

Lecture-3

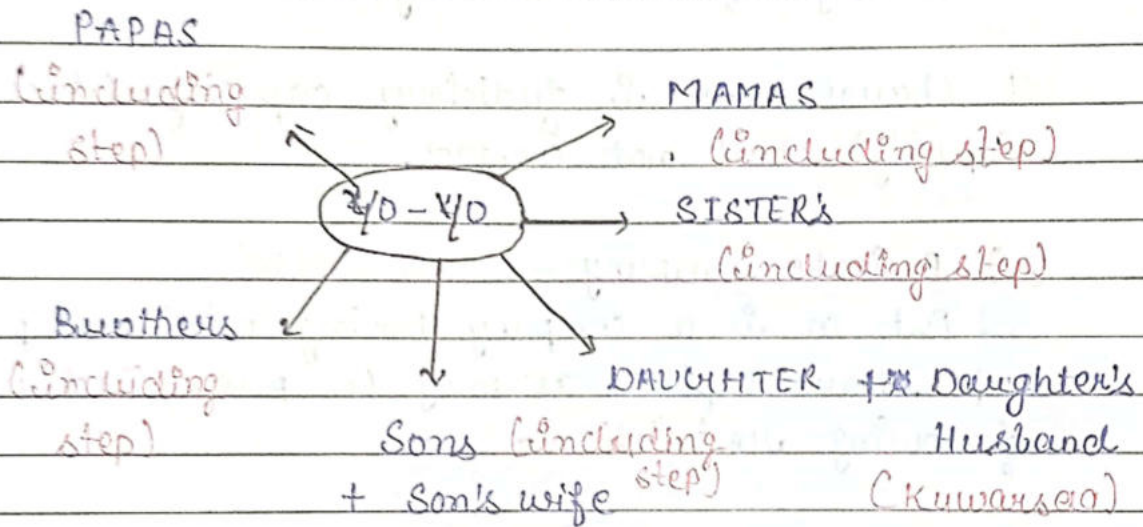
Chapter-1 Preliminary (4m)

1. Companies Act 2013, is applicable to whole of India - (Section 1)

2. Definitions - (Section 2)

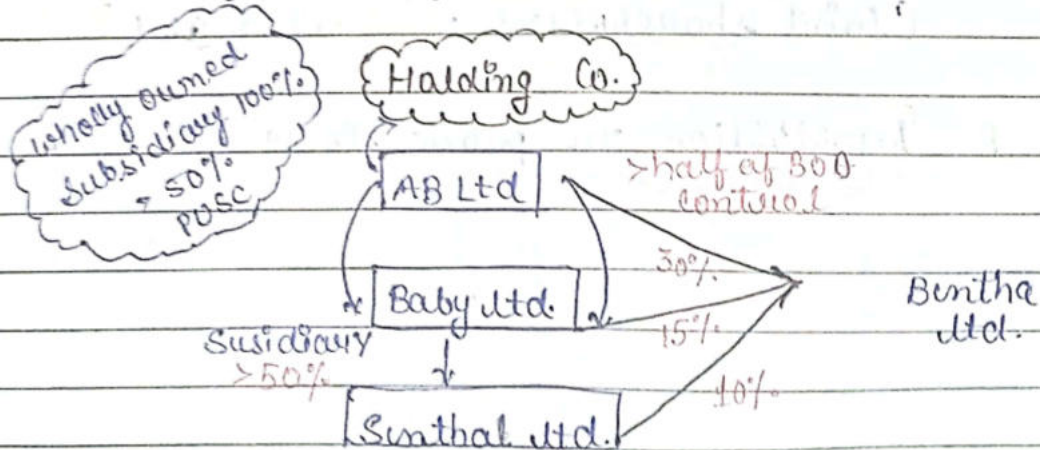
(i) Relative - 2(77)

- AB & Baby (Husband and wife)
- Karta's & Kanyakarta (Member of HUF)
- Others



(ii) Holding Company - Section 2(46)

Subsidiary Company - Section 2(87)



If the company hold more than 50% of paid up share capital of another company or control the composition of Board of Directors (BOD), then such company becomes subsidiary company and the first company becomes the holding company.

If a holding company along with its subsidiary or subsidiaries holds more than 50% of paid up share capital of another companies then such another company becomes the subsidiary of main holding co.

Shares held in fiduciary capacity (trustee capacity) shall not counted.

(iii) Private company - Section 2(68)

A Pvt. Co. is a company having minimum paid up share capital as may be prescribed with following restriction -

T - Restriction on transferability of share.

R - Restriction on membership.

(Employee & Ex-Employee member: Exclude)

(Joint shareholders = counted as 1)

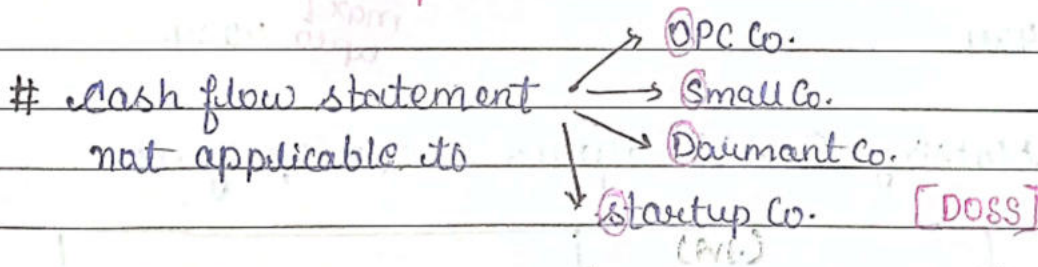
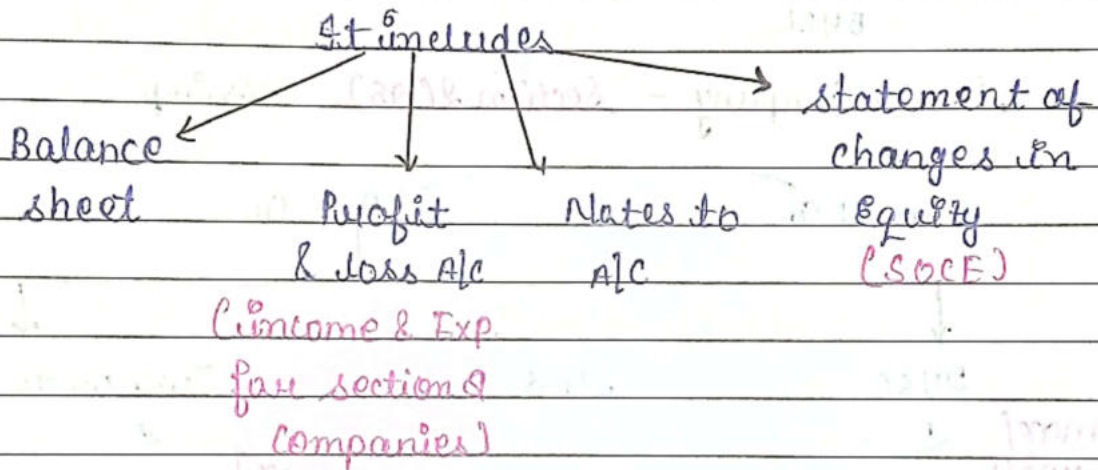
P - Prohibition on public issue.

Lecture-4

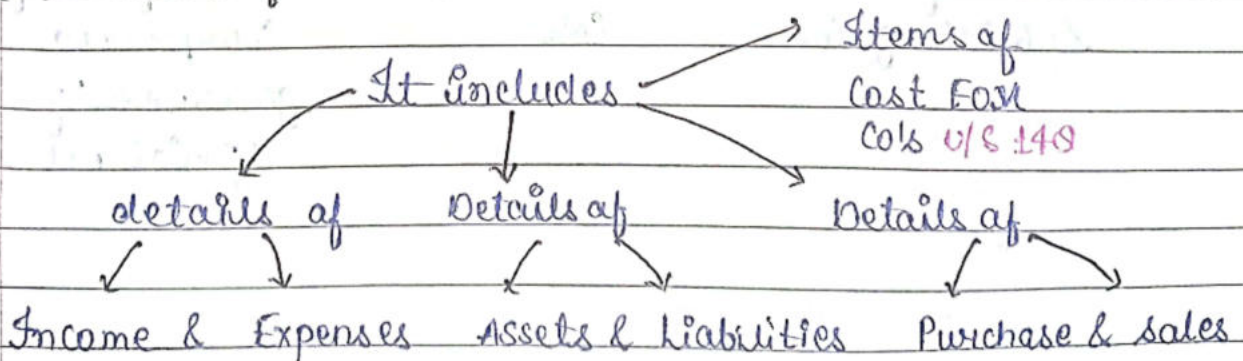
(iv) Public Company → Section 2(71)

Public Co. is a company which is not a private Co. and having minimum paid up share capital as may be prescribed. A subsidiary of a public company which is a private Co. shall be deemed a public Co. for the purpose of this act. Even though such company continues to be a prt. Co. in its articles.

(v) Financial Statement → (FS) 2(40)



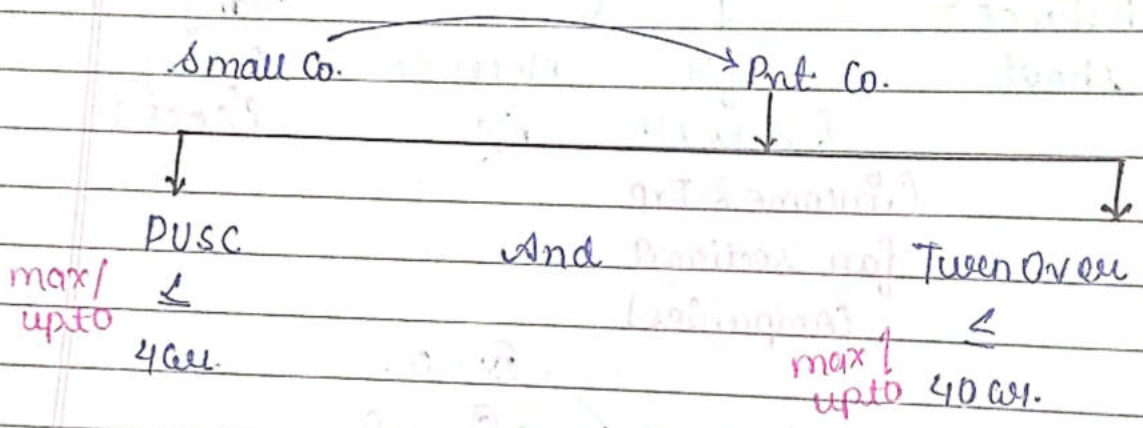
(vi) Books of Accounts :



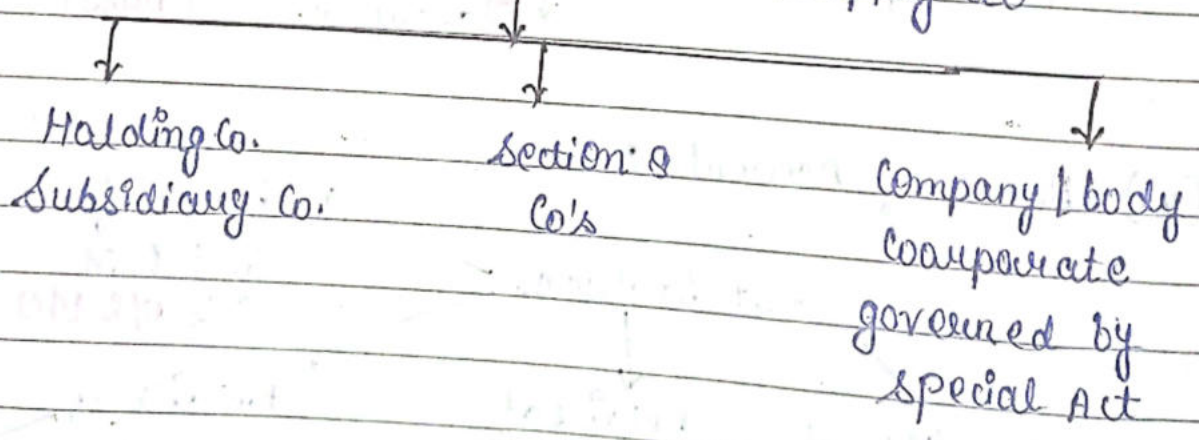
(vii) Company - Section 2(20)
 It means a company incorporated under Company Act 2013 or any other previous Company Law.

(viii) Government Company - Section 2(45)
 It is a company in which minimum 51% of paid up share capital is held by CG/S/G/Bath. A subsidiary of a govt. company is also called as a government company.
 Ex-: BAIL, GAIL, MTNL etc.
 BHEL

(ix) Small Company - Section 2(85) v.v.v. imp



Nothing in this clause shall apply to



Lecture-6

(x) Associate Company - Section 2(6)

It means a company in which ^{that} another company has significant influence that is holding min. 20% of paid up share capital (i.e. voting power) and include a joint venture.

(xi) Free reserves - Section 2(43)

It means reserves which are available for distribution as dividend any amount representing unrealised gains, national gains, revaluation of assets, change in carrying amount of asset or liability shall not be treated as free reserves.

(xii) Authorised Capital / Nominal Capital - Section

It is a capital with which the maximum amount of a share capital of a company is registered.

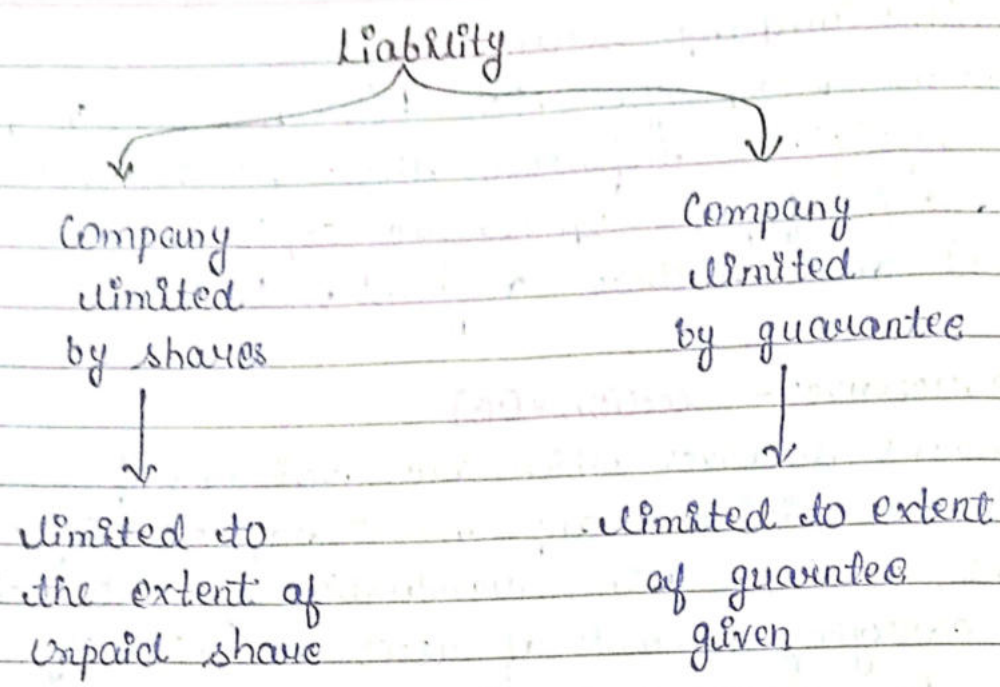
(xiii) Called up Capital - It is such part of Capital which has been called for payment.

(xiv) Issued Capital -

It means such capital of company issued from time to time for subscription, for time to time.

Date

(xv)



(xvi)

Key managerial Person - Sec 2(51)

It means - Chief Executive officer / MD / Manager / whole time Director.

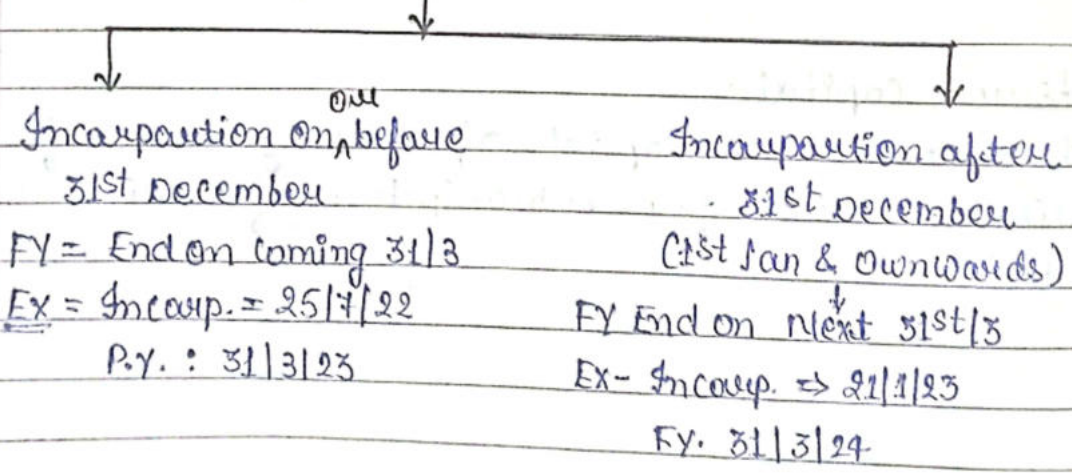
- chief financial officer
- Company secretary
- officers not more than 1 level below ~~Board~~ BOD.
- other as prescribes

(xvii)

financial year - Section 2(13)

1/4 - 31/3

First FY



If a company is a holding / subsidiary / associate company of a company incorporated outside India it is required to follow a different financial year for the purpose of consolidation than Central government (CG) may on application made to be it may allowed any period of its financial year whether or not that period is a year.

(viii) Promoter - Section 2(69) 69

Jan 25
MTP 2

It means a person

who is named
as promoter
in prospectus
or annual
return

who has control
over the affairs
of the Co.
as a director,
shareholder

In accordance
with whose advice
direction or
instruction the
BOD is accustomed
to act

(Exception, in professional
capacity)

Vimp.

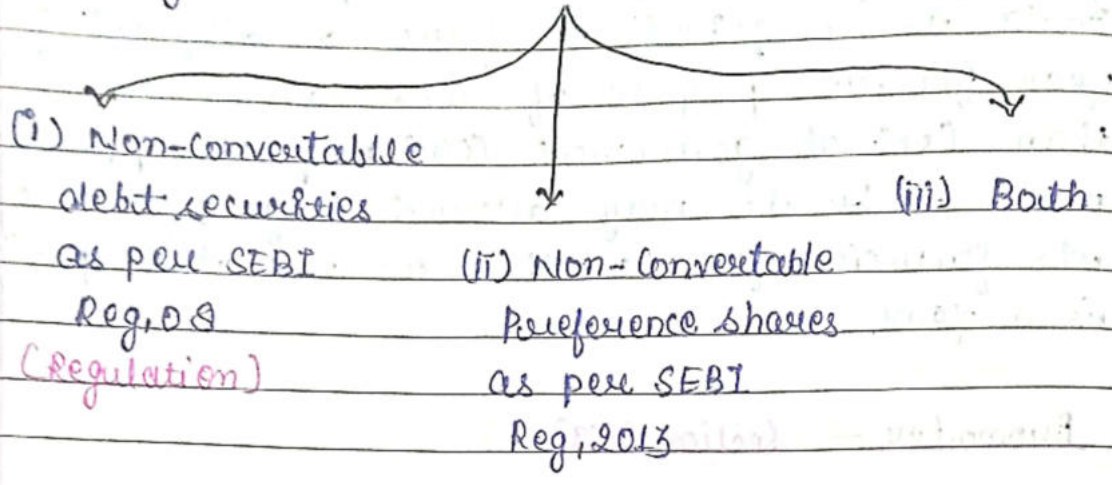
(ix) Listed Company - Section 2(50)

It means a company which has listed any securities on any recognised stock exchange. following class of companies are not considered as listed company.

(Illustration)

Date _____

a) Public Co. which have not listed their Equity share on RSE but listed



b) Private Co. which have listed non convertible debt securities on RSE as per SEBI Reg, 09

c) Public Co. - which have not listed their Equity share on RSE but listed on a exchange specified u/s 23(3) of Companies Act, 2013

(xx) Net worth - section 2(57)

PUSC	
+ Free Reserve	xx
+ Securities Premium	xx
+ Cr. Bal. in P&L	xx
[Cr. bal. (Reduce)]	xx
- accumulated losses	(xx)
- deferred Exp.	(xx)
- Miscellaneous Exp. not w/off	(xx)
	xxx - Net worth

↓

1-2

Date: / /

(xvi) officers who in default - Section 2(30)

Following officers are deemed as OIO (officer in default)

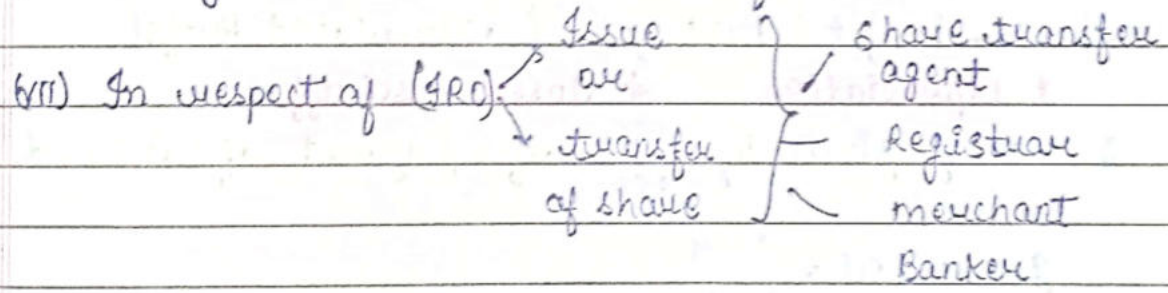
- (i) whole time Director (WTD)
- (ii) Key managerial personnel (KMP)
- (iii) If there is no KMP, then such Director/ Directors as specified by BOB in their behalf.

If no such DIR is specified, then all DIRECTORS.

- (iv) Any person who is under immediate authority of Board / is charged with -
 ↳ Board / KMP / who
 ↳ KMP / who
 - any responsibility

- (v) Any person on whose advice, ^{directions} ~~instructions~~ or instructions the BOB is accustomed to act (Exception - professional capacity)

- (vi) Every DIR who is aware of contravention



↓
 reserves created out of @valuation of assets, write back of @depreciation and @amalgamation shall be ignored while calculating net worth. [DAR]

Refer QB-Q9, 2, 6, 14