

Subject – Secretarial Practices
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Lecture 22

A private limited company, which means that a company that does not issue its shares to the public and which always uses the suffix Pvt Ltd in its name.

For such a company to come into existence, a legal document or a legal license to operate is mandated. Section 7 of the Companies Act 2013 deals with the procedure for the incorporation of a company which sets out Certificate of Incorporation (issued by the Ministry of Corporate Affairs or the State Government) as the final step to the incorporation of a company. It provides legal identity to the company and a license to commence business.

Contents of Certificate of Incorporation

The Certificate of Incorporation of a private limited company includes the following:

The name of the company and its abbreviated form.

A statement specifying the business purpose.

The registered office address and the name of the registered agent for the address.

The number of shares that are authorized to be issued and the description of the different types of stock that can be issued if there is more than one type.

Obtaining a Certificate of Incorporation

To obtain a Certificate of Incorporation, the private limited company has to follow the below-mentioned steps: Obtain a Digital Signature Certificate (DSC) and Directors Identification Number (DIN): This is the first step for incorporating a company. The DSC is required for all e-fillings and also to file MOA and AOA. Director Identification Number (DIN) is a unique number issued by the Ministry to the individual in his capacity as a Director. It is the identity of the Director.

Application for name approval: The next step is to apply for the name of the company. The application for the approval of the name should be sent to the Registrar of Companies. The approval is expected within 14 days of the receipt of the application.

Preparation of Memorandum of Association (MOA) and Articles of Association (AOA): The MOA and the AOA are crucial documents for the company. The MOA is

a fundamental document that defines the scope and operations of the company. The AOA defines how the operations will be carried out, its rules and regulations.

Filing the e-forms and payment of fees with the Registrar: All the e-forms must be filed with the registrar post verification, and the requisite fees must be paid to the Registrar.

Issuance of Certificate of Incorporation: Post the verification of all documents submitted the Registrar will mail the Certificate of Incorporation to the Directors of the Company.