**Paper: CORPORATAE LAW**

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**Q1: Definition of a company by James Justice and features of a company?**

**Ans:** According to Justice James, “A company is an association of persons united for a common object.

Features of a company:

1. **Artificial legal person**: An organization is a fake individual made by law. In spite of the fact that it has no body, no soul, still it exists as an individual. Like an individual, it can go into contracts in its own name and moreover may sue and be sued in its own name.
2. **Separate legal entity**: An organization has an unmistakable substance separate from its individuals or investors. In this manner, an investor of the organization can go into contract with the organization. He/she can sue the organization and be sued by organization.
3. **Common Seal:** Being a fake individual, organization can't sign the reports. Subsequently, it utilizes a typical seal on which its name is engraved. Putting the normal seal on papers identifying with organization's exchanges makes them official on the organization.
4. **Perpetual Existence:** In contrast to association, the presence of an organization isn't influenced by the passing, lunacy, bankruptcy or retirement of its individuals or chiefs. This is on the grounds that the organization appreciates a different lawful presence from that of its individuals. It is stated, "Individuals may come, individuals may go yet the organization goes for ever". It is made by law and is broken down by law itself.
5. **Limited Liability:** The risk of the individuals from an organization is ordinarily restricted to the measure of offers held or ensure given by them.
6. **Transferable of Shares:** The individual from an open restricted organization can offer his offers to others without the assent of different investors. Indeed, he needs to follow the strategy set down in the Companies Act for moving his offers. In any case, there are limitations for moving offers to others in the event of a private constrained organization.
7. **Separation of Ownership from Management:** The investors, i.e., proprietors being dissipated all over nation give right the chiefs to deal with the undertakings of the organization. The executives are the agents of the investors. In this way, possession is isolated from the executives.
8. **Number of Members:** In the event of an open restricted organization, the base number is seven and there is no most extreme breaking point. However, for a private constrained organization, the base number of individuals is two and the most extreme number is fifty.

**Q2: What is requirement of memorandum of association under section (19) and what are condition to be fulfilled for the registration of MOA?**

**Ans: Requirement of MOA under section(19):**

1. Signature of each subscriber should be attested by witness.

2. Every subscriber must be his address and occupation.

3. Witness should be write his address description and occupation.

4. Memorandum must be stamped.

5. Clauses of MOA name registered office object liability capital association of description.

**Condition to be fulfilled for registration of MOA**:

1: Under section 30,31,32,33

2: The memorandum should be fulfilled with register for registration.

3: The registrar should register MOA only if the following condition is fulfilled.

4: Company is being formed for lawful purpose.

5: None of the object stated is inappropriate or deceptive.

6: All legal requirements regarding registration are duly compiled with.

7: After the registration of MOA the registrar shall enter the name of the company in the register of companies and issue certificate of incorporation.

**Q3**: **Through light on any of two of the following:**

**ANS:**

**1: Common seal:** A company seal sometimes referred to as the corporate seal or common seal is an official seal used by a company. Company seals were predominantly used by companies in common law jurisdictions, although in modern times, most countries have done away with the use of seals. A company must have a common seal. The common seal has to be engraved. A rubber stamp or other printed device cannot be a substitute for the company seal. A common seal can be affixed only in the manner authorized by the constitution of the company. A company has the power to prescribe that certain transactions must be under a common seal. Affixation of a common seal without authority carries statutory penalties and may also create personal obligations for those who use the common seal in an unauthorized manner.

**2: Auditor:** An auditor is a person authorized to review and verify the accuracy of financial records and ensure that companies comply with tax laws. They protect business from fraud, point out discrepancies in accounting methods and, on occasion, work on a consultancy basis, helping organizations to spot ways to boost operational efficiency. Auditors work in various capacities within different industries.

Evaluators survey money related activities and guarantee that associations are run effectively. They are entrusted with following income from start to finish and checking that an association's assets are appropriately represented. In the case of public companies, the main duty of an auditor is to determine whether financial statements follow generally accepted accounting principles (GAAP). To meet this requirement, auditors inspect accounting data, financial records and operational aspects of a business and take detailed notes on each step of the process, known as an audit trail. When complete, the inspector's discoveries are introduced in a report that shows up as a prelude in budget summaries. Isolated, private reports may likewise be given to organization the executives and administrative specialists also. The Securities and Exchange Commission (SEC) demands that the books of all public companies are regularly examined by external, independent auditors, in compliance with official auditing procedures. Official procedures are established by the International Auditing and Assurance Standards Board (IAASB), a committee of the International Federation of Accountants (IFAC). Corporate auditors are assigned to review financial statements and evaluate the accuracy of the information provided, which is crucial for investors and other stakeholders of a firm. Auditors help in promoting corporate governance by conducting a period risk assessment. External auditors reassess the security measures that a company has in place against corruption or corporate fraud**.**

**Q4: What are company and its types?**

**Ans:** An organization is a lawful substance framed by a gathering of people to participate in and work a business—business or modern—undertaking. An organization might be sorted out in different manners for charge and budgetary risk purposes relying upon the corporate law of its locale. The line of business the organization is in will by and large figure out which business structure it picks, for example, an association, ownership, or partnership. These structures likewise mean the possession structure of the organization. They can likewise be recognized private and open organizations. Both have diverse possession structures, guidelines, and money related detailing necessities.

An organization is a legitimate element shaped by a gathering of people to take part in and work a business endeavor in a business or mechanical limit. An organization's business line relies upon its structure, which can extend from an association to an ownership, or even a company. Organizations might be either open or private; the previous issues value to investors on a trade, while the last is exclusive and not controlled. An organization is commonly sorted out to procure a benefit from business exercises.

**Types of company:**

In the United States, tax law as administered by the Internal Revenue Service (IRS) dictates how companies are classified. Examples of company types in the U.S. include the following:

**• Partnerships** are formal arrangements in which two or more parties cooperate to manage and operate a business.

**• Corporations** are legal entities that are separate and distinct from its owners and provide the same rights and responsibilities as a person

**• Associations** are vague and often misunderstood legal entities based on any group of individuals who join together for business, social, or other purposes as a continuing entity. (This may or may not be taxable depending on structure and purpose.)

**• Funds** are businesses engaged in the investing of pooled capital of investors**.**

**• Trusts** are fiduciary arrangements in which a third party holds assets on behalf of beneficiaries.

A company may also be described as an organized group of persons incorporated or unincorporated engaged in an enterprise.

**Q5:**

**Ans: What is Amendment**: Change in an authoritative archive made by including, modifying, or discarding a specific part or term? Altered reports, when appropriately executed (marked by all gatherings concerned), hold the legitimate legitimacy of the first record. For development or flexibly contracts, alteration alludes to change made before the agreement is granted, any change made thereafter is called adjustment.

**Memorandum of Association (MOA) Amendment:**

The Memorandum of affiliation or the MOA is the archive is a sort of record. This archive is drafted and even sent at the hour of the consolidation of the organization. From the perspective of organization MOA is one of significant thing.

The Alteration needs MOA Amendment Obligation Clause – Changes in the risk of workers. Name Clause – Changes for the sake of the organization Article statement – The adjustment in the proverb and change for the government assistance of the organization. Enrolled office statement – This is for changing of the area of the enlisted office, for example, changing of the area starting with one spot then onto the next. Capital proviso – these aides in changing in the approved offer capital of the organization. The entire procedure of the MOA Amendment Executive gathering is saved for the all the individuals and chiefs with the aphorism of examining or recommending any adjustments in the MOA and drafting the goals. The date of EGM is kept even before 21 days of the date, time of this load up meeting. The job of EGM is to affirm the unique goals and get the endorsement for the adjustments in the MOA of the organization. The structure should be loaded up with ROC telling the MOA alteration inside 30 days. It takes 10 to 15 days for recording of the MOA Amendment with the ROC and all the procedure is reliant upon the administration. Be that as it may, the entire procedure can be comprehended by the assistance of Jain Divya and partners and drafting the modified MOA and recording the MOA alteration with the ROC. Basic approaches to comprehend the procedure of MOA From the start, lead the Board of the Directors meeting Mastermind the regular gathering of the individuals and conversation with them. Pass the significant goals in the General gathering Presently record vital structures with the ROC like MGT-14, SH-7, INC-22 or INC-23 Getting the endorsement of the organization's MOA Points of interest of MOA revision So everything has something which is in every case some positive side, this MOA has as well. It has the major situations on which organization is profoundly needy and numerous things matter on this. It additionally shows the capacity or restriction which an organization is bound as well. In the event that discussing this MOA, it is kind of a change which an organization provides for itself. The significance of this MOA is exceptionally then we thought, for example, It is devoted corporate consistence master. This gives Year-round post documenting support. There is archive planning in under 2 hours. Reasons of getting MOA conceivable So to make it conceivable there are numerous things which has its job in the MOA of the organization – By change of the name By changing the risk of the individuals By increment in the approved offer capital By change of the enrolled office of the organization By change of the principle business object of the organization Other fundamental things to know There is a nitty gritty article which is additionally important to adjust it. The absolute first standard to make it effective is that, the article must be able to the name. It must be clear in its temperament of clarifying the organization's consolidation and aphorism of it. Things to recall There ought not be any adjustments in the notice. There ought not be any extra exchange which should not to be conflicting with the current exchange of the organization. Any organization which isn't conveying such an exchange can't modify objects with the item. Then again, the modification isn't workable for including unlawful items. This is likewise not allowed in the request for the extra; powers Last words There is consistently a standard for each organization and every alteration. On the off chance that they are followed pleasantly, it will carry great to your business. Also, it is clearly bringing for you something which will be beneficial for you as well as entire business. Simply pull out all the stops once, you will have all the advantages on your table and make some great memories with your work. It is somewhat advantage which business gets as well as customers also get. Memorandum of affiliation is the contract of the organization and characterizes the extent of its exercises. Reminder of affiliation characterizes the connection of the organization with the privileges of the individuals from the organization intrigue and furthermore sets up the relationship of the organization with the individuals. This segment relates to areas 17 and 21 of the Companies Act, 1956 and segment 11(4) of the Indian Companies Act, 1913 and segment 18(1) of the English Companies Act, 1948. It has been made compelling from 1-4-2014 vide Notification No. SO 902(E), dated 26-3-2014. Any Company which proposed to roll out any improvement to the Memorandum of Association (MOA) of its organization, should agree to the arrangements of Section-13 of Companies Act, 2013 and some other appropriate arrangements of the Act and pertinent principles.

Organization can adjust its Memorandum by method of modification in following condition of Memorandum of Association:

Name Clause Article Clause Capital Clause Enrolled Office Clause Obligation Clause Membership Clause Each modification made in the reminder of an organization will be noted in each duplicate of the notice or articles, all things considered. An organization may change any substance of its reminder by an extraordinary goals and consenting to the technique determined in this segment. Anyway area 61 will be followed for adjustment of the capital statement of the update. "Modification". The articulation 'adjust' signifies to alter, change or shift; to make or become unique; to change in character, appearance, and so forth; to change in some respect.

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STEP – I: Convey Board Meeting of Directors:

 (according to segment 173 and SS-1) Issue Notice of Board Meeting to all the executives of organization in any event 7 days before the date of Board Meeting. Join Agenda Notes to Agenda Draft Resolution

STEP – II: Held Board Meeting: (according to area 173 and SS-1)

At the Board meeting, the given goals in regard of adjustment in MOA must be passed. Get Approval to Alteration in Memorandum of Association and suggesting the proposition for individuals' thought by method of exceptional goals. Fixing the date, time, and scene of the regular gathering and approving a chief or some other individual to send the notification for the equivalent to the individuals.

STEP-III: Issue Notice of General Meeting: (Section 101)

Notice of EGM will be given in any event 21 days before the real date of EGM. EGM can be approached Shorter Notice with the assent of in any event greater part in number and ninety five percent of such piece of the settled up share capital of the organization giving an option to cast a ballot at such a gathering: All the Directors. Individuals, Evaluators of Company The notification will determine the spot, date, day and time of the gathering and contain an announcement on the business to be executed at the EGM.

STEP-IV: Hold General Meeting: (Section 101)

Check the Quorum. Check whether inspector is available, if not. At that point Leave of nonattendance is Granted or Not. (According to Section-146). Pass Special Resolution.[Section-114(2)] Endorsement of Alteration in MOA.

STEP-V: Filing of structure with ROC: (Section 117)

Record Form MGT-14 (Filing of Resolutions and understandings to the Registrar under area 117) with the Registrar alongside the imperative recording inside 30 days of passing the unique goals, alongside given reports:- Guaranteed True Copies of the Special Resolutions alongside illustrative articulation; Duplicate of the Notice of meeting send to individuals alongside all the annexure; A printed duplicate of the Altered Memorandum of Associations.