

Contents

| | PAGE |
|-----------------------------|------|
| ◆ <i>Chapter-heads</i> | I-5 |
| ◆ <i>Section-wise Index</i> | I-25 |

1 INTRODUCTION

| | | |
|-----|--|----|
| 1.1 | Background of this book | 1 |
| 1.2 | Administration of Companies Act | 2 |
| 1.3 | Company form of business organisation | 2 |
| 1.4 | Common seal in relation to a company | 4 |
| 1.5 | Company is not a 'citizen' | 6 |
| 1.6 | Limited liability | 6 |
| 1.7 | Various type of companies that can be formed | 7 |
| 1.8 | Company is a separate 'person' - Separate legal entity | 10 |
| 1.9 | Lifting the corporate veil | 12 |

2 INCORPORATION OF A COMPANY

| | | |
|-----|--|----|
| 2.1 | Initial stage in formation of a company | 13 |
| 2.2 | Name of company | 15 |
| 2.3 | Signing of memorandum and articles | 23 |
| 2.4 | Documents to be filed with ROC | 25 |
| 2.5 | Certificate of incorporation | 28 |
| 2.6 | Declaration after incorporation of a company before commencement of business | 30 |

3**MEMORANDUM OF ASSOCIATION**

| | | |
|-------------|---|----|
| 3.1 | Constitution of Company | 33 |
| 3.2 | Registered office clause | 34 |
| 3.3 | Objects Clauses in Memorandum | 36 |
| 3.4 | Capital Clause in Memorandum of Association | 36 |
| 3.5 | Subscriber to memorandum of association of a company | 37 |
| 3.6 | Persons entitled to obtain copies of Memorandum and Articles of the company and certain resolutions | 37 |
| 3.7 | Alteration of Memorandum of Association | 37 |
| 3.8 | Procedure for Amending Memorandum | 38 |
| 3.9 | Procedure for change of name | 38 |
| 3.10 | Change of Registered Office of company | 40 |
| 3.11 | Change of Object Clause | 44 |
| 3.12 | Changing Capital clause in the Memorandum of Association of a company | 44 |
| 3.13 | Alterations to Memorandum of Association - Provisions at a glance | 46 |
| 3.14 | Doctrine of <i>ultra vires</i> Memorandum | 47 |

4**ARTICLES OF ASSOCIATION**

| | | |
|------------|---|----|
| 4.1 | Rules for internal management of company | 48 |
| 4.2 | Binding nature of Articles | 50 |
| 4.3 | Restrictive clauses in Articles of a company | 52 |
| 4.4 | Provisions as applicable to Articles of Private Limited Company | 53 |
| 4.5 | Suggested Draft of Articles | 53 |
| 4.6 | Alteration of Articles of Association | 54 |
| 4.7 | Compulsory alteration of Articles | 55 |

5**CAPITAL OF THE COMPANY**

| | | |
|------------|------------------------------|----|
| 5.1 | 'Own Funds' and 'Loan Funds' | 56 |
| 5.2 | Preference Shares | 60 |

6**ISSUE OF SECURITIES**

| | | |
|-------------|---|----|
| 6.1 | Various modes of raising capital | 65 |
| 6.2 | Issue of shares at premium | 68 |
| 6.3 | Issue of equity shares with differential rights | 71 |
| 6.4 | Private placement of securities | 72 |
| 6.5 | Conversion of debentures or loans into shares as per loan agreement | 75 |
| 6.6 | Compulsory conversion of debentures and loans given by Central Government into equity shares of the company | 75 |
| 6.7 | Warrants | 76 |
| 6.8 | Procedure for issue of securities | 77 |
| 6.9 | Allotment of shares | 78 |
| 6.10 | Improper and irregular allotment | 79 |
| 6.11 | Calls on shares and forfeiture | 80 |

7**FURTHER ISSUE OF SECURITIES**

| | | |
|------------|---|----|
| 7.1 | Rights issue | 84 |
| 7.2 | 'Preferential Allotment' in case of fresh issue of securities | 88 |
| 7.3 | Bonus shares | 89 |
| 7.4 | Sweat equity shares | 94 |
| 7.5 | Employee Stock Option/Stock purchase | 96 |
| 7.6 | Global Depository Receipts (GDR) | 98 |

8**REDUCTION OF CAPITAL AND
BUY-BACK OF SECURITIES**

| | | |
|------------|--|-----|
| 8.1 | Capital reduction | 100 |
| 8.2 | Procedure for reduction of capital of a company | 102 |
| 8.3 | Other powers of NCLT to order reduction of capital | 104 |
| 8.4 | Diminution of capital does not constitute reduction of capital | 104 |
| 8.5 | Company cannot buy its own shares | 105 |
| 8.6 | Buy-back of securities | 106 |

9**PUBLIC ISSUE OF SECURITIES**

| | | |
|-------------|---|------------|
| 9.1 | Background | <i>113</i> |
| 9.2 | Stock exchange requirements for listing of a security | <i>114</i> |
| 9.3 | Restrictions on utilisation of funds collected while issuing shares to public | <i>115</i> |
| 9.4 | Commission that can be paid while issuing securities | <i>115</i> |
| 9.5 | Punishment for personation for acquisition, etc. of securities | <i>116</i> |
| 9.6 | Prospectus | <i>116</i> |
| 9.7 | Golden rule of full and proper disclosure in prospectus | <i>119</i> |
| 9.8 | Procedural aspects of prospectus | <i>120</i> |
| 9.9 | Penalty for violating provisions in respect of prospectus | <i>121</i> |
| 9.10 | Liabilities for false statements in prospectus | <i>121</i> |

10**MEMBERSHIP OF COMPANY**

| | | |
|--------------|-------------------------------------|------------|
| 10.1 | Member and shareholder | <i>123</i> |
| 10.2 | Lien on shares | <i>132</i> |
| 10.3 | Variation in rights of shareholders | <i>133</i> |
| 10.4 | Member of company | <i>134</i> |
| 10.5 | Who can become member of a company? | <i>136</i> |
| 10.6 | A minor as member of a company | <i>139</i> |
| 10.7 | Termination of membership | <i>141</i> |
| 10.8 | Joint holding of shares | <i>142</i> |
| 10.9 | Shares held in trust | <i>145</i> |
| 10.10 | Register of members | <i>150</i> |

11**TRANSFER OF SECURITIES**

| | | |
|-------------|--|------------|
| 11.1 | General provisions of share transfer | <i>155</i> |
| 11.2 | Stamp duty on share transfer deed | <i>160</i> |
| 11.3 | Procedure by company for transfer of security | <i>162</i> |
| 11.4 | Transfer of security in case of listed company | <i>164</i> |
| 11.5 | Restrictions on transfer in case of dominant undertaking | <i>165</i> |

| | PAGE | |
|-------|---|-----|
| 11.6 | Transfer when company is under winding up | 165 |
| 11.7 | Effect of forgery on transfer of security | 165 |
| 11.8 | Refusal of transfer of security | 166 |
| 11.9 | Instrument of transfer of security | 167 |
| 11.10 | Right of transferee if transfer not effected by company | 169 |
| 11.11 | Protection available to transferee of shares in case of listed companies | 170 |
| 11.12 | When share transfer cannot be refused by a company? | 171 |
| 11.13 | Restrictions on transfer of shares in a Private Limited Company | 172 |
| 11.14 | Procedure to be followed if company decides to declines transfer/transmission | 173 |
| 11.15 | Appeal if company refuses to transfer shares | 174 |
| 11.16 | Rectification of register of members | 175 |
| 11.17 | Civil suit not available when NCLT has jurisdiction | 179 |

12

NOMINATION AND TRANSMISSION OF SHARES

| | | |
|------|--|-----|
| 12.1 | Nomination of shares/Debentures | 180 |
| 12.2 | Involuntary transfer of securities | 184 |
| 12.3 | Modes of transmission of security | 189 |
| 12.4 | Transmission in case of intestate succession | 191 |
| 12.5 | Position of an insolvent with regard to membership in a company | 192 |
| 12.6 | Transmission in case of a mentally ill person | 193 |
| 12.7 | Transmission of security in case of amalgamation of a company | 193 |
| 12.8 | Transmission when a minor becoming major | 193 |
| 12.9 | Transmission of security in case of Court order or Arbitration Award | 193 |

13

DEMOCRACY OF SHAREHOLDERS

| | | |
|------|---|-----|
| 13.1 | Shareholders are ultimate owners, but with limited powers | 194 |
| 13.2 | Meetings of shareholders | 195 |
| 13.3 | General provisions of meeting of members | 200 |
| 13.4 | Requirements of notice of a general meeting | 207 |
| 13.5 | Annual general meeting | 210 |
| 13.6 | Financial statement | 214 |

14**PROCEDURE OF GENERAL MEETING**

| | | |
|--------------|---|-----|
| 14.1 | Chairperson of the meeting | 215 |
| 14.2 | One person meeting | 221 |
| 14.3 | Proxy at the meeting | 223 |
| 14.4 | Procedure of the meeting | 229 |
| 14.5 | Adjournment of general meetings | 233 |
| 14.6 | Rules of debate in a general meeting | 237 |
| 14.7 | Functions of a Company Secretary in regard to meeting | 237 |
| 14.8 | Resolutions and voting at general meeting | 237 |
| 14.9 | Members' Resolutions and Statements on Resolutions | 240 |
| 14.10 | Private agreements not binding | 241 |
| 14.11 | Voting at the meeting | 241 |
| 14.12 | Voting by poll | 245 |
| 14.13 | Voting by postal ballot | 249 |
| 14.14 | Voting by electronic means | 252 |
| 14.15 | Minutes of general meeting | 254 |
| 14.16 | Inspection of Minute Books of General Meeting | 258 |
| 14.17 | Secretarial Standard SS-5 on Minutes | 259 |
| 14.18 | Filing of resolutions with ROC | 259 |

15**DIRECTORS OF COMPANY**

| | | |
|-------------|---|-----|
| 15.1 | Role of Directors | 262 |
| 15.2 | Board of Directors | 264 |
| 15.3 | Independent directors in case of public companies | 264 |
| 15.4 | Director elected by small shareholders | 273 |
| 15.5 | Protection to independent and non-executive directors | 274 |
| 15.6 | Who can be a Director? | 274 |
| 15.7 | Election and appointment of Directors | 275 |
| 15.8 | Contesting as Director | 279 |
| 15.9 | Proportional representation | 280 |

| | PAGE |
|---|------|
| 15.10 Nominee Directors | 281 |
| 15.11 Additional Directors | 285 |
| 15.12 Alternate Director | 286 |
| 15.13 Appointment of director by NCLT | 289 |
| 15.14 Filling of casual vacancy of a director | 289 |
| 15.15 <i>De facto</i> director | 290 |
| 15.16 Special provisions relating to banking companies | 291 |
| 15.17 Restriction on number of Directorships | 291 |
| 15.18 Secretarial procedures relating to directors | 292 |
| 15.19 Secretarial practice for appointment/Change in Director | 292 |
| 15.20 Register of Directors and KMP | 297 |
| 15.21 Remuneration to non-wholetime Directors | 298 |
| 15.22 Payment of sitting fees and travel expenses to Directors | 300 |
| 15.23 Ceiling of total managerial remuneration | 301 |
| 15.24 Calculation of 'Net Profit' | 304 |
| 15.25 Managerial remuneration at a glance | 306 |
| 15.26 Remuneration to director in professional capacity | 307 |
| 15.27 Other provisions relating to managerial remuneration | 307 |

16

DISQUALIFICATIONS AND REMOVAL OF DIRECTOR

| | |
|---|-----|
| 16.1 Disqualification of a director | 309 |
| 16.2 No disqualification of nominee directors | 313 |
| 16.3 Vacation of office of a Director | 314 |
| 16.4 Resignation by director | 317 |
| 16.5 Removal of a director | 319 |
| 16.6 Removal of director in requisition meeting | 321 |
| 16.7 Removal of director can amount to oppression | 321 |
| 16.8 Removal of permanent directors | 321 |
| 16.9 Removal by NCLT | 322 |
| 16.10 Civil court has jurisdiction in respect of removal of director | 322 |
| 16.11 Removal of nominee director by withdrawing nomination | 322 |

17**RESTRICTIONS ON DIRECTORS IN
RELATION TO COMPANY**

| | | |
|-------------|--|-----|
| 17.1 | Contracts in which directors are interested | 323 |
| 17.2 | Restrictions on loans to directors | 325 |
| 17.3 | Related Party Transactions | 327 |
| 17.4 | Disclosures and registers | 335 |
| 17.5 | Accounting Standard relating to related party transactions | 337 |
| 17.6 | Payment to director for loss of office, etc. | 337 |
| 17.7 | Restriction on non-cash transactions involving directors | 339 |
| 17.8 | Contract by OPC with its Sole Member | 339 |

18**DUTIES, RIGHTS AND LIABILITIES
OF A DIRECTOR**

| | | |
|--------------|---|-----|
| 18.1 | Legal position of a Director | 340 |
| 18.2 | Director is not an employee | 341 |
| 18.3 | Director has some traits of an agent of the company | 341 |
| 18.4 | Director has some traits as 'trustee' | 341 |
| 18.5 | Directors cannot enter into pooling arrangement | 342 |
| 18.6 | Corporate opportunity cannot be diverted for personal gains | 342 |
| 18.7 | Specific duties of a director | 343 |
| 18.8 | Rights of director and limitations | 343 |
| 18.9 | Legal liability of a director | 344 |
| 18.10 | Compliance Certificates from executive directors | 346 |
| 18.11 | Liability under Companies Act on 'officer in default' | 346 |
| 18.12 | Personal liability of Director for company's dues | 348 |
| 18.13 | Director may be held liable even if not personally involved in fraud, if he is negligent | 350 |
| 18.14 | Director liable for contempt of Court by company | 351 |
| 18.15 | Liability if personal guarantee given | 351 |
| 18.16 | Insurance of liability of Director | 351 |
| 18.17 | Liability of director under other Acts | 353 |
| 18.18 | Liabilities under some Acts | 355 |
| 18.19 | Liability under Negotiable Instruments Act | 357 |

19**MEETING OF BOARD OF DIRECTORS**

| | | |
|--------------|---|-----|
| 19.1 | Role of Board in Company Management | 358 |
| 19.2 | Board in supreme in management of Company | 359 |
| 19.3 | Decisions of Board at the meeting | 360 |
| 19.4 | Agenda for Board meetings | 362 |
| 19.5 | Circular Resolution <i>i.e.</i> resolution by circulation | 363 |
| 19.6 | Board Resolutions requiring unanimous voting | 370 |
| 19.7 | Committees of the Board | 370 |
| 19.8 | Amendment or cancellation of a Board Resolution | 372 |
| 19.9 | Conduct of a Board meeting | 373 |
| 19.10 | Chairperson of the Board meeting | 375 |
| 19.11 | Agenda of the Board meeting with related papers seven days before meeting | 377 |
| 19.12 | Quorum for the Board Meeting | 378 |
| 19.13 | Adjournment of Board Meeting | 381 |
| 19.14 | Filing of Board resolutions and agreements | 381 |
| 19.15 | Board meetings requirements in respect of listed companies | 382 |
| 19.16 | Electronic Board meeting through video conference | 383 |
| 19.17 | Minutes of Board Meeting | 385 |

20**REPORT OF BOARD TO MEMBERS**

| | | |
|-------------|--|-----|
| 20.1 | Directors' Report | 390 |
| 20.2 | Contents of Report of Board | 392 |
| 20.3 | Requirements in case of listed companies | 400 |
| 20.4 | NBFC/Chit Fund/Housing Finance Companies to disclose unpaid deposits | 401 |
| 20.5 | Punishment for not complying with provisions | 401 |

21**CORPORATE GOVERNANCE**

| | | |
|-------------|--|-----|
| 21.1 | Transparency and integrity in company management | 402 |
|-------------|--|-----|

| | PAGE |
|--|------|
| 21.2 What is Corporate Governance? | 403 |
| 21.3 Fundamental Principles of Corporate Governance | 403 |
| 21.4 Limitations of Corporate Governance | 403 |
| 21.5 SEBI Requirements on Corporate Governance | 404 |
| 21.6 Highlights of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | 405 |
| 21.7 Discretionary requirements of corporate governance | 410 |
| 21.8 Reporting compliance of corporate governance | 412 |
| 21.9 Audit Committee | 412 |
| 21.10 SEBI provisions relating to Audit Committee | 416 |
| 21.11 Nomination and Remuneration Committee | 419 |
| 21.12 Stakeholders Relationship Committee | 422 |
| 21.13 Corporate Social Responsibility | 422 |

22

RESTRICTIONS ON POWERS OF BOARD

| | |
|--|-----|
| 22.1 Introduction | 435 |
| 22.2 Sale or lease of undertaking | 435 |
| 22.3 Investment of compensation received after merger or amalgamation | 437 |
| 22.4 Borrowing money | 438 |
| 22.5 Remitting or giving time for recovery of debt due from director | 439 |
| 22.6 Contribution to <i>bona fide</i> charitable trusts or funds | 439 |
| 22.7 No restrictions on contribution to National Defence Fund | 440 |
| 22.8 Restrictions on political contributions | 440 |
| 22.9 Restrictions on managerial remuneration | 442 |
| 22.10 No restriction on other powers | 442 |
| 22.11 Investments by companies | 442 |
| 22.12 Restrictions on investment through investment subsidiaries | 444 |
| 22.13 Limit in respect of investment/loan/guarantee | 444 |
| 22.14 Giving guarantee or providing security for loan | 445 |
| 22.15 Unanimous approval of Board in meeting | 447 |
| 22.16 Punishment for contravention of provisions | 450 |

23**KEY MANAGERIAL PERSONNEL**

| | | |
|--------------|---|-----|
| 23.1 | Day to day management of company | 451 |
| 23.2 | Role of Managing Director/Manager | 458 |
| 23.3 | MD/Manager is subordinate to Board of Directors | 460 |
| 23.4 | Who can be appointed as MD/WTD/Manager? | 461 |
| 23.5 | Disqualification as MD/WD | 462 |
| 23.6 | When approval of Central Government is necessary for appointing MD/WTD/Manager? | 463 |
| 23.7 | Appointment of MD/WD | 465 |
| 23.8 | Remuneration to Managerial Person | 466 |
| 23.9 | Remuneration to director when profit is inadequate or company is in loss | 467 |
| 23.10 | Perquisites allowable to MD/WD | 471 |
| 23.11 | Compensation for loss of office or retirement | 474 |
| 23.12 | Company Secretary | 475 |
| 23.13 | Mandatory appointment of Secretary | 476 |
| 23.14 | Role of Company Secretary | 478 |

24**CHARGE ON ASSETS OF THE COMPANY**

| | | |
|--------------|--|-----|
| 24.1 | Secured borrowings | 483 |
| 24.2 | Charge on assets owned by company | 485 |
| 24.3 | Creation of 'Charge' | 489 |
| 24.4 | Charges filing of which with ROC is not necessary | 494 |
| 24.5 | Filing of charge, its modification and satisfaction | 495 |
| 24.6 | Registration of charge by ROC | 497 |
| 24.7 | Effect of non-registration of charge | 498 |
| 24.8 | Penalty for not filing charges or giving false information | 499 |
| 24.9 | Records of charges to be maintained by the company | 500 |
| 24.10 | Rectification of register of charges | 500 |

25**DEBENTURES**

| | | |
|-------------|---|-----|
| 25.1 | Nature of 'debenture' | 503 |
| 25.2 | Types of debentures | 505 |
| 25.3 | Debenture trustees | 508 |
| 25.4 | Procedure for issue of debentures | 510 |
| 25.5 | Other issues relating to debentures | 514 |
| 25.6 | Protection of interest of debenture holders | 517 |

26**PUBLIC DEPOSITS**

| | | |
|-------------|--|-----|
| 26.1 | Deposits from public and members | 518 |
| 26.2 | Acceptance of secured deposits from public only in specified cases | 520 |
| 26.3 | Other companies can accept deposits only from members | 521 |
| 26.4 | Repayment of deposits | 526 |
| 26.5 | Borrowings which are excluded from definition of 'deposit' | 529 |

27**ACCOUNTS OF THE COMPANY**

| | | |
|--------------|---|-----|
| 27.1 | Need for accounts and audit | 532 |
| 27.2 | Financial Statement of a company | 535 |
| 27.3 | Circulation of Financial Statement with attachments | 539 |
| 27.4 | Filing copy of Financial Statements with ROC | 543 |
| 27.5 | Reopening of accounts and financial statement | 546 |
| 27.6 | Internal Audit | 549 |
| 27.7 | Inspection of books of account | 550 |
| 27.8 | Different accounts for Company Law & Income Tax | 550 |
| 27.9 | National Financial Reporting Authority (NFRA) | 551 |
| 27.10 | Accounting Standards | 556 |
| 27.11 | Accounting Standards applicable to other companies | 557 |
| 27.12 | Requirements of Financial Statement | 558 |

28**DIVIDEND**

| | | |
|--------------|--|-----|
| 28.1 | Share of profit to members | 559 |
| 28.2 | Declaration of dividend out of reserves | 561 |
| 28.3 | No dividend unless carried over losses and depreciation are set off against profit | 563 |
| 28.4 | Declaration of dividend | 564 |
| 28.5 | Interim dividend | 565 |
| 28.6 | Entitlement of dividend | 567 |
| 28.7 | SEBI Requirements for declaration of dividend | 568 |
| 28.8 | Payment of dividend | 569 |
| 28.9 | Dividend to be paid within 30 days | 571 |
| 28.10 | When payment of dividend may be withheld? | 572 |
| 28.11 | Payment of dividend when transfer not registered, as it was against law | 573 |
| 28.12 | Other provisions relating to dividend | 574 |
| 28.13 | Unpaid dividend | 575 |
| 28.14 | Investor Education and Protection Fund | 577 |

29**FINANCIAL AUDIT OF ACCOUNTS**

| | | |
|--------------|--|-----|
| 29.1 | Role of an 'Auditor' | 581 |
| 29.2 | Appointment and remuneration of Auditors | 582 |
| 29.3 | Appointment or reappointment of auditors/firm of auditors | 584 |
| 29.4 | Casual vacancy of auditor | 587 |
| 29.5 | Appointment of auditors/firm of auditors in Government company | 588 |
| 29.6 | Remuneration of auditors/firm of auditors | 589 |
| 29.7 | Appointing another auditor | 590 |
| 29.8 | Powers of Auditor | 593 |
| 29.9 | Audit of Branch Office | 593 |
| 29.10 | Report of Auditors to Members | 594 |
| 29.11 | Additional matters to be included in report of auditor | 596 |
| 29.12 | Other provisions regarding audit report | 597 |

| | PAGE |
|--|------|
| 29.13 Auditor not to render certain services | 599 |
| 29.14 Punishment for contravention of provisions relating to audit and auditors | 600 |

30

COST AUDIT AND SECRETARIAL AUDIT

| | |
|--|-----|
| 30.1 Role of Cost Audit | 602 |
| 30.2 Cost Accounting Standards | 605 |
| 30.3 Distinction between Financial Audit & Cost Audit | 605 |
| 30.4 Cost Records and Audit Rules | 606 |
| 30.5 Secretarial Audit in respect of bigger companies | 608 |
| 30.6 Secretarial Standards | 611 |
| 30.7 Company Secretary in Practice | 612 |
| 30.8 Certificate of Practice of only one Institute | 612 |

31

PRIVATE COMPANIES

| | |
|---|-----|
| 31.1 Private company is glorified partnership | 614 |
| 31.2 Private company, which is subsidiary of a public company, is public company | 619 |
| 31.3 Conversion of private to public company and <i>vice versa</i> | 620 |
| 31.4 Director of a private company can have personal liability for income-tax, GST and CST | 622 |

32

HOLDING AND SUBSIDIARY COMPANIES

| | |
|---|-----|
| 32.1 One company owning other | 623 |
| 32.2 Implications of holding/subsidiary relationship between two companies | 625 |
| 32.3 Provisions in case of listed companies | 627 |
| 32.4 Other provisions applicable to holding and subsidiary companies | 628 |
| 32.5 Wholly owned subsidiary | 629 |

33**COMPANIES LICENSED UNDER SECTION 8**

| | | |
|-------------|----------------------|-----|
| 33.1 | Non-profit companies | 630 |
| 33.2 | Electoral Trusts | 634 |

34**GOVERNMENT COMPANIES**

| | | |
|-------------|---|-----|
| 34.1 | Company where Government is major shareholder | 636 |
| 34.2 | Auditors of Government company | 639 |
| 34.3 | Annual report on Government companies to Parliament/State Legislature | 641 |
| 34.4 | Government managed companies | 641 |
| 34.5 | Government Company is not 'Government', but is 'State' | 641 |

35**FOREIGN COMPANY**

| | | |
|-------------|--|-----|
| 35.1 | Body Corporate Incorporated outside India | 645 |
| 35.2 | Certain provisions applicable to foreign company | 649 |
| 35.3 | Limitations on foreign company | 650 |
| 35.4 | Foreign company with control from India | 650 |
| 35.5 | Issue of shares/debentures by a foreign company | 650 |

36**OTHER TYPES OF COMPANIES**

| | | |
|-------------|---------------------------|-----|
| 36.1 | Small Company | 652 |
| 36.2 | One Person Company (OPC) | 653 |
| 36.3 | Dormant Company | 659 |
| 36.4 | Guarantee Company | 660 |
| 36.5 | Insurance Companies | 661 |
| 36.6 | Housing Finance Companies | 662 |
| 36.7 | Banking Companies | 662 |
| 36.8 | Electricity Companies | 662 |

| | PAGE |
|--|------|
| 36.9 Producer Companies | 662 |
| 36.10 Non-Banking Financial Companies (NBFCs) | 663 |
| 36.11 Chit funds | 664 |
| 36.12 Nidhi or Mutual Benefit Society | 664 |
| 36.13 Start-up Company | 666 |

37

MISCELLANEOUS PROVISIONS IN COMPANY LAW

| | |
|---|-----|
| 37.1 Service of documents | 667 |
| 37.2 Removal of name of companies from register of members | 668 |
| 37.3 Conversion of Partnership or LLP or society or other business entity into a Company | 675 |
| 37.4 Receivers and managers | 678 |
| 37.5 Mediation and conciliation | 678 |
| 37.6 Registered valuers | 680 |
| 37.7 Insolvency and Bankruptcy Code, 2016 for companies | 685 |

38

OVERVIEW OF NCLT RELATED ISSUES

| | |
|--|-----|
| 38.1 Background | 688 |
| 38.2 Class action under Company Law | 688 |
| 38.3 Oppression and mismanagement | 689 |
| 38.4 Compromise and arrangement | 691 |
| 38.5 Merger and amalgamation | 692 |
| 38.6 Cross border mergers | 693 |
| 38.7 Takeover of another company by purchasing 100% of shares | 693 |
| 38.8 Winding up of company | 693 |

39

INSPECTION, INVESTIGATION, OFFENCES, PENALTIES

| | |
|--|-----|
| 39.1 Power of Registrar to call for information | 697 |
| 39.2 Search and seizure | 699 |

| | PAGE |
|--|------|
| 39.3 Investigation | 699 |
| 39.4 Investigation of ownership of a company | 702 |
| 39.5 Protection of employees during investigation | 703 |
| 39.6 Serious Frauds Investigation Office | 703 |
| 39.7 Punishments for offences | 705 |
| 39.8 Officer and 'officer in default' | 709 |
| 39.9 Meaning of fraud | 711 |
| 39.10 Company can be prosecuted if law provides for compulsory imprisonment | 712 |
| 39.11 Provisions in respect of trial in Court | 712 |
| 39.12 Meaning of continuing offence for purpose of limitation | 715 |
| 39.13 Criminal action of directors and employees is criminal action of a company | 717 |
| 39.14 Limits on liability of directors in certain cases | 717 |
| 39.15 Power of Court to grant relief to officer if he had acted honestly and reasonably | 718 |
| 39.16 Punishment for wrongful withholding of property | 718 |
| 39.17 Composition of offences | 719 |

40

ADMINISTRATION OF COMPANY LAW

| | |
|--|-----|
| 40.1 Law administered by Central Government | 724 |
| 40.2 Regional Directors | 727 |
| 40.3 Registrar of Companies | 729 |
| 40.4 Returns to ROC | 731 |
| 40.5 Company Law Board | 737 |
| 40.6 SEBI | 737 |
| 40.7 Civil Court & Company Court | 737 |
| 40.8 National Company Law Tribunal and Appellate Tribunal | 738 |

41

MCA-21 - E-GOVERNANCE

| | |
|--|-----|
| 41.1 E-governance in company law administration | 739 |
|--|-----|

42**PROCEDURAL COMPLIANCES
BY A COMPANY**

| | | |
|-------------|--|-----|
| 42.1 | Compliance requirements | 746 |
| 42.2 | Registers and Records | 746 |
| 42.3 | Maintenance and inspection of document in electronic form by company | 749 |
| 42.4 | Regular returns to be filed by companies | 750 |
| | SUBJECT INDEX | 757 |