ~~Company want to give Bonus to its Members~~

Ordinary Business

Only four business are ordinary business

they shall be decided by members every year in

Annual General Meeting (AGM)

- 1) Consideration and Adoption of Financial Statement (B/S, P&L)
- 2) Declaration of Dividend
- 3) Appointment or Retirement of Directors [Sec. 152(6)]
- 4) Auditors and their remuneration (Sec. 139)

→ Types of Meeting of Members

↓
Annual General Meeting (AGM)

∴ Every year hoti h

Example: -

2 AGM in 1 year → No
No AGM in last year → No.

↓
Extra-Ordinary General Meeting (EGM)

∴ Shyd ho, shyd kbhina ho

Example: -

5 KGM in 1 year → Yes
No KGM in 10 year → Yes.

→ Which Resolution for which business?

∴ Agenda of members ∴ affect kar sakte h

Special Resolution

↓
Eloss hogega unke?
∴ kai jyada bda chnge hona h?

∴ Agenda of members ∴ affect nhi karege ya beneficial for members honge.

Ordinary Resolution

Thus for every ordinary business → Ordinary Resolution.

Thus we may say that Special business may require ordinary Resolution or Special Resolution.

TATA chemicals Ltd.

Agenda = Change of business from Chemical to Garments

Business = Special business, Resolution required
↓
Special Resolution

Total Members = 100

↓
Voting = For 70, Against = 30

(i) Special Resolution Failed

* Whenever A Special Resolution is required it shall be specifically mentioned, thus if nothing is mentioned, Resolution shall be Ordinary Resolution only.

Eg. [Sec 152(2)] ^(First) Every Directors shall be appointed by members in General Meeting.

↓
{ Either AGM or EGM }