CA FOUNDATION
CHANAKYA 3.0
BUSINESS LAWS
THE COMPANIES ACT, 2013
ONE SHOT

1) First time ⇒ Yes * QB.

2) Notes ⇒ PW App
chanakya 3.0
Batch

3) Yahi notes remember ⇒ 110% Yes

4) Attempt ⇒ Jan 26 & onwards

Weightage ⇒ 21 marks
⇓
2 CSB + 1 DT

Pattern ⇒ 2 DT + 1 CSB

The Companies Act, 2013

Part - 1

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Chapter - 6

The Companies Act, 2013

Basics

Previous Companies Act – 1956, 1913

Contains – 470 sections, 7 schedules, 29 chapters

Aim – Improve corporate governance, simply regulations, strengthen minority interest.

Applicability –

a) Companies Incorporated under this act or under previous company law	b) Insurance company	c) Banking company
d) Company engaged in generation or supply of electricity	e) Any other company governed by any special act for the time being in force	f) Any other body corporate specified by CG.

Note: In case of (b), (c), (d) – Except where provision inconsistent with Insurance Act 1938/ Banking Regulation Act, 1949/ Electricity Act, 2003

own co's Act

Clarification: Own Acts will prevail over General Provisions of Companies Act & Where Own Acts are silent, Companies Act will be applied automatically.

Meaning of Company [Section 2(20)]

✓ Company means a company incorporated under this Act or under any previous company law (1956,1913).

Features of a Company (5 Features)

1. Separate Legal Entity	2. Perpetual Succession	3. Limited Liability
4. Artificial Legal Person	5. Common Seal	

1. Separate Legal Entity

✓ When a company is registered, it is clothed with a legal personality i.e. Almost same rights & powers as a human being.

~~Physical~~

✓ Company can own property, have bank a/c, raise loans, incur liabilities & enter into contracts.

✓ It is at law, a person, which is different from the subscribers to the MOA. It's personality is distinct and separate from the personality of those who compose it.

✓ Even members can contract with company, acquire right against it or incur liability to it. For the debts of the company, only its creditors can sue it and not its members.

✓ Shareholders are not private or joint owners of company's capital & assets even though contributed by them.

Sections ⇒ Main laws

Sch ⇒ Data

Chapters ⇒ Share capital

folder

5 (1) (a) (I)

↓ section

↓ clause

↓ sub section

↓ sub clause

Section 2 ⇒ Definitional clause

Case Law: Macaura Vs Northern Assurance Co. Ltd. (1925)

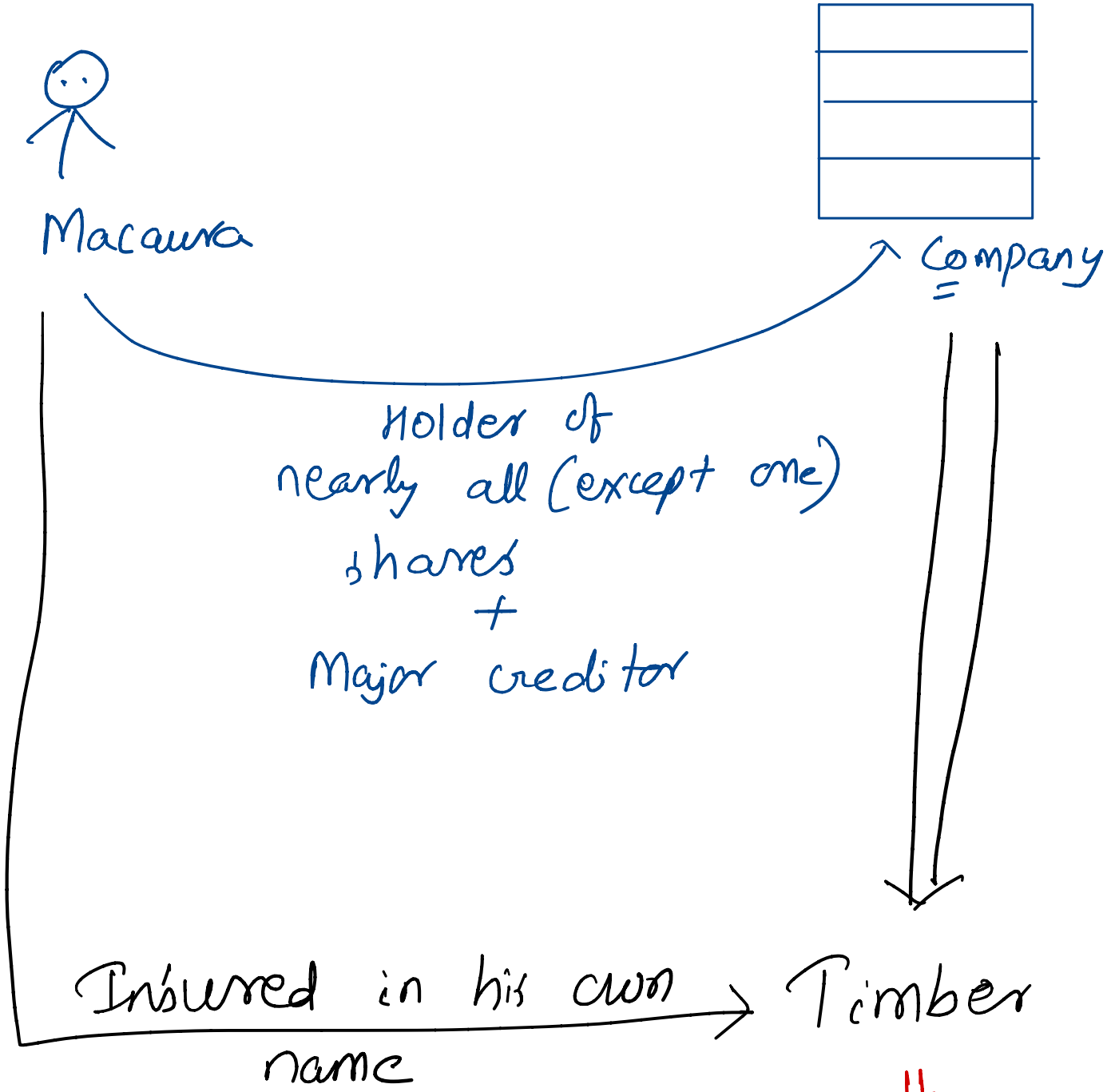
Facts: Macaura owned almost all shares (except one) & was a major creditor of a timber company. He insured, company's timber in his own name, but when the timber was destroyed by fire, the court held, he couldn't claim insurance because the property belonged to the company not him personally.

Conclusion: Members doesn't even have an insurable interest in the property of the company. Shareholder has no legal ownership over company assets, so the insurance company wasn't liable.

2.	**Perpetual Succession**
✓	Members may die or change, but the company goes on till it is wound up.
✓	Shares may change hands infinitely but that does not affect the existence.
✓	Company is an artificial person created by law; law alone can bring an end to its life.
✓	Its existence is not affected by the death or insolvency of its members.
3.	**Limited Liability**
i)	Limited liability company - The liability of members limited to the extent of nominal value of shares held by them. (Max liability – Up to the unpaid value of shares)
ii)	Company limited by guarantee - Amount guaranteed by them and that too only when the company goes into liquidation.
iii)	Unlimited company - the liability of its members is unlimited as well.
4.	**Artificial Legal Person**
✓	Company is created by a process other than natural birth. It is legal or judicial as it is created by law. It is a person since it is clothed with all the rights of an individual.
✓	Being a SLE, Company can own property, have banking account, raise loans, incur liabilities and enter into contracts. Even members can contract, acquire right against it or incur liability to it. It can sue and be sued in its own name. It can do everything which any natural person can do except be sent to jail, take an oath, marry or practice a learned profession (CA/CS/CMA/Dr, etc). Hence, it is a legal person in its own sense.
✓	Company is an artificial person, Hence it can act only through some human agency i.e. directors. Directors act only as the agency, but they are not the agents of members of the company.

1

Macaura Vs Northern Assurance Co. ltd (1925)



Insurance company denied the claim.

For authentication, directors can act either on their own or through the common seal.

5. **Common Seal**

✓ Company works through the agency of human beings.
It is the official signature which is affixed by officers & employees on its document.
Common seal is the symbol of its incorporation.

✓ The Companies (Amendment) Act, 2015 has made the common seal optional.

✓ The documents which need to be authenticated by a common seal will be required to be so done, only if the company opts to have a common seal.

✓ In case a company does not have common seal, Authorization shall be made by
- two directors or
- by a director & the Company Secretary wherever, company has appointed CS.

Clarification: Practicing CS can't sign it.

Corporate Veil Theory

✓ Members are shielded from liability connected to company's actions.

✓ Company incurs any debts or contravenes any laws, members should not be liable for those errors.

✓ The shareholders are protected from the acts of company.
They can't be held liable for acts of company even though holds entire share capital.

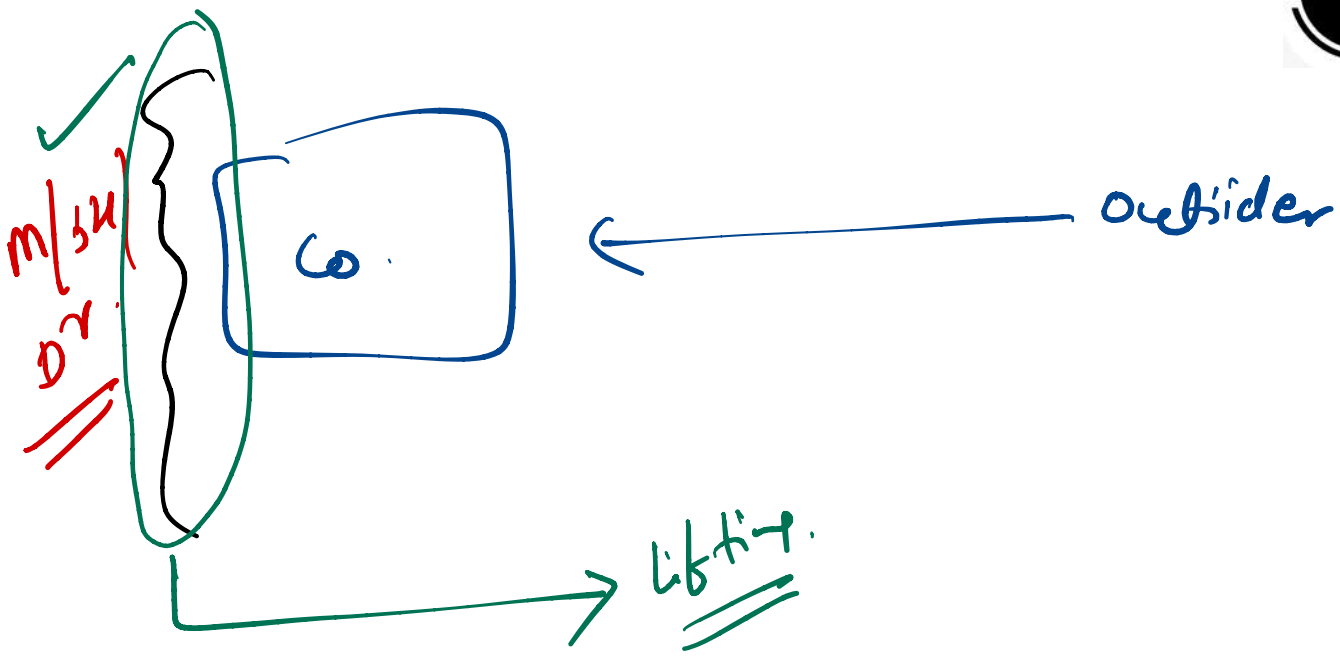
Case Law: Salomon Vs. Salomon and Co Ltd.

Facts: Salomon formed Salomon & Co. Ltd. with himself, his wife, and five children as shareholders. The company purchased his business for £38,782, paying him partly in shares (£20,000), debentures (£10,000) secured on company assets, and the rest in cash.
Later, the company went into liquidation, and unsecured creditors claimed that Salomon and the company were the same person, calling it a one-man company and alleging the corporate structure was a sham.
Conclusion: House of Lords held that Salomon & Co. Ltd. was a separate legal entity, distinct from Salomon and other shareholders.
Even if Salomon controlled the company, it was not his agent or trustee, and he could not be personally liable for its debts.

Parde.

Lifting of Corporate Veil

➢ Where the Courts ignore the company and concern themselves directly with the


m/sec
Dr
Co
outsider
lifting

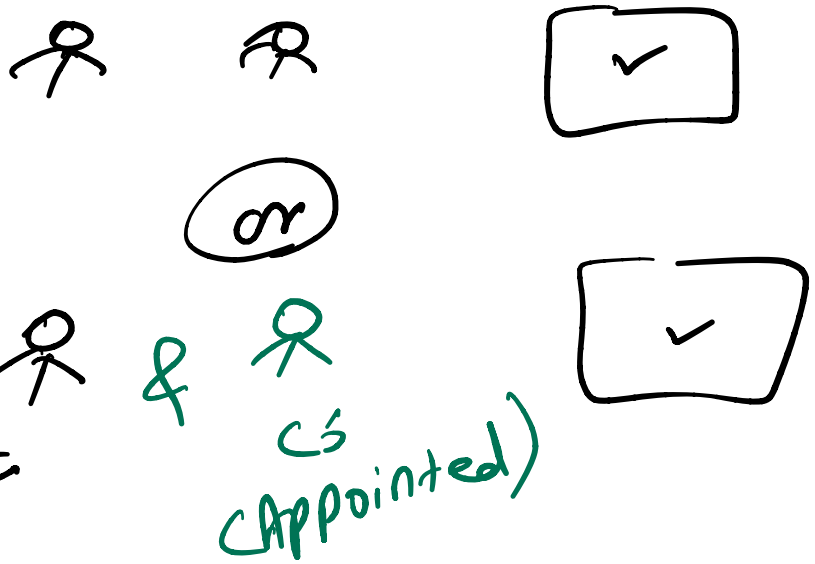
i) HA

Symbol

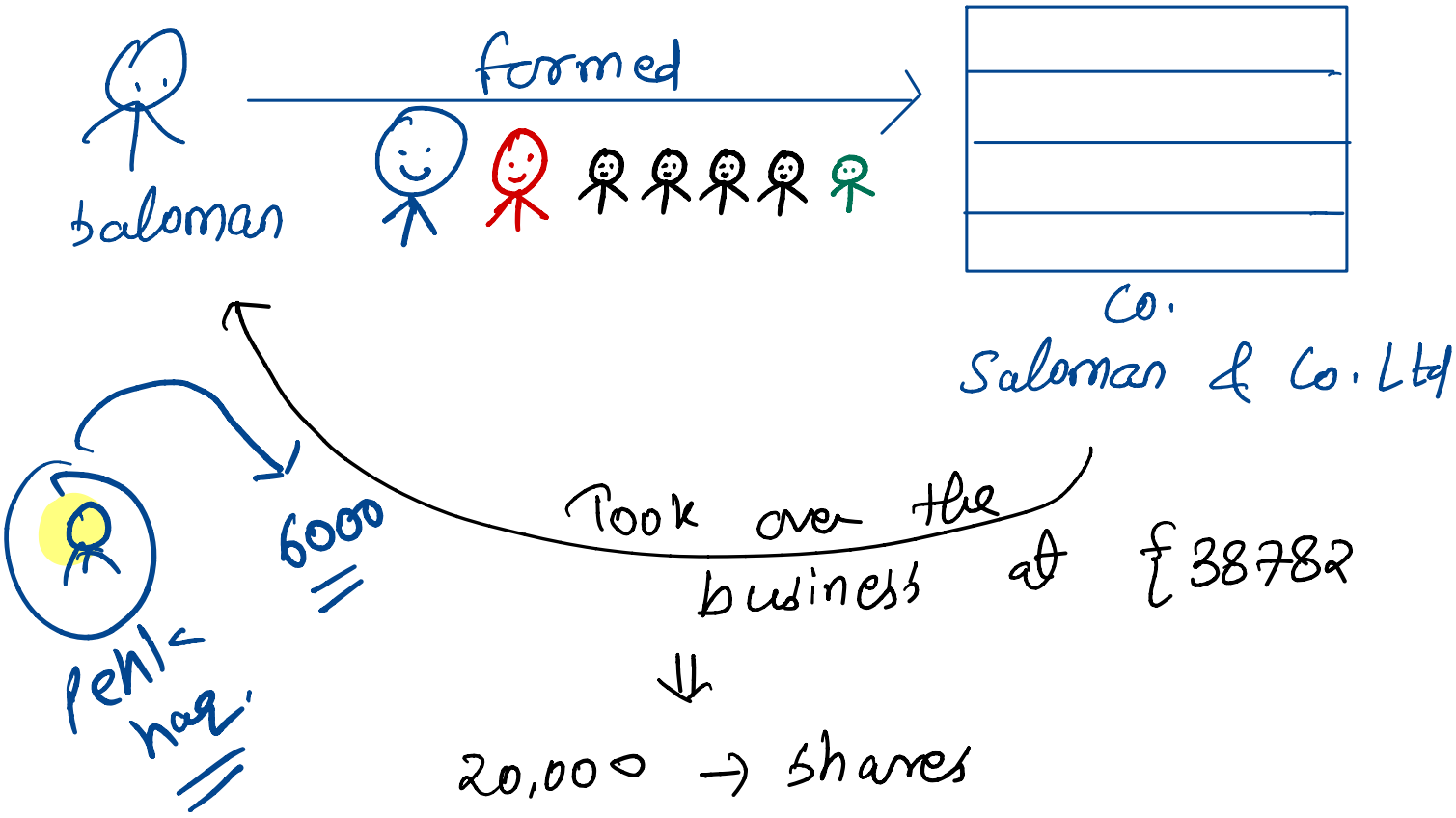
OS

ii) C (Am) Act 2015 → CS → optional

iii) CS → ✓



2 Saloman Vs Saloman & Co. Ltd



⇓

20,000 → shares

10,000 → Debt

8782 → Cash

Later → Co. went into liquidation

£7000 → Unsecured creditors

⇓

Uns Creditor ⇒ saloman couldnot be secured cr.

Co. is at law a different person altogether from the subscribers to the memorandum.

members or managers, the corporate veil may be said to have been lifted.
Only in following circumstances, the Courts are willing to lift the corporate veil:

Circumstances	Case Study
1. Determine the character of company	Daimler Co. Ltd. vs. Continental Tyre & Rubber Co.
2.To protect revenue/tax	Dinshaw Maneckjee Petit
3. To avoid a legal obligation	Workmen Employed in Associated Rubber Industries Limited, Bhavnagar vs. The Associated Rubber Industries Ltd., Bhavnagar and another
4.Formation of subsidiaries as agent	Merchandise Transport Limited vs. British Transport Commission (1982)
5. Company formed for fraud/improper conduct or to defeat law	Gilford Motor Co. vs. Horne

1. **Determine the character of company i.e. to find out whether co-enemy or friend**

If the public interest is not likely to be in jeopardy (danger), Court may not be willing to crack the corporate shell.
Company does not have mind or conscience; therefore, it cannot be a friend or foe.
It may, however, be characterised as an enemy company, if its affairs are under the control of people of an enemy country.
For this purpose, Court may examine the character of persons who are really at the helm of affairs of the company.

Case Law: Daimler Co. Ltd. vs. Continental Tyre & Rubber Co.
Conclusion: In the Law relating to trading with enemy, the test of control is adopted to examine the character of the persons who are really at the helm of affairs of company.

2. **To protect revenue/tax**

Where corporate entity is used to evade or circumvent tax, Court can disregard the corporate entity.

Case Law: Dinshaw Maneckjee Petit
Facts: Dinshaw Maneckjee Petit, a wealthy individual, earned large incomes from dividends and interest.
To avoid tax, he formed several private companies, transferred his income to them in exchange for their shares, & then received the same money back as loans from those companies.
Conclusion: Court held that these companies were not genuine, but mere shams or

(3) Daimler Co. ltd Vs continental Tyre & Rubber Co. ltd

WW1

C Company Inc in → Supplied Tyres → Daimler Co. ltd

⇓

England (UK) (Manufacturer)

But Major SH & Dr were German residents

⇓

Inc in England (Distributor)

WW1

Eng Vs Germany

WW1

C. Company asked payment → Daimler Co.

⇓

They Denied

Court ⇒ Reg in England but controlling members are alien enemy.

12L. → I Tax

Nikesh → 15L.

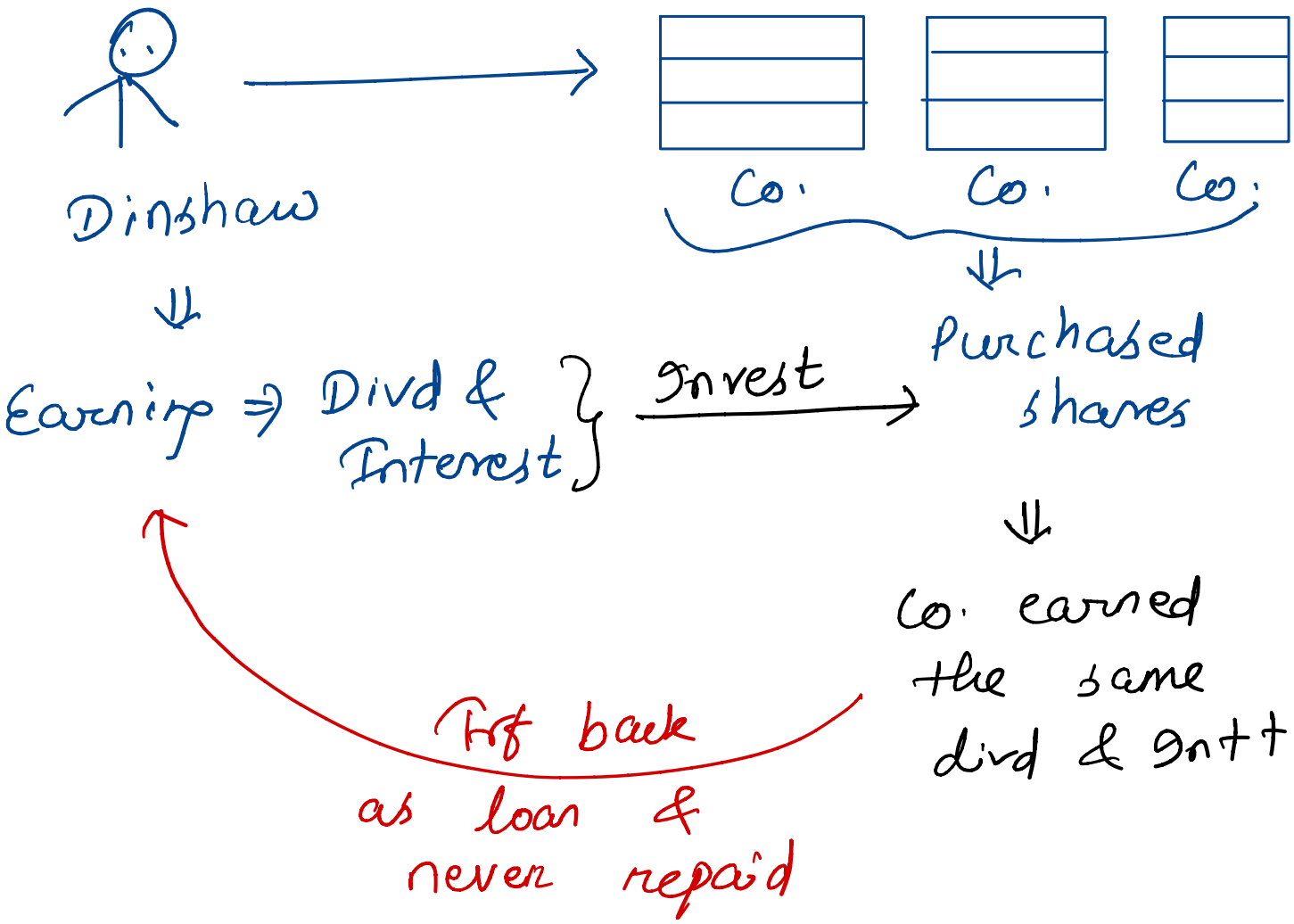
11 L

4L

12L

11 + 4 ⇒ 15L.

(4) Dinshaw Maneckjee Petit



Court ⇒ Company was not a genuine company at all but merely the assessee himself

(5) The workmen employed in Associated Rubber Industries ltd, Bhavnagar Vs The Associated Rubber Industries Ltd, Bhavnagar & Another

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A ltd $\xrightarrow[4,50,000]{\text{Invest}}$ B Ltd

⇓

shown in P&L

Divd

A Ltd $\xrightarrow[\text{Investment}]{\text{Trf the}}$ C Ltd

(wholly owned subsidiary)

⇓

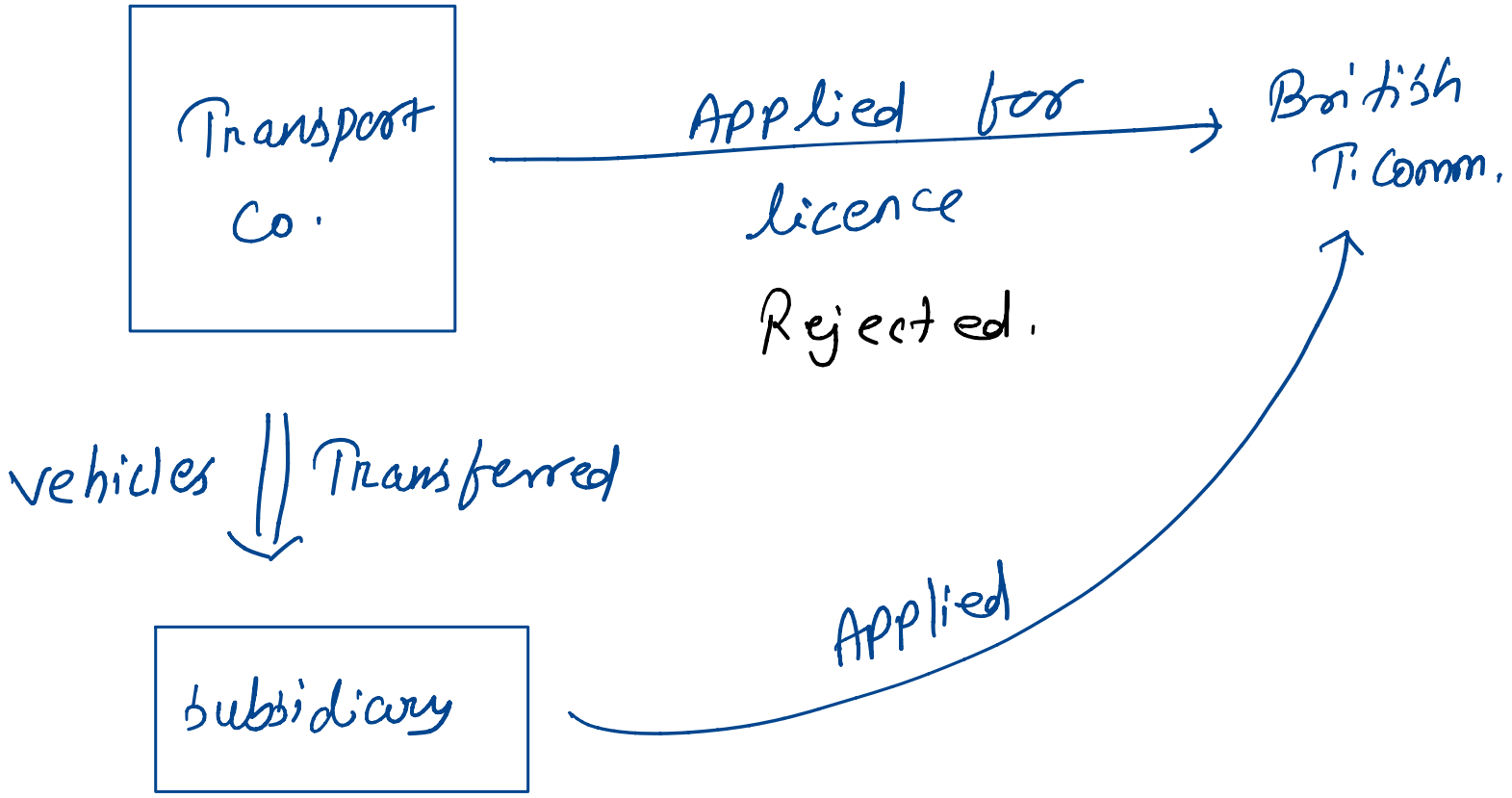
Divd in its P&L

(No other asset)

(No Bonus on it)

court ⇒ Purpose is to reduce Gross profit only.

(6) Merchandise Transport Ltd Vs British Transport commission (1962)



Court ⇒ Parent & subsidiary are one commercial unit & hence application rejected.

(7) Gilford Motor Co. Vs Horne

Mr Horne (Employee) —signed→ Gilford motor co.

⇓

Non Solicitation clause (After leaving)

⇓

Left

New Co. with wife's name & solicited customers → Gilford motor co.

Court ⇒ New co. is sham created to avoid legal obligations

facades (false) created to evade tax.
Corporate veil was lifted to decide the real owner, & the income was treated as Dinshaw's personal income.

3. **To avoid a legal obligation**

Where the sole purpose for formation of company was to use it as a device to reduce the amount to be paid by way of bonus to workmen, SC upheld the piercing of the veil to look at real transaction.

Case Law: Workmen Employed in Associated Rubber Industries Limited, Bhavnagar vs. The Associated Rubber Industries Ltd., Bhavnagar and another

Facts: Associated Rubber Industry Ltd. (A Ltd.) invested ₹4,50,000 in shares of another company (B Ltd.) & regularly included the dividends in its profit for calculating bonus to workers.
Later, A Ltd. transferred these shares to its wholly owned subsidiary (C Ltd.), so the dividend no longer appeared in A Ltd.'s profits, reducing the bonus payable to workmen.

Conclusion: Supreme Court held, Subsidiary was merely a sham entity created to avoid paying fair bonus.
Court lifted the corporate veil, treating both companies as one, since subsidiary had no real business or assets of its own and existed only to reduce A Ltd.'s profit.

4. **Formation of subsidiaries to act as agents**

Company sometimes regarded as an agent or trustee of its members, or of another company, & may therefore deemed to lost its individuality in favour of its principal.
Here the principal will be held liable for the acts of that company.

Case Law: Merchandise Transport Limited vs. British Transport Commission (1982)

Facts: Merchandise Transport Ltd. wanted vehicle licences but couldn't obtain them in its own name.
To bypass this restriction, it formed a subsidiary company and made the licence application in that subsidiary's name, planning to transfer its vehicles to it.

Conclusion: Court held, Parent & Subsidiary were actually one commercial entity, and Application for licence was rejected & corporate veil was lifted to reveal true intention.

5. **Company formed for fraud/improper conduct or to defeat law**

Where, Device of incorporation is adopted for some illegal or improper purpose.
Example - To defeat or circumvent law, defraud creditors or avoid legal obligations.

Case Law: Gilford Motor Co. vs. Horne

Classes of Companies Under the Act

1. Co. Ltd by Shares	2. Co. Ltd by Guarantee	3. Unlimited Company
4. One Person Company	5. Private Co. (Small Co.)	6. Public Company
7. Holding & Subsidiary	8. Associate Company	9. Listed Company
10. Unlisted Company	11. Government Company	12. Foreign Company
13. Section 8 Company	14. Dormant Company	15. Nidhi Company
16. Public Financial Institution		

On the basis of liability (3 Types)

1. Company limited by shares [Section – 2(22)]

- ✓ When liability of members of a company is limited by its memorandum of association to the unpaid amount (if any) on shares held by them, known as company limited by shares.
- ✓ Shareholder's separate property cannot be encompassed to meet the company's debt.
- ✓ Shareholders are not the co-owners of assets even though contributed by them. Ownership of assets remains with the company, because of its nature as a legal person. Rights & duties of a shareholder as co-owner is measured by his shareholdings.

2. Company limited by guarantee [Section 2(21)]

- ✓ Liability of its members limited to such amount as members may respectively undertake by memorandum to contribute to assets of company in the event of winding up.
- ✓ Members cannot be called upon to contribute beyond that stipulated sum.
- ✓ It does not raise its initial working funds from its members.
  This is useful only where no working funds are needed or where these funds can be held from other sources like donation, etc.
- ✓ Common features between 'Guarantee company' & 'Company having share capital
  - legal personality and limited liability. ↳ Ltd by shares
  - Both have to state that, members' liability is limited in their memorandum.
- ✓ Point of distinction is
  - Guarantee co. members may be called upon to discharge their liability only after commencement of winding up, but
    Company ltd by shares may be called upon to do so at any time, either during the company's life-time or during its winding up.

Case Law: Narendra Kumar Agarwal vs. Saroj Maloo

Conclusion: Supreme Court has laid down that the right of a guarantee company to refuse to accept the transfer by a member of his interest in the company is on a different footing than that of a company limited by shares.
Membership of a guarantee company may carry privileges much different from those of ordinary shareholders.

$100000 \times 10 = 10L$

5L

5L. unpaid.

G. Co. → 5L. → liq.

SC

unp

liq.

NSC

⇓

liq.

(8) Narendra Kumar Agarwal Vs Sanj Maloo

Co. ltd by Guarantee (No shares)

Narendra K. → member

↓ Trf his share

Sanj Maloo (Another member)

Co. denied as it was not permitted under AOA.

Dispute ⇒ Right to trf same as ltd by shares ?

⇓

Court ⇒ G. Co. can reject as it involves personal contribution, Trust

Refusal ⇒ Valid.

(1) cr → Co. unli

3. Unlimited company [Section 2(92)]

- ✓ Company not having any limit on the liability of its members.
  Liability of a member ceases when he ceases to be a member.
- ✓ Liability extends to whole amount of the company's debts and liabilities. (Members can claim contribution from other members)
- ✓ So long as the company is a going concern - the liability on the shares (unpaid amount) is the only liability.
- ✓ Creditors can institute proceedings for winding up of the company for their claims. The official liquidator may call the members for their contribution which can be unlimited.

On the basis of members (3 Types)

1. One person company [Section 2(62)]

- ✓ Companies Act, 2013 defines OPC as a company which has only one person as a member. OPC is a private ltd co. with minimum paid up share capital prescribed & having only one member.
- ✓ The only Member can be the sole member & director of OPC.
- ✓ Minimum paid up capital - no limit prescribed (As of today).
- ✓ Memorandum shall indicate the name of other person, who shall, in the event of
  - subscriber's death or
  - his incapacity to contract,

  become the member of OPC.
- ✓ Other person shall give his prior written consent in prescribed form & same shall be filed with Registrar at the time of incorporation along with e-memorandum & e-articles. Such other person may be given the right to withdraw his consent.
- ✓ Member may at any time can change the name of such other person by giving notice to co. & co. shall intimate the same to Registrar.
  Such change is not deemed to be an alteration of Memorandum.
- ✓ Only a natural person who is an Indian citizen whether resident in India or otherwise shall be eligible to incorporate a OPC, shall be a nominee of OPC.
  (Major + Natural Person + Indian Citizen) [FCX, MX, ALPX]
  Resident in India: A person who has stayed in India for a period of not less than one hundred and twenty days during the immediately preceding financial year.
  During the FY.
  Let's Recall Resident in India as per LLP Act (In short):
- ✓ No person shall be eligible to incorporate more than one OPC or become nominee in

OPC ✓

M + D

N → PWC + E - M/A → ROC

M → N → ROC → ω

NP + IC ✓

ω ROI.

25-26 → RII → M/N.

24-25 ⇓ 120

Ramu

mem

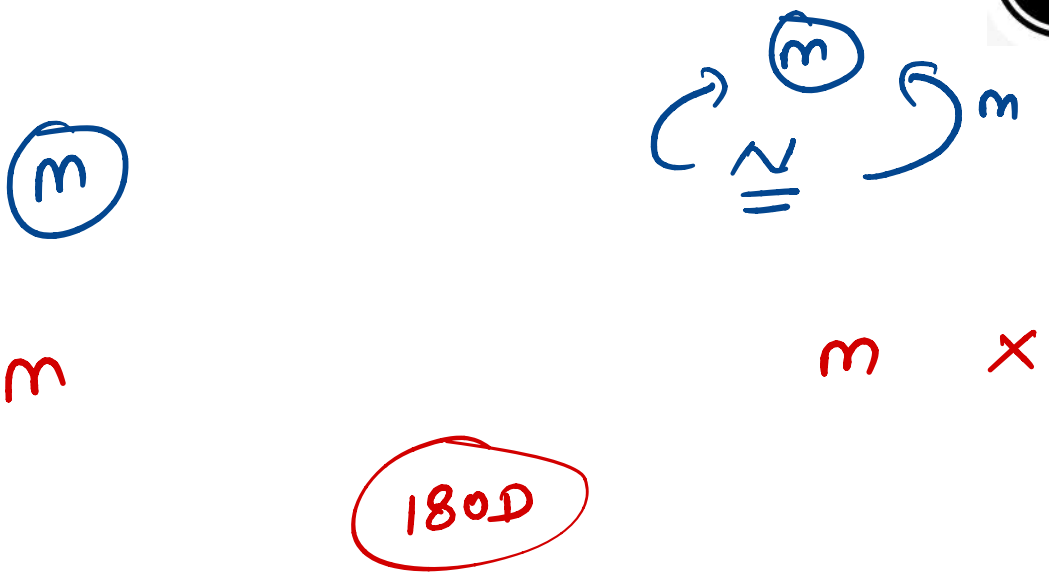
member

m + n ✓

m m ✗

n + m ✓

n n ✗


m
m
m
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x
180D

more than one such company.

Clarification: The provision given above means you cannot be Member in 2 OPC's or Nominee in 2 OPC's at the same time. But at a same time, Person can be a member of one OPC and can be a nominee of other OPC.

✓ No minor shall become member or nominee of OPC or can hold share with beneficial interest.

✓ OPC can't be incorporated or converted section 8 company.
Can be converted to private or public company.

✓ OPC can't carry out Non-Banking Financial Investment activities including investment in securities (shares/debentures/bonds etc) of any body corporate.

2. Private Company [Section 2(68)]

➢ Means a company having minimum paid-up share capital prescribed & which by its articles:

i) Restricts the right to transfer its shares;
ii) Except in case of OPC, limits the number of its members to two hundred
iii) Prohibits any invitation to public to subscribe for any securities of the company

Provided that where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single member

Provided further that

Ex

a) persons who are in the employment of the company; and
b) persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased,

shall not be included in the number of members.

Clarification:

- Shares acquired before employment - Will be counted as member ✓
- Shares sold after cessation of employment and purchased again from open market – Will be counted in membership

✓ Other Significant points
i) Number of member – Min – 2, Max – 200, OPC – 1
ii) No minimum paid-up capital requirement (As on today)
iii) Small company & OPC is a private company

Pvt Co. calⁿ (1)

Dᵗ & relatives → 190		✓	190
Employees → 15		✗	0
Ex ee [shares during employment]	10		0
5 couple [Jointly hold]	10		5
Others	5		5
			200

Pvt → Pub.

MPUS + AOA ↓ RTT ✗

N of m (200)

P I to sub

2 → one or more → sipb

In the ee → ✗

former ✗

1 ✓

(2) 220 members

25 member → shares given on 1/07/07

⇓ Tenure

1/4/06 - 28/06/16

⇓ But sold

07/08/16

Twist ⇒ 1/12/16

⇓

Acquired again from mkt

Reduce or not ? Yes

(3) If 'ee' from 1/04/06 & hold till date, shares alloted while on employment

⇓

Reduce or not

No.

(4)

210 'ee'

15 'ee'

1/1/22 - Till date → Tenure.

1/1/22 - Till date → Hold.

Acq → 1/09/21 → Before.

Reduce or not ?

Yes.

× Ltd } No.

Small Company [Section 2(85)]

✓ Means a company other than a public company whose

i) Paid up share capital does not exceed four crore rupees or such higher amount as may be prescribed which shall not be more than ten crore rupees; and

ii) turnover of which as per profit and loss account for the immediately preceding financial year does not exceed forty crores rupees or such higher amount as may be prescribed which shall not be more than one hundred crore rupees.

Exceptions: This clause shall not apply to (Even if they come under the limit given above)

(a) holding company or a subsidiary company

(b) section 8 company

(c) a company or body corporate governed by any special Act.

[+ Public co.]

Let's Recall Small LLP (In short) – 1) Contribution → ≤25L → ≤5Cr

2) T/O as per St of A&S → ≤40L → ≤50Cr

+3) other req.

3. Public company [Section 2(71)]

✓ Means a company which is not a private company & has minimum PUSC prescribed

Provided that a company which is a subsidiary of a company, shall be deemed to be public company even where such subsidiary company continues to be a private company in its articles.

A Ltd → B Pvt Ltd

⇓

Deemed Pub co.

✓ Other Significant Points:

- Shares freely transferable.
- Number of members – Min – 7, Max – No limit

On the basis of control (2 Types)

1. Holding and subsidiary companies [Section 2(46)] & [Section 2(87)] respectively

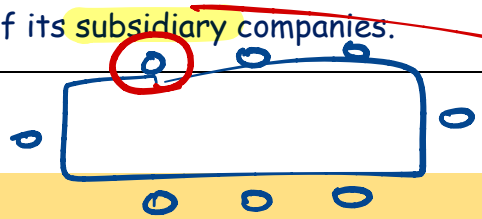
➢ Holding company in relation to one or more other companies, means a company of which such companies are subsidiary companies. (Company includes body corporate)

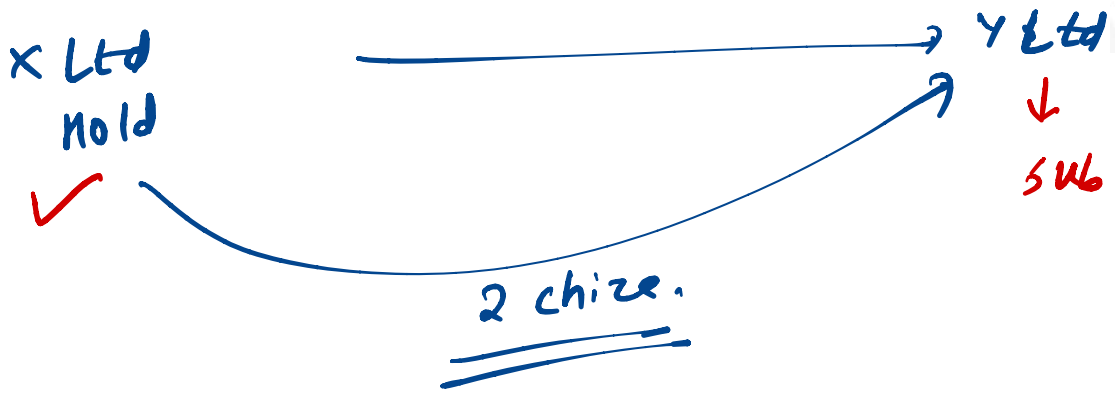
➢ Subsidiary company in relation to any other company (that is to say the holding company), means a company in which the holding company,

Y Ltd ← X Ltd

i) controls the composition of the Board of Directors or

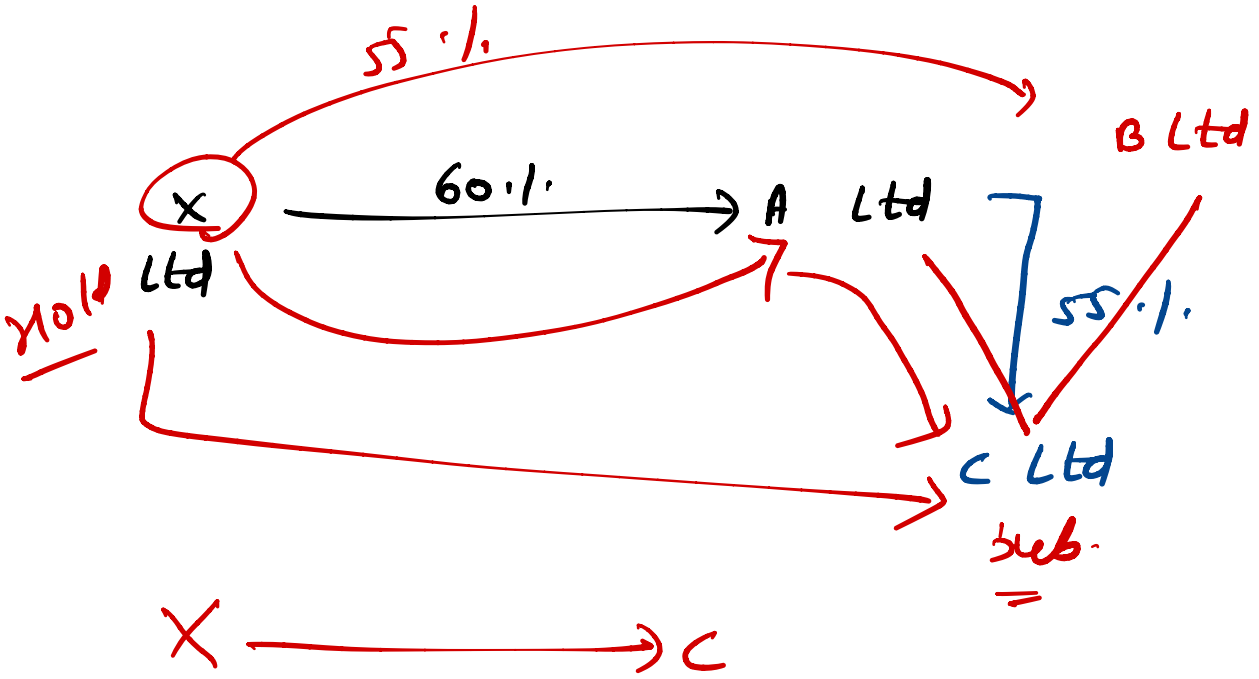
ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies. → > 50%

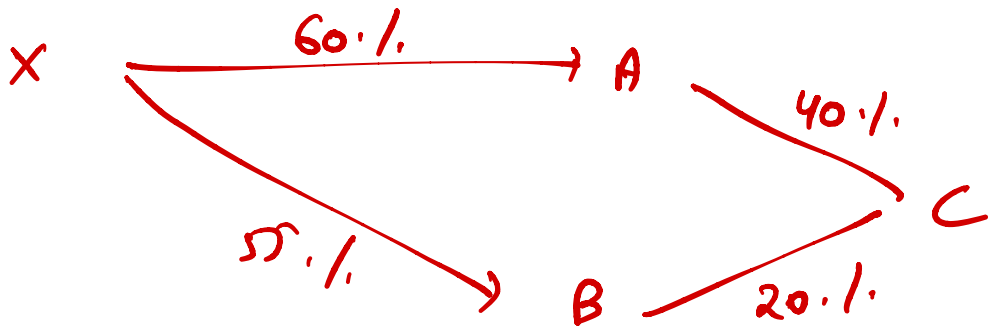


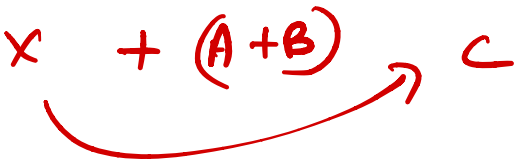


① X $\xrightarrow[\text{Comp.}]{\text{BOD}}$ Y

② X $\xrightarrow[\text{of TVP}]{\text{more than one half}}$ Y




X
60%
A
40%
C
55%
B
20%


X + (A+B)
C

other than Pub Co.

⇓

PUSC ≤ 4cr → ≤ 10cr

AND

⇓

Govt.

T/O (P&L) (IPFY) ≤ 40cr → ≤ 100cr

HC → PUSC 2cr

SC T/O 10cr.

S-8

Spl Act

} NO

Provided, holding company shall not have layers of subsidiaries beyond numbers as may be prescribed.

A → B → C → D

Clarification:

1) Total voting power means Equity Share Capital.
2) More than 50% required, Exact 50% - Not a subsidiary company

A → B → C

➢ **Other Significant Points**

✓ A Company shall be deemed to be subsidiary even if control is of another subsidiary company of the holding company.

✓ Composition of Company's BoD shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors.

✓ Private company, which is subsidiary of a public company shall be deemed to be public company.

2. Associate company [Section 2(6)]

➢ Means a company in which that other company has a significant influence, but which is not a subsidiary of the company having such influence & includes a joint venture co.

✓ Significant influence means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement.

✓ "Joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

50.5.1. ↷ subs.

Clarification:

1) 20% or more is required but upto 50% only. (Exact 50% is also associate company)
2) If given in question - Non convertible debentures - Ignore it
3) If Convertible Preference Shares is given in Question

Two Alternatives available for Convertible PSC - Add a note in the answer	
Assumption - Voting Rights given - Then take it in the calculation	Assumption - No voting rights given - Don't take it in the calculation

On the basis of access to capital (2 Types)

1. Listed company [Section 2(52)]

✓ Company which has any of its securities listed on any recognised stock exchange. Provided, such class of companies which have listed or intend to list its securities in

Tata $\xrightarrow{\quad}$ Jio Assoc.

BD + VP

control.

$\geq 20\%$ VP.

A $\longrightarrow$ B AC

$\geq 20\%$ of VP / C/P

X Y

XY Ltd $\rightarrow$ Assoc

consultation with SEBI, shall not be considered as listed companies.

2. **Unlisted company**

Company other than listed company.

Other Companies (6 Types)

1. **Government company [Section 2(45)]**

✓ Means any company in which not less than 51% of the paid-up share capital is held by

- Central Government
- by any State Government or Governments,
- or partly by Central and partly by one or more State Governments, & includes subsidiary of such a government company.

↳ ESC + PSC

If shares are issued with differential voting rights, then Paid up share capital shall be construed as "total voting power" (No preference shares taken)

Clarification:

i) Paid up share capital = Equity + Preference Share Capital

ii) Only Direct Holding by any Govt is considered for govt company calculation.

iii) If Govt company holds more than one half of total voting power in another company, the other company will be considered as government company as the other company will become the subsidiary company of government company.

2. **Foreign Company [Section 2(42)]**

✓ It means any company or body corporate incorporated outside India which

- has a place of business in India whether by itself or through an agent, physically or through electronic mode and
- conducts any business activity in India in any other manner.

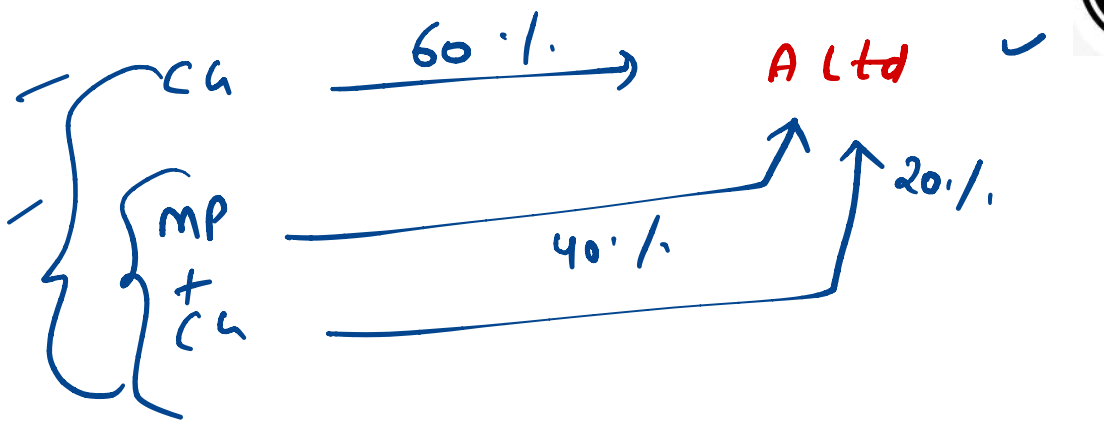
3. **Section 8 Company (Charitable objects)**

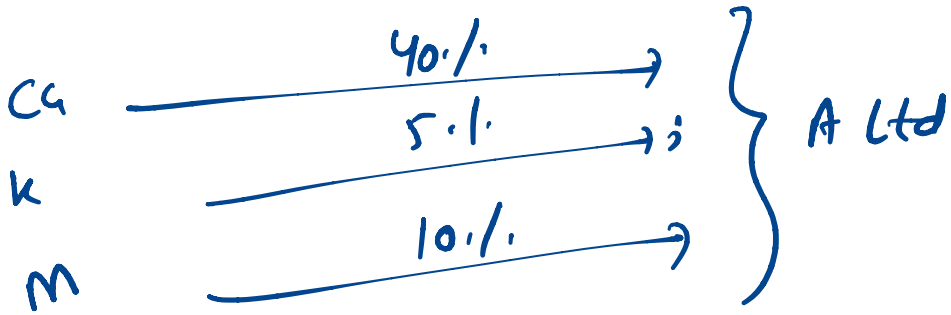
✓ Section 8 company deals with the formation of companies which are formed to

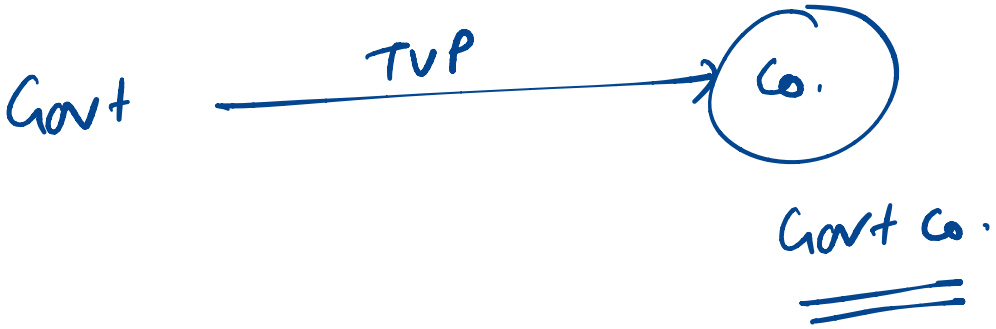
- promote the charitable objects &
- intends to apply its profit in promoting its objects and
- prohibiting the payment of any dividend to its members.

✓ **Power of Central government to issue the license -**

i) Section 8 allows the CG to register person or association of persons as a company with limited liability without addition of words 'Limited' or 'Private limited' to its name


CG
60%
A Ltd
MP
+
CG
40%
20%


CG
40%
K
5%
M
10%
A Ltd


Govt
TVP
Co.
Govt Co.

Govt Co.	XYZ Ltd.
1) GoI ✓	20% ✓
2) LIC (PFI)	8% ✗
3) Govt of TN ✓	10% ✓
4) Govt of Rajasthan	10% ✓
5) ABC Ltd (owned by Govt co.)	15% ✗

(2) ABC Ltd → Govt co. ✓

XYZ Pvt Ltd → 10L shares @ ₹100 each

ABC Ltd —5,05,000 shares hold→ XYZ Pvt Ltd

⇓

Yes

Subs.

whether XYZ → Govt co?

5,05,000 —— 10L

⇓

51%

X

5,10,000

more than one half

⇓

50%

> 50%

by issuing licence on such conditions as it deems fit.
ii) Registrar on application will register & company will enjoy privileges of limited co.

✓ **Revocation of license –**

The CG may by order revoke the licence of the company where the company

- contravenes any of the requirements or conditions subject to which a licence issued or
- where the affairs of the company are conducted fraudulently, or violative of the objects of the company or prejudicial to public interest,

On Revocation - Registrar shall put 'Limited' or 'Private Limited' to its name.

Before Revocation – CG must give a written notice of its intention & opportunity of being heard.

✓ **Order of the Central Government –**

Where a licence is revoked, CG may in the public interest

- order to amalgamate with another company registered under this section having similar objects, to form a single company or
- Wound up

✓ **Penalty/punishment in contravention –**

- Company – Not less than 10 lakhs but may extend to 1 crore and
- Director & Every officer in default – Fine not less than 25 thousand but may extend to 25 lakhs. (If fraud, liable under section 447)

✓ **Other Significant Points:**

i) Sec 8 company can call it's general meeting in 14 days instead of 21 days.
ii) A partnership firm can also be a member of Section 8 company.

Clarification:

1) Partnership firm can become a member of Section 8 company as , membership does not require profit-sharing & just because a firm's main objective is profit does not mean it cannot join a non-profit organisation for networking or industry development.

4. Dormant company (Section 455)

✓ Where a company is formed and registered under this Act for a

- future project or
- to hold an asset or intellectual property and
- has no significant accounting transaction,

such a company or an inactive company may make an application to Registrar for obtaining the status of a dormant company.

➢ "Inactive company" means a company which has

- not been carrying on any business or operation,

P/A OP → CG ✓

⇓

Name

→ Deem fit

1) Req/cond

2) Aff → voil/PI/fraud

oppo + govt + pvt ~~ltd~~ Ltd

3) CG → PI

⇓

Amal

wcp

4) Penalty

5) . . . . .

1 hr 25 m → Part 1
1 hr 45 m → Part 2

- or has not made any significant accounting transaction during the last two FY's.
- or has not filed financial statements and annual returns during the last two FY's.

✓ Significant accounting transaction means any transaction other than
i) Payment of fees by a company to the Registrar
ii) Payments made by it to fulfil the requirements of this Act or any other law
iii) Allotment of shares to fulfil the requirements of this Act; and
iv) Payments for maintenance of its office and records.

5. Nidhi Companies [Section 406(1)]

✓ Means company which the CG may by notification in the Official Gazette declare to be a Nidhi or Mutual Benefit Society.
These are Created for cultivating the habit of thrift and savings amongst its members.

6. Public Financial Institutions (PFI) [Section 2(72)]

➢ Following institutions are to be regarded as public financial institutions
i) LIC of India, established under the Life Insurance Corporation Act, 1956;
ii) Infrastructure Development Finance Company Limited,
iii) Specified company referred to in the Unit Trust of India
iv) Institutions notified by the CG under Companies Act, 1956 so repealed
v) Institution notified by the CG in consultation with the RBI

➢ No institution shall be so notified unless -
a) It has been established or constituted by or under any Central or State Act other than companies act 2013 or previous company laws or
b) Not less than 51% of paid up share capital is held or controlled by Central or by any State Government or Governments or partly by Central and partly by one or more State Governments. (Means Government controlled)

Mode of Registration/Incorporation of Company

Promoters [Section 2(69)]

➢ Means a person
i) who has been named as such in a prospectus or is identified by the company in the annual return referred to in section 92; or
ii) who has control over the affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or
iii) in accordance with whose advice, directions, or instructions the BoD is accustomed to act.

➢ In simple terms, we can say

DC → status

Co.
⇓
FP
M → A/IP
SAT

Inact
⇓
B/O
Last 2FY SAT
Last 2f AR + FS

SAT ✓

1) R
2) Rel
3) A OS
4) m & off + Rec

i) Persons who form the company are known as promoters.
ii) It is they who conceive the idea of forming the company.
iii) They take all necessary steps for its registration.

However, Persons acting only in a professional capacity (CA/CS/CMA/Adv etc) are not regarded as promoters.

Formation of company (Section 3)

- Public company - 7 or more persons,
- Private company – 2 or more persons,
- One person company – One person can form a company for any lawful purpose by subscribing their names to MOA.

Incorporation of Company (Section 7)

Procedure to be followed for incorporation of a company.

1. File the following documents to the registrar of the registered office jurisdiction
   i) The memorandum and articles of the company duly signed by all the subscribers
   ii) Declaration by person who is engaged in formation of the company and by a person named in the articles (Director, manager, secretary etc) that all the requirements of this Act and the rules made there under in respect of registration have been complied with.
   iii) Declaration from each of the subscribers to the memorandum and first directors that
   - ✓ he is not convicted of any offence in connection with promotion, formation or management of any company, or
   - ✓ he has not been found guilty of any fraud or misfeasance or breach of duty to any company during the last five years,
   - ✓ And that all the documents filed with the Registrar contain information that is correct and complete and true to the best of his knowledge and belief.

   iv) the address for correspondence till its registered office is established;
   v) the particulars of every subscriber to the memorandum along with proof of identity.
   vi) the particulars of the interests of first directors of the company in other firms or bodies corporate along with their consent to act as directors of the company

   Particulars provided in this provision shall be of the individual subscriber and not of professional engaged in the incorporation

2. Issue of certificate of incorporation on registration:

first D^r → Parti

first BC

intt

+ consent

Registrar shall register all the documents and information in the register and issue a certificate of Incorporation.

3. Allotment of Corporate Identity Number (CIN):
Registrar shall allot to the company a CIN number, which shall be a distinct identity for the company on & from the date mentioned in certificate.

4. Maintenance of copies of all documents and information:
Company shall maintain and preserve at its RO copies of all documents & information as originally filed till its dissolution.

5. Furnishing of false or incorrect information or representation or suppression of material fact at the time of incorporation -
If any person furnishes any false or incorrect particulars or suppresses any material information which he is aware or, in any of documents filed with the Registrar in relation to the registration, he shall be liable for action of fraud u/s 447.

6. Company already incorporated by above (Post Incorporation):
Where, at any time after the incorporation if the above is proved, then the promoters, first directors & the persons making declaration under this section shall be liable for fraud under section 447.

7. Order of the Tribunal: Company has been incorporated by above (F/I/R/S), then the Tribunal may, on an application made to it, on being satisfied that the situation so warrants, -
   i) pass such orders, as it may think fit for regulation of the management of the company including changes, if any, in its memorandum & articles, in public interest or in the interest of the company and its members and creditors; or
   ii) direct that liability of the members shall be unlimited; or
   iii) direct removal of the name of the company from the register of companies; or
   iv) pass an order for the winding up of the company; or
   v) pass such other orders as it may deem fit

Provided that before making any order,
- Company shall be given reasonable opportunity of being heard &
- Tribunal shall take into consideration the transactions entered into by company.

Simplified Proforma for Incorporating Company Electronically (SPICe)

MCA has taken various initiatives for ease of business.
It has simplified the process of filing of forms for incorporation through SPICe.

Effect of Registration of Company (Section 9)

✓ From the date of incorporation mentioned in certificate of incorporation, It shall be a

body corporate by the name contained in the memorandum.

- ✓ Such a registered company shall be capable having perpetual succession, power to acquire, hold and dispose of property, enter into contract, to sue and be sued.
- ✓ There comes into existence a binding contract between the company and its members as evidenced by the Memorandum and Articles of Association
- ✓ Company may purchase all shares of another company but it will not end the corporate character of another company and each company is a separate juristic entity
- ✓ Mere fact that the entire share capital has been contributed by the CG and all its shares are held by the President of India does not make any difference in the position of company and it does not make a company an agent either of the President or the Central Government

Effect of Memorandum & Articles when registered (Section 10)

- ✓ Memorandum & articles when registered, shall bind the company & members as if they respectively had been signed an agreement to observe all provisions of MoA & AoA.
- ✓ All monies payable by any member to company under MoA/AoA shall be a debt due from him to company.

Classification of Capital (5 types)

- ✓ In relation to a company limited by shares, the word capital means share-capital, i.e., the capital or figure in terms of rupees divided into shares of fixed amount.
- ✓ Contributions of persons to the common stock of company form the capital.
- ✓ Proportion of the capital to which each member is entitled, is his share.
- ✓ A share is not a sum of money; it is rather an interest made up of various rights measured by a sum of money.

1. Nominal or authorised or registered capital [Section 2(8)]

- ✓ Means such capital as is authorised by memorandum to be the maximum amount of share capital of the company.
- ✓ It is the sum with which it is to be registered being maximum amount authorised to raise & upon which stamp duty is paid.
- ✓ It is usually fixed estimated amount including working capital & reserve capital which company will need.

2. Issued capital [(Section 2(50)]

- ✓ Means such capital as the company issues from time to time for subscription.
- ✓ It is the part of authorised capital offered by company for subscription and includes

the shares allotted for consideration other than cash.

✓ Schedule III makes it obligatory to disclose its issued capital in balance sheet.

3. Subscribed capital [(Section 2(86)]

✓ Means such part of capital which is subscribed by the members of a company.

✓ It is the nominal amount of shares taken up by the public.

✓ Where any Notice/Advertisement/Business letter/Bill head/letter paper/other official communication issued shall state the Authorised, Subscribed and paid-up capital in conspicuous characters.

Default - Company & Every officer – Penalty of Rs. 10,000 & Rs. 5,000 respectively.

4. Called-up capital [Section 2(15)]

✓ Such part of capital, which has been called for payment on shares issued.

It is the total amount called on the shares issued.

5. Paid-up capital

✓ Total amount paid or credited as paid up on shares issued.

It is equal to called up capital less calls in arrears.

Shares [Section 2(84)]

✓ **Nature of Shares**

Fully PU Bundle

'Share' means a share in the share capital of a company and includes stock.

It represents proportion of the interest of shareholders as the amount paid up to the total capital payable to the company.

✓ **Shares is an Interest in the company**

Share is not a sum of money but is an interest measured by a sum of money and made up of various rights contained in the contract.

The rights & obligations attaching to a share are those prescribed by the MOA & AOA.

✓ **Shares are movable property (Sec 45)**

Every share shall be distinguished by its distinctive number & every share shall be numbered.

This shall not apply to a share held by a person whose name is entered as holder of beneficial interest in the records of a depository.

Kinds of share capital (Section 43)

According to the provision the share capital of a company limited by shares shall be of

two kinds:

1. **Equity share capital**

Means all share capital which is not preference share capital

1 → 1V

Types of Equity share capital

1S → 2V

- Equity share capital with voting rights;
- Equity share capital with differential rights as to dividend, voting or otherwise

2. **Preference share capital**

Means that part of the issued share capital of the company which carries or would carry a preferential right with respect to-

a) payment of dividend, either as a fixed amount or amount calculated at a fixed rate, which may either be free of or subject to income-tax; and

b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the company

Exception: In case of private company - Section 43 shall not apply where MOA & AOA provides.

Memorandum of Association

Memorandum is in fact its charter (rulebook) it defines its constitution, scope of the powers of the co. and it is the very foundation on which the whole edifice (structure) of company is built.

Object of registering a memorandum of association:

a) It contains the object for which company is formed, identifies possible scope of its operations beyond which it cannot go. (If does, It will be ultra virus & void)

b) Enables shareholders, creditors & all those who deal with company to know what its powers are and what activities it can engage in.

Memorandum is a public document (Sec – 399), Consequently, every person entering into a contract with company is presumed to have the knowledge of conditions contained therein.

Shareholders must know the purposes for which his money can be used by the company and what risks he is taking in making the investment.

As per Section 4, Memorandum shall be drawn up in such form as given in tables A, B, C, D, E in Schedule I of the Companies Act, 2013.

Table A - MOA of a company limited by shares.

PSC

1) Divd → Fixed Rate } free / IT

2) Cap ↓
PU / DPU

100

10

10 + 10%
= 11

10 + $\boxed{1}$

Table B - company limited by guarantee and not having a share capital.
Table C - company limited by guarantee and having a share capital.
Table D - Unlimited company. not having SC
Table E - Unlimited company and having share capital.
Memorandum & Articles of a company must be as closed to model forms, as possible.

Contents of the memorandum (7 Points)

1. Name clause	2. Registered office clause	3. Object clause
4. Liability clause	5. Capital clause	6. Association clause
7. Succession clause		

1. **Name Clause**

In case of Public ltd. company - Name of company ends with the last word "Limited"
Private Ltd. Company – ends with the last words "Private Limited"
OPC – the words "One Person Company", should be included below its name
Government company - Name must end with the word "Limited".
This clause is not applicable on Section 8 companies. Section 8 company shall include the words as given under The Companies (Incorporation) Rules, 2014.

2. **Registered Office Clause**

the State in which the RO of the company is to be situated

3. **Object Clause**

Objects for which the company is proposed to be incorporated and any matter considered necessary in furtherance thereof
If any company has changed its activities which are not reflected in its name, it shall change its name in line with activities within a period of 6 months from change of activities.

4. **Liability clause**

Liability of members whether limited or unlimited, and also state

- in case of company limited by shares - liability is limited to the amount unpaid, &
- in case of company limited by guarantee - Amount up to which each member undertakes to contribute
  - ✓ to assets of company in the event of winding-up while he is a member or within one year after he ceases to be a member before winding up for payment of debts & liabilities contracted before he ceases to be a member
  - ✓ to costs, charges & expenses of winding-up & for adjustment contributories.

5. **Capital Clause**

Amount of authorized capital divided into share of fixed amounts & the number of shares with the subscribers, indicated opposite their names, which shall not be less

G.co. → m

liqu.

Asset

debt/liab

Cost

Contri Adj

Present membe

Pcdt m

1yr

than one share. (This clause will not apply to company not having share capital)

6. **Association Clause**

Details of subscribers to form company.

MOA shall conclude with this clause. Every subscriber to MOA shall take at least one share, and shall write against his name, the number of shares taken by him.

7. **Succession Clause** A 100

In the case of OPC, Name of the person who, in the event of death of the subscriber, shall become the member of the company.

Other Significant Points:

✓ Memorandum must be printed, divided into paragraphs, numbered consecutively & signed by at least 7 persons in case of public co., 2 in case of private company and 1 in case of OPC in the presence of at least one witness, who will attest the signatures.

✓ Company being a legal person can through its agent, subscribe to memorandum. However, Minor cannot be a signatory as he is not competent to contract. Guardian of minor who subscribes will be deemed to have subscribed in his personal capacity.

MOA cannot contain anything contrary to provisions of Companies Act. All other documents of company must comply with provisions of Memorandum.

Act → MOA → AoA → Mgt

Articles of Association

✓ Articles of a company are its rules & regulations framed to manage its internal affairs. Articles play a part subsidiary to memorandum of association. It provides the mode & form in which the business of company is to be carried on.

✓ The document containing the articles of association (the Magna Carta) is a business document; hence it has to be construed strictly.

✓ It regulates domestic management of a company and creates certain rights and obligations between the members and the company.

✓ Articles are bye-laws of company according to which director & other officers are required to perform their functions as regards to management, accounts & audit.

Contents and Model of articles (Section 5)

1. **Contains regulations:** Articles shall contain the regulations for management of company.

2. **Inclusion of matters:** Also contain such matters, as are prescribed under the rules. Also include additional matters as may be considered necessary for its management.

3. **Contain provisions for entrenchment:** Articles may contain provisions for

entrenchment to the effect that specified provisions of the articles may be altered only if conditions or procedures which are more restrictive than special resolution, are met or complied with.

4. **Manner of inclusion of the entrenchment provision:** Made either on formation of a company, or by an amendment in the articles agreed to by all the members in case of private company & agreed by special resolution in case of public company.

5. **Notice to the registrar of the entrenchment provision:** Whether made on formation or by amendment, the company shall give notice to the Registrar in the manner prescribed.

6. **Forms of articles:** Articles shall be specified in Tables, F, G, H, I & J in Schedule I.

7. **Model articles:** Company may adopt all or any of the regulations contained in the model articles applicable to such company. (If do not exclude or modify the model applicable, it shall be applicable in same manner as if they were contained in the registered article)

Difference between MOA & AOA

1. **Objectives:** Memorandum defines and delimits the objectives of company whereas Articles lays down rules & regulations for internal management of company. Articles determine how the objectives of the company are to be achieved.

2. **Relationship:** Memorandum defines the relationship of company with the outside world and Articles defines between the company and its members.

3. **Alteration:** Memorandum can be altered only under certain circumstances and in the manner provided in the Act. In most cases permission of Regional Director, or Tribunal is required. Articles can be altered simply by passing a special resolution.

4. **Ultra Vires:** Acts done by company beyond the scope of memorandum are ultra-vires and void. These cannot be ratified even by unanimous consent of all shareholders. The acts ultra-vires the articles can be ratified by a special resolution provided they are not beyond the provisions of memorandum.

Approve 100%

Part III

Doctrine of Ultra Vires

- ✓ Memorandum is a "public document" (Sec 399) it is open to public inspection. Therefore, when one deals with company is deemed to know the powers of company. If enter into a transaction which is ultra vires the company, you cannot enforce it.
- ✓ The impact of ultra vires is that a company can neither be sued nor can it sue on it.
- ✓ Ultra vires acts being void, cannot be ratified by the shareholders of company.
- ✓ Company cannot enter into a contract or engage in any trade or business, which is beyond the power confessed on it by memorandum. If does so, it would be ultra vires the company and void.

Act → MOA → UV ✓

Void ✓

Un con App ✗

Rat ✗

Act $\xrightarrow{UV}$ AOA $\xleftarrow{IV}$ MOA ✓

↓

subha

barm

Loan ↓

Approve ✓

EP.

Mota.

Dr

AoA ← SR.

Mota

90.%

Yes

OR

>50.%

10

6

SR

≥75.%

75

Yes

AoA

Dr

SR

90.%

strict

EP

At the form

Post 9nc

AoA Amend

Pvt (All)

Pub

SR

Ent Prov

ABC pvt Ltd ⟶ AOA

⇓ Quorum

1/3rd or 2 Dr WEH

Change → 1/3rd or 4 Dr

Pvt Co ⇒ ?

Pub Co ⇒ ?

Case law: Ashbury Railway Carriage and Iron Company Limited v. Riche

Facts: Ashbury Railway Carriage & Iron Co. Ltd. was formed to manufacture and sell railway carriages, act as mechanical engineers and general contractors, and trade in coal, metals, etc.

The company's directors contracted with Riche to finance construction of a railway line in Belgium, which was later approved by Special resolution. However, the Court held the contract ultra vires (beyond the company's powers) because it was unrelated to its main business of mechanical engineering.

And It said that the terms general contractors was associated with mechanical engineers, i.e. it had to be read in connection with the company's main business.

Conclusion: Even shareholder approval couldn't validate it. Ultra vires contract can never be made binding on the company. It cannot become "Intravires".

✓ **The whole position regarding the doctrine of ultra vires can be summed up as**

i) When an act is performed, which though legal in itself, is not authorized by object clause of the memorandum, it is said to be ultra vires the company, and hence null and void.

ii) An act which is ultravires, the company cannot be ratified even by the unanimous consent.

iii) An act which is ultravires the directors, but intravires the company can be ratified by the members of the company through a resolution (Ordinary Resolution) passed at a general meeting.

iv) If an act is ultra vires the Articles, it can be ratified by altering the Articles by a Special Resolution at a general meeting.

Doctrine of Indoor Management

✓ **Doctrine of Constructive Notice**

Any person can inspect, make a record, get a copy or extracts of any document Kept with registrar on payment of prescribed fee. (Sec – 399).

MOA & AOA when registered becomes public documents, hence available for inspection

✓ It is therefore, the duty of every person dealing with a company to inspect its documents and make sure that his contract is in conformity with their provisions

✓ But whether a person reads them or not, it will be presumed that he have knowledge of the contents & also understood them in true perspective all the documents,

This kind of presumed/implied notice is called constructive notice.

✓ Thus, if a person enters into a contract which is beyond the powers of the company or outside the authority of directors, he cannot acquire any rights under the contract

Doct of UV

ABC Ltd borrowed → 5 cr

Borrowing power → 1 cr

Bank released in 2 inst → 1 cr, 4 cr

Due date → Company refused → UV

Books → 3 cr → Repayment of lawful debt

2 cr → can't be traced

liab ⇒ 3 cr ✓

1 cr ✓

1 cr ✗

Example 7: If you have supplied goods or performed service on such a contract or lent money, you cannot obtain payment or recover the money lent. But if the money advanced to the company has not been expended, the lender may stop the company from parting with it by means of an injunction; this is because the company does not become the owner of the money, which is ultra vires the company. As the lender remains the owner, he can take back the property in specie. If the ultra vires loan has been utilised in meeting lawful debt of the company, then the lender steps into the shoes of the debtor paid off and consequently he would be entitled to recover his loan to that extent from the company.

1cr

UV

Court → Yes Inj Yes

(9) Ashbury Railway Carriage & Iron Company limited Vs Riche

Co's → Enter Contract → Riche

Co's ⇓ Main object ⇓ No Financing X

Riche: Financing the Railway line

⇓

Later on ⇓ Ratified by BR ⇓ Repudiated

case → Contract was within the term General contractors & also ratified.

Court ⇒ Null & void

Gen. Cont associated with mech. engineers.

against company.

Doctrine of Indoor Management/ Turquand Rule

- ✓ It is the exception to the doctrine of constructive notice.
- ✓ It does in no sense mean that outsiders are deemed to have notice of the internal affairs of the company.
- ✓ If an act is authorised by the articles or memorandum, an outsider is entitled to assume that all the detailed formalities for doing that act have been observed.

Case Law: Royal British Bank vs. Turquand.

Facts: The Cameron's Coalbrook Company gave a bond of £2,000 to the Royal British Bank, signed by its directors and secretary. The company later claimed the borrowing was unauthorized, as per its internal rules requiring shareholder approval through a resolution. Although a resolution existed, it didn't specify the amount.

The Court held the bond valid, stating that outsiders like the bank were entitled to assume internal company procedures were properly followed and need not verify internal resolutions.

Conclusion: Bond was valid Royal British Bank could enforce it as Articles were registered, so there was constructive notice. But bank could not be deemed to know which ordinary resolutions passed, because these were not registrable.

The bond was valid because there was no requirement to look into the company's internal workings.

This is indoor management rule, Company's indoor affairs are company's problem.

Exceptions to the doctrine of Indoor Management (3 Exceptions)

1. Actual or constructive knowledge of irregularity

- ✓ Rule does not protect any person when the person dealing with company has notice whether actual or constructive of irregularity.

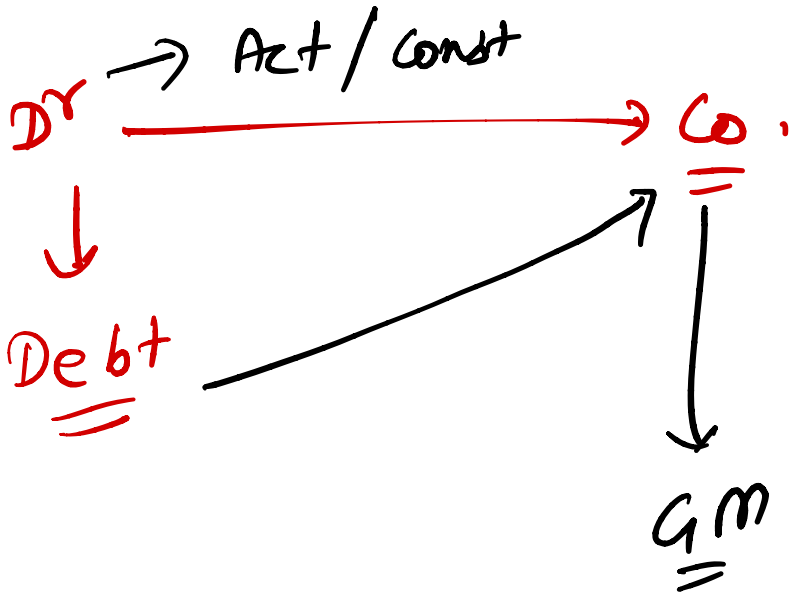
Case law: Howard vs. Patent Ivory Manufacturing Co.

Facts: Where the directors could not defend the issue of debentures to themselves because they should have known that the extent to which they were lending money to the company required the assent of the general meeting which they had not obtained.

2. Suspicion of Irregularity

- ✓ The doctrine in no way, rewards those who behave negligently. Where the person dealing with the company is put upon an inquiry, it is the duty of the outsider to make the necessary enquiry.

Case law: Anand Bihari Lal vs. Dinshaw & Co.


Dr
Act / Const
Co.
Debt
GM

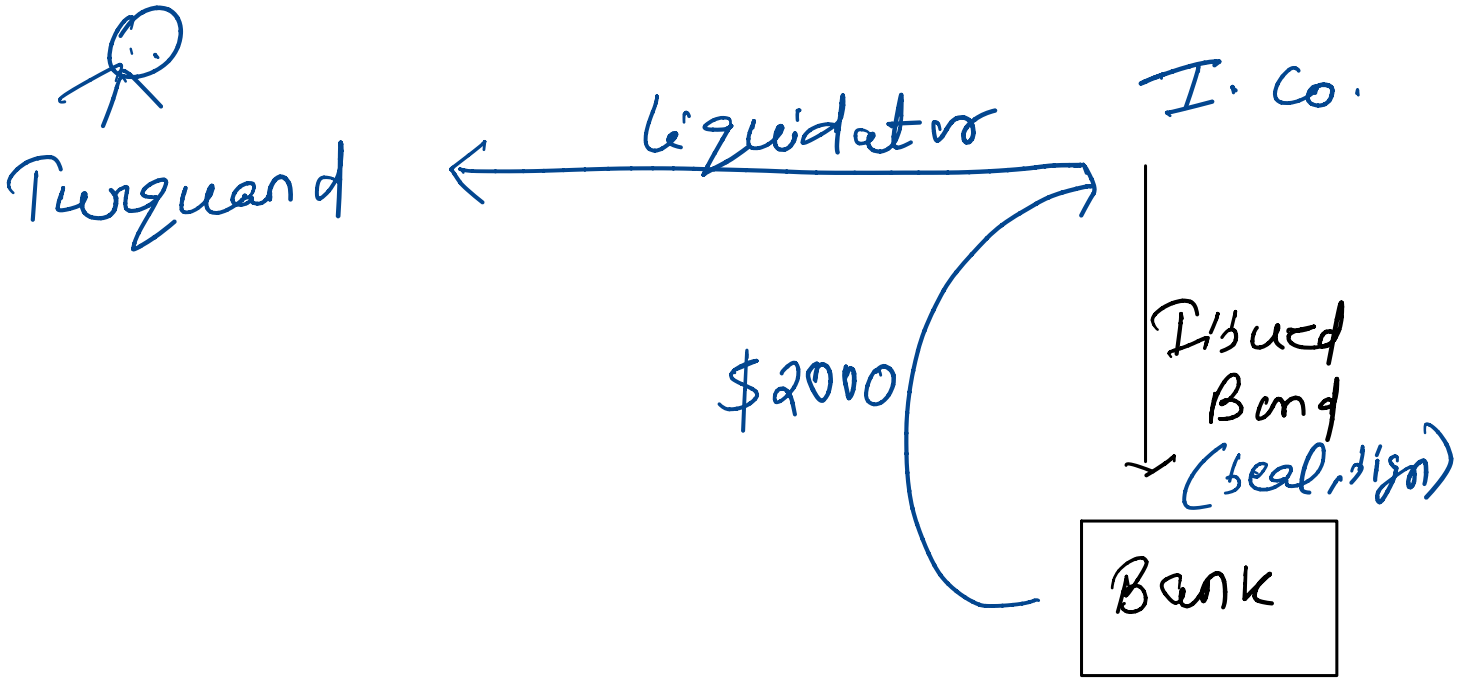
Resln

OR

Andar

Loan

10 Royal British Bank Vs Turquand



Bank $\xrightarrow{\text{sue}}$ Company

$\Downarrow$

AOA → D^r can borrow upto amt authorise by resl^n

$\Downarrow$

Resl^n passed but no amt decided

Court ⇒ Bond valid as company's indoor affairs are company's problem.

(11) Howard Vs Patent Ivory Manf Co.

Patent Ivory M. Co. $\xrightarrow{\text{Borrowed}}$ Howard

$\Downarrow$

Main object

$\Downarrow$

Mfr & sell articles made of patent ivory

$\Downarrow$

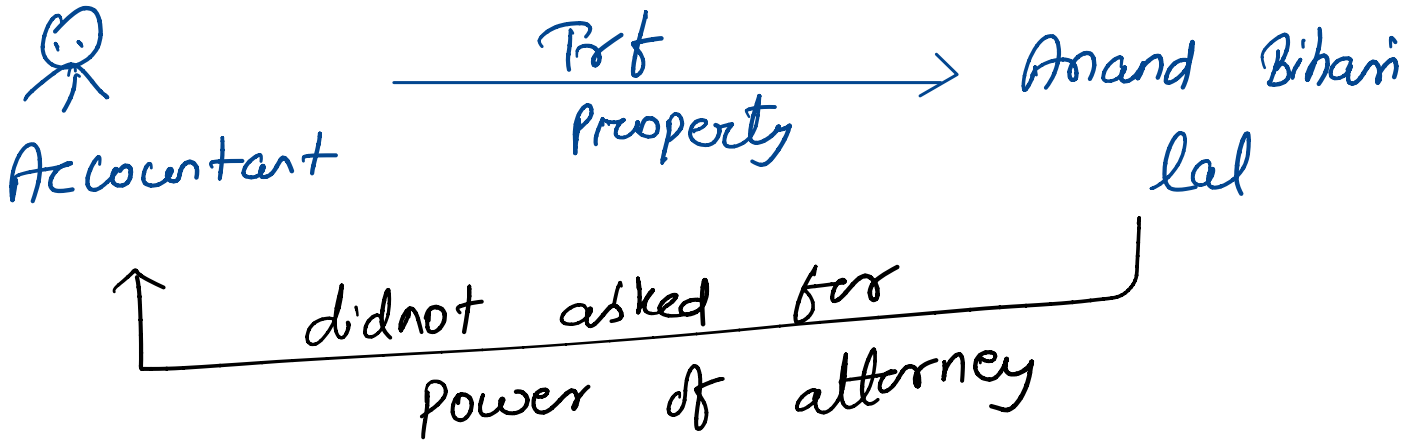
Purpose was different

$\times$

Co. failed to repay & Howard sued Co.

Court $\Rightarrow$ Borrowing was UV & you were aware of it.

12 Anand Bihari lal vs Dinshaw & Co.



Court ⇒ Co. is not bound by the unauthorized acts of the employee.

Facts: Plaintiff accepted a transfer of a company's property from its accountant, the transfer was held void. The plaintiff could not have supposed, in absence of a power of attorney that the accountant had authority to effect transfer of the company's property.

3. **Forgery**

✓ The doctrine of indoor management applies only to irregularities which might otherwise affect a transaction but it cannot apply to forgery as it is nullity.

Case law: Ruben v Great Fingall Consolidated.

Facts: Plaintiff was transferee of a share certificate issued under seal of defendant's company. The company's secretary, who had affixed the seal & forged the signature of two directors, issued the certificate.

Plaintiff contended that whether the signature were genuine or forged was a part of internal management, & therefore, company should be estopped from denying genuineness of document.

Conclusion: Rule has never been extended to cover such a complete forgery.

13 Ruben Vs Great finpall Consolidated

Company secretary of Great finpall consolidated $\xrightarrow[\text{certificate}]{\text{Issued}}$ Ruben

⇓

Co's seal

+

2 Dr sign

↳ forged it

Ruben $\xrightarrow[\text{or forged is internal mgt}]{\text{signature genuine}}$ Great finpall consolidated

Court ⇒ The rule is never extended to complete forgery.

Must Remember

1) Macaura Vs Northern Assurance Co. Ltd

2) Saloman Vs Saloman & Co. Ltd

3) Daimler Co. Ltd vs continental tyre & rubber Co.

4) Dinshaw maneckjee petit

5) Workmen Employed in Associated rubber industries Ltd, Bhavnagar Vs Associated rubber industries Ltd, Bhavnagar & another.

6) Merchandise Transport limited vs British transport commission.

7) Gilford Motor Co. Vs Horne

8) Narendra kumar Agarwal Vs Sanj Maloo

9) Ashbury Railway carriage & Iron company Vs Riche

10) Royal British bank Vs Turquand

11) Howard vs Patent Ivory Manufacturing Company

12) Anand Bihari lal vs Dinshaw & co.

13) Ruben Vs Great fingall consolidated

THANK
YOU