

COMPANY LAW SUMMARY NOTES

CHAPTER - 1 PRELIMINARY

SECTIONS

- 1 - Short title, extent, commencement, application
- Section 2 – Definitions

FORMS

- NO FORMS

RULES

- NO RULES

CHAPTER – 2 INCORPORATION OF COMPANY AND MATTERS INCIDENTAL THERETO

SECTIONS

- Section 3 – Formation of company
- Section 4 – Memorandum of Association (MOA)
- Section 5 – Article of Association (AOA)
- Section 6 – Act to override MOA, AOA, etc.,
- Section 7 – Incorporation of company
- Section 8 – Formation of companies with charitable or social objectives
- Section 9 – Effect of registration
- Section 10 – A commencement of business etc.,
- Section 11 – Omitted
- Section 12 – Registered office of company
- Section 13 – Alteration of memorandum
- Section 14 – Alteration of articles

- Section 15 – Alteration of memorandum and/or articles to be noted in every copy
- Section 16 – Rectification of name of company
- Section 17 – Copies of memorandum, articles etc., to be given to members
- Section 18 – Conversion of companies already registered
- Section 19 – Subsidiary company not to hold shares in its Holding company
- Section 20 – Service of documents
- Section 21 – Authentication of documents, proceedings and contracts
- Section 22 – Execution of Bills of exchange etc., will be deemed to be done by company if it's done by any person acting under its authority

FORMS

- INC 1 – Name reservation
- INC 2 – Nominee
- INC 3 – Written consent of nominee
- INC 4 – Change in nominee
- INC 5 – Threshold
- INC 6 – Conversion of OPC
- INC 7 – Incorporation of company
- INC 8 – Declaration by CA/CS/CMA
- INC 9 – Affidavit
- INC 10 – Declaration by directors
- INC 11 – Certification of incorporation
- INC 12 – Registration of OPC
- INC 13 – Memorandum of Association & Article of Association
- INC 14 – Declaration by CA/CS/CMA
- INC 15 – Declaration by director/subscribers for section 8 company
- INC 16 & 17 – License by CG through ROC for section 8 company
- INC 18 – Conversion
- INC 19 – Notice of conversion
- INC 20 – Revocation of license
- INC 20A – Commencement of business
- INC 22 – Setting up of registered office
- INC 23 – Change in registered office
- INC 24 – Change in name of company voluntarily
- INC 25 – Incorporation certificate with new name

- INC 26 – Advertisement for change in registered office
- INC 27 – Conversion of company
- INC 28 – Notice of court
- INC 29 – Fast track company registration for OPC
- INC 30 – Memorandum of Association (MOA)
- INC 31 – Articles of Association (AOA)
- INC 32 – Incorporation of company (SPICe)
- INC 33 – E-MOA
- INC 34 – E-AOA

RULES

- RULE 3 – One Person Company (OPC)
- RULE 4(6) – Nomination by the subscriber or member of one person company
- RULE 28 – Shifting of registered office within same state
- RULE 30 – Shifting of registered office from one state to another state or union territory to another state

CHAPTER – 3 PROSPECTUS AND ALLOTMENT OF SECURITIES

SECTIONS

- Section 23 – Public offer and private placement
- Section 24 – Omitted
- Section 25 – Documents containing offer of securities for sale to be deemed prospectus
- Section 26 – Matters to be stated in prospectus
- Section 27 – Variation in terms of contract or object in prospectus
- Section 28 – Offer of sale of shares by certain members of company
- Section 29 – Public offer of securities to be in Dematerialised Form
- Section 30 – Omitted
- Section 31 – Shelf Prospectus
- Section 32 – Red Herring Prospectus
- Section 33 – Issue of application forms for securities
- Section 34 – Criminal liability for misstatements in prospectus

- Section 35 – Civil liability for misstatements in prospectus
- Section 36 – Punishments for fraudulently inducing persons to invest money
- Section 37 – Actions by affected persons
- Section 38 – Omitted
- Section 39 – Allotment of securities by company
- Section 40 – Securities to be dealt with in stock exchange
- Section 41 – Omitted
- Section 42 – Offer or invitation for subscription of securities on private placement
- Section 447 – Punishment for fraud

FORMS

- PAS 1 – Advertisement giving details of prospectus of altering the object
- PAS 2 – Information memorandum
- PAS 3 – Return of allotment
- PAS 4 – Private placement offer letter
- PAS 5 – Record of private placement offer to be kept by company

RULES

- RULE 9 – Dematerialization of securities

CHAPTER – 4 SHARE CAPITAL AND DEBENTURES

SECTIONS

- Section 43 – Kinds of share capital
- Section 44 – Nature of shares or debentures
- Section 45 – Nature and numbering
- Section 46 – Certificate of shares (Form SH1)
- Section 47 – Voting rights
- Section 48 – Variation of shareholders rights
- Section 49 – Calls on shares of same class to be made on uniform basis
- Section 50 – Company to accept unpaid share capital, although not called up
- Section 51 – Payments of dividend in proportion to amount paid up
- Section 52 – Application of premiums received on issue of shares

- Section 53 – Prohibition on issue of shares at discount
- Section 54 – Issue of sweat equity shares
- Section 55 – Issue and redemption of preference shares
- Section 56 – Transfer and transmission of securities
- Section 57 – Punishment for personation of shareholder
- Section 58 – Refusal of registration and appeal against refusal
- Section 59 – Rectification of register of members
- Section 60 – Omitted
- Section 61 – Alteration of share capital for limited company
- Section 62 – Further issue of share capital
- Section 63 – Issue of bonus shares
- Section 64 – Notice to be given to registrar for alteration of share capital
- Section 65 – Omitted
- Section 66 – Reduction of share capital
- Section 67 – Restriction on purchase by company or giving of loans by it for purchase of its share
- Section 68 – Power of company to purchase its own securities (Buy Back)
- Section 69 – Transfer of certain sums to capital redemption reserve account
- Section 70 – Prohibition for buy back in certain circumstances
- Section 71 – Debentures
- Section 72 – Power to nominate

FORMS

- SH 1 – Certificate of shares in physical form
- SH 2 – Duplicate share certificate
- SH 3 – Issue of sweat equity shares
- SH 4 – Instrument of transfer
- SH 5 – Notice by the company to transferer and transferee for partly paid-up shares
- SH 6 – Register of ESOP/ESOS
- SH 7 – Notice to registrar for alteration of share capital
- SH 8 – Letter of offer to be filed with ROC in relation to buy back of shares and other securities
- SH 11 – Return on completion of buy back of shares and other securities
- SH 12 – Debenture trust deed
- SH 13 – Nomination by security holders
- SH 14 – Notice to the company of cancellation or variation of nomination

- SH 15 – Certificate of compliance in respect of buy back of securities by two directors

RULES

- RULE 4 – Equity shares with differential rights
- RULE 8 – Issue of sweat equity shares
- RULE 12 – Issue of employee stock options

CHAPTER – 5 ACCEPTANCE OF DEPOSITS BY COMPANY

SECTIONS

- Section 73 – Prohibition on acceptance of deposits from public/members
- Section 74 – Repayment of deposits, etc., accepted before commencement of this Act
- Section 75 – Omitted
- Section 76 – Acceptance of deposits from public by certain companies
- Section 76A – Punishment for contravention of sec.73 & 76

FORMS

- DPT 1 – Form and particulars of advertisement or circular
- DPT 2 – Appointment of trustee for depositors (Deposit trust deed)
- DPT 3 – Return of deposit to be filed with ROC
- DPT 4 – Statement regarding existing deposits as on the date of commencement of Companies Act

RULES

- RULE 3(1) – Tenure for which deposits can be accepted
- RULE 3(2) – Deposits in joint ventures
- RULE 3(7) – No right to alter
- RULE 3(8) – Copy of credit rating to be sent to ROC
- RULE 4 – Issuance of circular in form of advertisement
- RULE 7 – Appointment of trustee for depositors
- RULE 10 – Filing of application form for deposits
- RULE 11 – Nomination
- RULE 12 – Deposits receipt

- RULE 14 – Register of deposits
- RULE 15 – Premature repayment of deposits
- RULE 16 – Filing of return of deposits with ROC
- RULE 16A – Disclosure in financial statements
- RULE 17 – Penal rate of interest
- RULE 21 – Punishment for contravention

CHAPTER – 6 REGISTRATION OF CHARGES

SECTIONS

- Section 77 – Duty to register charges
- Section 78 – Application for registration of charge
- Section 79 – Section 77 to apply in certain matters
- Section 80 – Date of notice of charge/deemed notice
- Section 81 – Register of charges to be kept by registrar (ROC)
- Section 82 – Company to report satisfaction of charges
- Section 83 – Power of registrar to make entries of satisfaction and release in absence of intimation from company
- Section 84 – Intimation of appointment of receiver or manager
- Section 85 – Company's register of charges
- Section 86 – Punishment for contravention
- Section 87 – Rectification by central government in register of charges

FORMS

- CHG 1 – Application to register creation or modification of charges (other than debentures)
- CHG 2 – Certificate of registration of charge
- CHG 3 – Certificate of modification of charge
- CHG 4 – Intimation to the registrar regarding particulars for the satisfaction of charge
- CHG 5 – Certificate of registration of satisfaction of the charge
- CHG 6 – Notice of appointment or cessation of receiver or manager
- CHG 7 – Company's register of charges
- CHG 8 – Application to CG for condonation
- CHG 9 – Creation or modification of charge of debentures

RULES

- RULE 6 – Issue of certificate of modification
- RULE 8(2) – Memorandum of satisfaction of charge

CHAPTER – 7 MANAGEMENT AND ADMINISTRATION

SECTIONS

- Section 88 – Register of members etc.,
- Section 89 – Declaration in respect of beneficial interest in any share (registered/beneficial owner)
- Section 90 – Investigation of beneficial ownership of shares in certain cases (register of significant beneficial owner)
- Section 91 – Power of company to close register
- Section 92 – Annual return
- Section 93 – Omitted
- Section 94 – Place of keeping register
- Section 95 – Register etc., to be evidence
- Section 96 – Annual General Meeting (AGM)
- Section 97 – Power of tribunal to call AGM
- Section 98 – Power of tribunal to call EGM
- Section 99 – Punishment for default in complying with the provisions of sec.96 to 98
- Section 100 – Extraordinary General Meeting (EGM)
- Section 101 – Notice of meeting
- Section 102 – Explanatory statement to be annexed to Notice
- Section 103 – Quorum of meeting
- Section 104 – Chairman of meeting
- Section 105 – Proxies
- Section 106 – Restriction on voting rights
- Section 107 – Voting by show of hands
- Section 108 – Voting through electronic means
- Section 109 – Demand for poll
- Section 110 – Postal ballot
- Section 111 – Circulation of members' resolutions

- Section 112 – Representation of president and governor in meetings
- Section 113 – Representation of corporation at meeting of companies and of creditors
- Section 114 – Ordinary and special resolutions
- Section 115 – Resolutions requiring special notice
- Section 116 – Resolutions passed at adjourned meeting
- Section 117 – Resolutions and agreements to be filed
- Section 118 – Minutes of various meetings
- Section 119 – Inspection of minute book of general meeting
- Section 120 – Maintenance and inspection of documents in electronic forms
- Section 121 – Report on annual general meeting
- Section 122 – Applicability of this chapter to one person company (OPC)

FORMS

- MGT 1 – Register of members
- MGT 2 – Register of debenture holders
- MGT 3 – Foreign register
- MGT 4 – Declaration by registered owner
- MGT 5 – Consent of beneficial owner
- MGT 6 – Declaration by persons holding beneficial interest in shares
- MGT 7 – Annual return form to be filed by company
- MGT 8 – Certificate by CS
- MGT 9 – Extract of annual return
- MGT 11 – Appointment of proxy for a meeting
- MGT 12 – Polling paper in a meeting
- MGT 13 – Scrutinizers' report to a chairman pertaining to a poll of a meeting
- MGT 14 – Filing of resolutions or agreements to ROC
- MGT 15 – Form for filing report on the annual general meeting

RULES

- RULE 7 – Foreign register of members, debenture holders, other securities holders or Beneficial owner residing outside India
- RULE 8 – Authentication
- RULE 9 – Declaration in respect of beneficial interest in any shares
- RULE 14 – Inspection of registers, returns, etc.,
- RULE 15 – Preservation of registers of members etc., and annual return

- RULE 18 – Notice of the meeting
- RULE 19 – Proxies
- RULE 24 – Resolutions and agreements to be filed with ROC
- RULE 27 – Maintenance and inspection of documents in electronic form
- RULE 28 – Security of records maintained in electronic form
- RULE 29 – Inspection and copies of records maintained in electronic forms
- RULE 31 – Report on annual general meeting

CHAPTER – 8 DECLARATION AND PAYMENT OF DIVIDEND

SECTIONS

- Section 123 – Declaration of dividend
- Section 124 – Unpaid Dividend Account (UDA)
- Section 125 – Investor Education and Protection Fund (IEPF)
- Section 126 – Right to dividend, rights to shares and bonus shares to be held in abeyance pending registration of transfer of shares
- Section 127 – Punishment for failure to distribute dividends

FORMS

- NO FORMS

RULES

- NO RULES

CHAPTER – 9 ACCOUNTS OF COMPANIES

SECTIONS

- Section 128 – Books of account, etc., to be kept by company
- Section 129 – Financial statements
- Section 129A – Periodical financial results (Notification awaited)
- Section 130 – Reopening of accounts on courts or tribunal's orders
- Section 131 – Voluntary revision of financial statements or boards report

- Section 132 – Constitution of National Financial Reporting Authority (NFRA)
- Section 133 – Central Government to describe/prescribe accounting standards
- Section 134 – Financial statements, boards report, etc.,
- Section 135 – Corporate Social Responsibility (CSR)
- Section 136 – Right of members to copies of audited financial statements
- Section 137 – Copy of financial statement to be filed with registrar
- Section 138 – Internal audit

FORMS

- AOC 1 – Statement containing salient features of subsidiaries or associates or joint ventures
- AOC 2 – Details containing contracts or arrangements entered into with related parties
- AOC 3 – Statement containing salient features of the audited financial statements
- AOC 4 – Form to file a financial statements and other documents of the company with registrar

RULES

- RULE 3 – Manner of books of accounts to be kept in electronic mode
- RULE 4 – Conditions regarding maintenance and inspection of certain financial information by directors
- RULE 8 – Matters to be included in board's report
- RULE 11 – Manner of circulation of financial statements in certain cases
- RULE 13 – Companies required to appoint internal auditor

CHAPTER – 10 AUDIT AND AUDITORS

SECTIONS

- Section 139 – Appointment of auditors
- Section 140 – Removal, resignation of auditor and giving of special notice
- Section 141 – Eligibility, qualifications and disqualification of auditor

- Section 142 – Remuneration of auditor
- Section 143 – Powers and duties of auditors and auditing standards
- Section 144 – Auditor not to render certain service
- Section 145 – Auditor to sign audit reports, etc.,
- Section 146 – Auditor to attend general meeting
- Section 147 – Punishment for contravention
- Section 148 – Central Government to specify audit of items of cost in respect of certain companies

FORMS

- ADT 1 – Form to inform the registrar regarding appointment of auditor by company
- ADT 2 – Application for removing the auditor before the expiry of their term by the company
- ADT 3 – Notice of resignation of auditor
- ADT 4 – Form to report any suspected fraud by the auditor to the central government

RULES

- RULE 4 – Conditions for appointment and notice to registrar
- RULE 5 – Class of companies
- RULE 6 – Manner of rotation of auditors by the companies on expiry of their term
- RULE 7 – Removal of auditor before expiry of his term
- RULE 8 – Resignation of auditor
- RULE 10 – Disqualification of auditor
- RULE 11 – Other matters to be included in auditors report
- RULE 14 – Applicability of the cost auditor
- RULE 14A – Applicability of cost audit