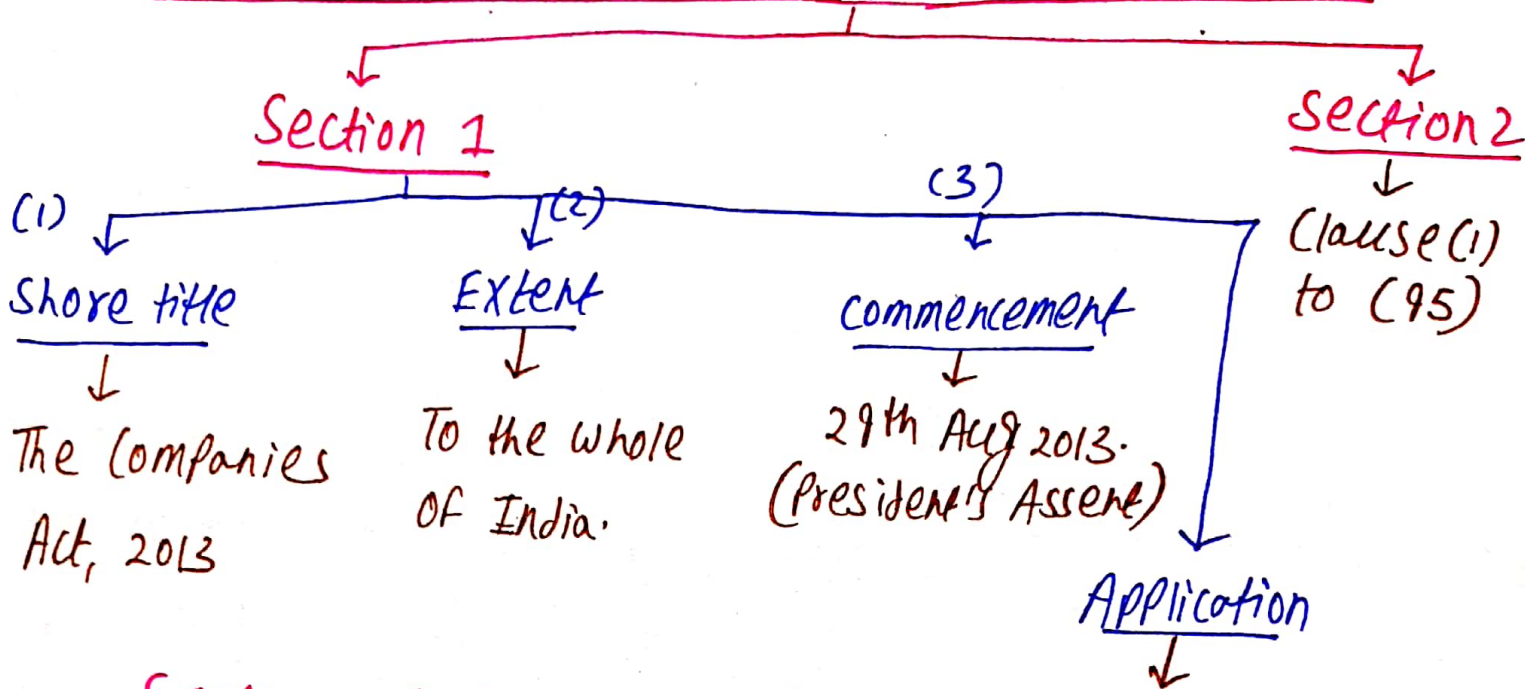


Chapter - 1 - Preliminary [Section 1 and 2]



Section 2 (20) ← COMPANIES incorporated under this Act or under previous company Law.

Company means
or
Company incorporated under this Act
or
under any previous company Law.

Ex- Reliance Industries Ltd
↓
Previous company Law.

Arjun Chhabra Tutorial Ltd
↓
The Companies Act, 2013.

Whether the Companies Act, 2013 applicable on Foreign company??

Foreign company [section 2(42)]

Means

or

Any company

Body corporate

Incorporated outside India which

(a)

AND

(b)

has a place of business in India

conducts any business activity in India in any other manner.

or

By itself

Physically

through electronic mode.

through an agent

Body Corporate [Section 2(11)]

INCLUDES -

a company incorporated
Outside India.

EXCLUDES

co-operative society
Registered under any
Law.

any other body corporate
[not being a company]

Notified by C.G.

ORDS - Body Corporate

INCLUDES

→ Broader term.

- Registered under Any Act
- Perpetual Succession
- seperate entity
- Capacity to sue or be sued.

EX - ICAI, ICSI, SEBI, FCI, NHAI.

company
outside
India.

Important Note:- All companies are Body Corporate but all body corporate are not companies.

Whether companies Act, 2013 is also applicable to Body Corporate like ICSI, ICAI who are not company??

Ans:- Companies Act, 2013 are applicable to Body Corporates who are not company if that Body Corporate is notified by C.G. like food Corporation of India and National Highway authority of India.

Illustrations - Test Yourself.

Private company

MEANS a company

AND

having a minimum paid up share capital as may be prescribed

Which by its articles

(i)

Restrict the right to transfer its shares

(ii)

EXCEPT OPC, Limits the number of its members to 200

(iii)

PROHIBITS any invitation to public to subscribe for any securities of company.

Provided

Joint share holding shall be counted as one only for the purpose of this clause.

Persons who

AND

are in the employment of company

Formerly in the employment of company

+

were members of the CO in that employment

+

continued to be members after that employment ceased.

Public company [section 2(71)]

↓
MEANS a company which

AND

(a) ↓
is not a private
company

(b) ↓
has a minimum paid up
share capital as prescribed.

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↓
Provided

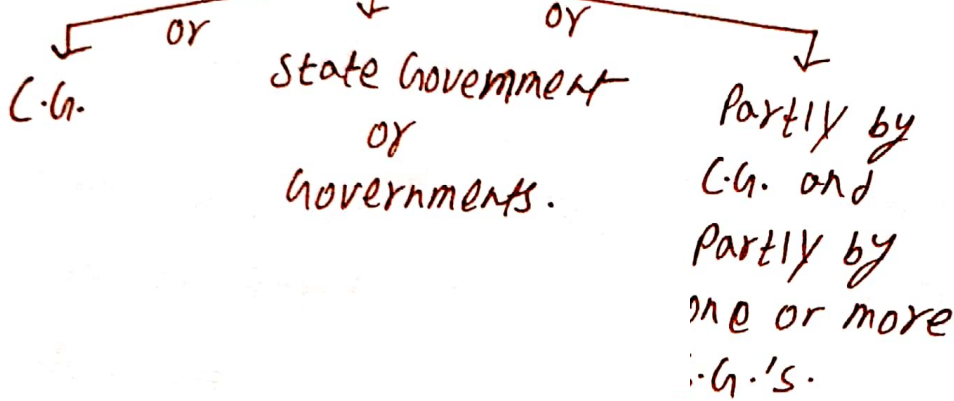
Subsidiary of PUBLIC COMPANY shall be deemed
PUBLIC COMPANY even though such subsidiary company
continues to be a private company in its Articles.

Government company [section 2(45)]

AND

MEANS ANY COMPANY in which

Not less than 51% of P.U.S.C.
is held by the



INCLUDES

Company which is subsidiary of ^{such} Govt Co.

Note:- P.U.S.C. shall be construed as "total voting power", where shares with differential voting rights have been issued.

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Holding company [section 2(46)]

Company having one or more subsidiaries.

Subsidiary company [2(87)]

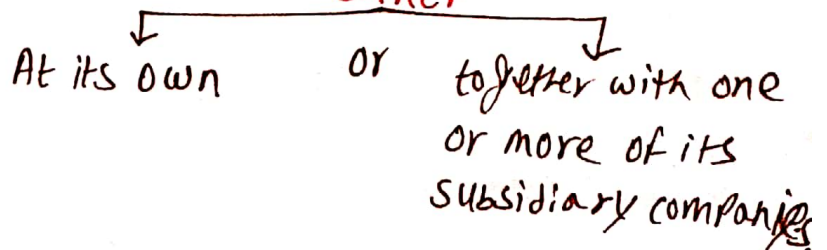
in relation to holding company

MEANS a company in which holding company

(i) Controls the COMPOSITION OF THE BOARD OF DIRECTORS;

or

(ii) exercises or controls more than half of total voting power either



Explanation - For the purpose of this clause

(c) The expression "company" includes any body corporate.

Holding - subsidiary Relation

Before Amendment

More than half
of Total
Share Capital.

After Amendment

More than half of
TOTAL VOTING POWER.

Effect



Ordinary Shares = 25,000

1 share = 1 vote

$$\text{KCT Holding in ACT} = \frac{24,000 \text{ shares}}{50,000 \text{ shares}} \times 100$$

= 48%

No Holding - sub relation.

Shares with Differential Voting Rights = 25,000

1 share = $\frac{1}{10^{\text{th}}}$ vote

10 share = 1 vote

KCT holding in ACT

$$= \frac{24,000 \text{ votes}}{25,000 \text{ votes}} = 87\%$$

+ 25,000 votes

25,000 votes

Holding - sub Relation.