

5th
Edition



YOUR CA BUDDY
— CA SHUBHAM SINGHAL —



CA INTER

LAW

SUMMARIZED

Relevant for Jan, May & Sept - 2025



THE ULTIMATE SOLUTION

CA Shubham Singhal
(AIR-4)

“You can either have excuses or results, not both”

© [2024] [Shubham Singhal]. All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the Author, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law.

Any legal disputes arising from this publication will be resolved under the jurisdiction of the courts in Pune, India.



YOUR CA BUDDY
CA SHUBHAM SINGHAL

Message from Author

Haanji Doston, kya haal hai :)

Glad you decided to rely on this book for your preparation of **LAW**. I can assure you that I have given my 100% energy, time, heart and soul to make this book useful for you.

This book is named "**The Ultimate Solution**" for a reason. I believe (and it has been proven in the past, time and again) that this book is all you need to nail your exam. And when I say nail, I mean bare minimum **EXEMPTION**.

Trust me when I say that this book is a result of **6 months** of hard work and dedication to bring out the best book ever. And, I am aware that there is always a scope for improvement, and hence, I promise you that with time, it will only get better.

Meanwhile, use this and ace your exams

with Love!
Shubham

-Your CA Buddy

Our AIRs in CA Inter Law

May'24 exams!



70+ Scores!

Our Students	Marks
Bhavik Nilesh Runwal	83
Surabhi M Lalge AIR-40	83
Monishka Motwani	82
Hiresh Kashiramka AIR-3	81
Arpit Kedia AIR-15	81
Sanjana Dung	80
Gupta Tanish	79
Nandini Phulari	78
Palak Kothari	78
Adhya M Jain	77
Nishtha Saluja AIR-46	77
Divin Mathew AIR-9	77
Saniya Mittal	76
Vaibhav Agarwal	76
A Yash Jain AIR-29	76
Prajwal Padmawar	76
Swayam Birla	76
Nikhita Tumuluri	75
Shruti Shivraj Sankaye	75
Atharva Khatavkar	75
Shashidhar Mudegol	75
Daksh Lodha AIR-43	75
Showrya Rao	74
Khushi Rakesh Agrawal	74
Saryu Gupta	74
Yagya Chandak AIR-2	74
Jnanashree Joshi K	74
Shubham Mittal	74

Our Students	Marks
Sai Nandini	74
Mansi Sharma	73
Arpit Jain	73
Rishabh Mukherjee	73
Isha Agarwal	73
Devansh Maurya	73
Lokesh Jhanwar	73
Vaibhav Arora	73
Vansh Goyal	73
Devansh Dokania	72
Bhoomi Patel	72
Monika Chauhan	72
Yashovardhan Jain AIR-50	72
Aditi Singh	72
Chirag Harish Gangwani	72
Sanskriti Jain	72
Avi Dhuria	72
Akchat Murarka	72
Ashish Kumar Singh	72
Pooja Purohit	71
Deepankar Yadav	71
Sanjyot Sanjay Kulkarni	71
Vishal Talekar	71
Satyaprasad Kamat	71
Ayush Vishal Jaju AIR-17	71
Janya Miglani	71
Gaurav Malpani	71
Priyal Jhanwar AIR-38	71

Our Students	Marks
Nandani Joshi	71
Kanika Aggarwal	71
Sarthak Bhandari	71
Mili Chauhan	71
Aditya Thakur	71
Mahee Goyal	71
Trishaa Gandhi	71
Daniyal Khan Idris Khan	71
Diya Deepak Pawar	70
Pratik Arun Pate	70
Ananya A S	70
Ankit Bisht	70
Mahi Agarwal	70
Ishita	70
Rishul Arora	70
Siddhant Sethia	70
K Rohit	70
Mayank Jaju	70
Aryan Agrawal	70
Mahi Agarwal	70

800+
EXEMPTION
HOLDERS

Index and Last Day Revision Plan

SN	Name of Chapters	Pages
1	Preliminary	10
2	Incorporation of Company and Incidental Matters	21
3	Prospectus and Allotment of Securities	16
4	Share Capital and Debentures	22
5	Acceptance of Deposits by Company	10
6	Registration of Charges	5
7	Management and Administration	28
8	Declaration and Payment of Dividend	7
9	Accounts of Companies	21
10	Audit and Auditors	17
11	Companies Incorporated Outside India	6
12	The General Clauses Act, 1897	9
13	Interpretation of Statutes	13
14	Foreign Exchange Management Act	9
15	Limited Liability Partnership Act	13

200
Pages

SN	Appendix	SN	Appendix
1	Matters requiring Ordinary Resolution	7	Important Limits of Companies Act
2	Matters requiring Special Resolution	8	Exemptions to Private Companies
3	Matters requiring Unanimous Resolution	9	Exemptions to Govt and Sec 8 Companies
4	Matters for Postal Ballot	10	Exemptions to Nidhi Cos.
5	ABC Analysis	11	Exemptions to OPC and Small Cos
6	Chapter-wise trend analysis	12	Exemptions to Specified IFSC companies

Steps to nail your theory papers - The Ranker's Way:

1. Take as much as you can from the **classes** - Conceptual clarity, concise notes, funny mnemonics and examples and what not.
2. Do a lot of **writing practice** in addition to the writing practice that we do in our classes.
3. Cover the full **question bank** in the first revision along with this summary notes and mark selected questions for next revision
4. Plan 2 **revision** for full syllabus of law and 3-4 revision for important or difficult topics
5. Use revision videos along with this summary notes for comprehensive revision
6. Boom - You are **ready** to nail Law exams - The Ranker's Way



These indicates marking of relevant question number from our question bank.

SHORT FORMS USED IN THIS SUMMARY NOTES:

Short	Full Form	Short	Full Form
AIF	Alternate Investment Fund	NCLT	National Company Law Tribunal
AoA	Articles of Association	OFS	Offer for Sale
AP	Abridged Prospectus	OOBH	Opportunity of being heard
BC	Body Corporate	OPC	One Person Company
BOA	Books of Accounts	OR	Ordinary Resolution
BoD	Board of Directors	PFI	Public Financial Institutions
BR	Board Resolution	PO	Public Offer
CASH	Company or of its holding, subsidiary or associate company	POB	Place of Business
CFS	Cash Flow Statement	PP	Private Placement
CG	Central Government	PROI	Person Resident Outside India
CIS	Collective Investment Schemes	PSC	Preference Share Capital
CP	Commercial Paper	PUSC	Paid Up Share Capital
CRR	Capital Redemption Reserve	RD	Regional Director
CSR	Corporate Social Responsibility	RGTB	Reasonable Ground To Believe
CTV	City, Town, Village	RHP	Red Herring Prospectus
DH	Debenture Holders	RO	Registered Office
DP	Designated Partner	RoC	Registrar of Company
DPIN	Designated Partner Identification Number	RoM	Register of Members
DRR	Debenture Redemption Reserve	RP	Registered Post
DRR	Deposit Repayment Reserve	RPAD	Registered Post Acknowledgement Due
DTD	Deposit Trustee Deed	RPT	Related Parties Transaction
DVR	Differential Voting Rights	SAS	Statement of Account Solvency
EGM	Extra Ordinary General Meeting	SEBI	Securities and Exchange Board of India
ESC	Equity Share Capital	SEZ	Special Economic Zone
FC	Foreign Company	SG	State Government
FPO	Further Public Offer	SH	Shareholders
FS	Financial Statement		
GM	General Meeting	SOH	Subsidiary Of Holding
ID	Independent Director	SP	Shelf Prospectus
IEPF	Investor Education and protection Fund	SR	Special Resolution
IOT	Intimation of Transmission	T&C	Terms and Conditions
IPO	Initial Public Offer	UDA	Unpaid Dividend Account
IRDA	Insurance Regulatory & Development Authority	VR	Voting Rights
KMP	Key Managerial Person	WEH	Which Ever is Higher
LR	Legal Representative	WEL	Which Ever is Lower
MCA	Ministry of Corporate Affairs	WOS	Wholly Owned Subsidiary
MoA	Memorandum of Association	WTD	Whole Time Director
MSME	Micro Small Medium Enterprises		

**Objective of this Act**

Act to **consolidate** and amend the law relating to companies.

**Enactment**

- Received the assent of the Hon'ble President of India on **29th August 2013**
- Notified in Official Gazette on **30th Aug 2013** (different dates may be appointed for enforcement)

**Flow**

29 Chapters → 470 Sections → 7 Schedules

Company: An **incorporated** association which is an **artificial person**, having a separate legal entity, with a **perpetual succession**, a **common seal** (optional).

**Section 1: Short Title, Extent, Commencement and Application:**

Short Title	Companies Act, 2013
Extent	Whole of India (by default includes J&K)
Commencement	From date as appointed by CG by notification in Official Gazette
Applicability	The provision of this Act shall apply to: <ol style="list-style-type: none"> companies incorporated under this Act or under any previous company law. insurance cos., except where provisions are inconsistent with that of Insurance Act, 1938 or IRDA Act, 1999; banking companies, except where provisions are inconsistent with that of Banking Regulation Act, 1949 cos. engaged in generation/supply of electricity, except where provisions are inconsistent with that of Electricity Act, 2003 other company governed by any Special Act, except where provisions are inconsistent with that of Special Act (Ex: LIC, RBI) such body corporate, incorporated by any Act for the time being in force, as may be notified by CG [Example - Food Corporation of India (FCI), National Highway Authority of India (NHAI)]

**Section 2: Definitions: ('Internal aids to construction')**

In this Act, unless the context otherwise requires:

1 **Abridged Prospectus**

Means a **memorandum** containing such **salient features** of a **prospectus** as may be specified by the Securities and Exchange Board by making regulations in this behalf

2 Accounting Standards (AS)

Means AS or any **addendum** thereto for companies or class of companies referred u/s 133;
Section 133: Central Government to Prescribe Accounting Standards

As per Sec 133, CG may prescribe the AS or any addendum thereto, as recommended by **ICAI**, constituted u/s 3 of the CA Act, 1949, in consultation with and after examination of recommendations made by **National Financial Reporting Authority (NFRA)**



Rule 7 of Companies (Accounts) Rules, 2014: Accordingly,

- i. The standards of accounting as specified under Companies Act, **1956** shall be deemed to be AS until AS are specified by CG u/s 133.
- ii. Till the NFRA is constituted u/s 132 of the Act, the CG may prescribe AS or any addendum thereto, as recommended by ICAI in consultation with and after examination of recommendations made by **National Advisory Committee(NAC)** on AS constituted u/s 210A of Companies Act, **1956**.

Further, in exercise of powers conferred u/s 133, the CG in consultation with the NAC on AS prescribed that Companies (AS) Rules, 2006 and Companies (Ind AS) Rules, 2015 may be followed.

3 Alter or Alteration

Includes the making of additions, omissions and substitutions;

5 Articles

Means the **articles of association** of a company:

- as **originally** framed, or
- as **altered** from time to time, or
- applied in pursuance of any **previous** company law or **this** Act;

6 Associate Company

In relation to another co., means a company in which that other co. has a **significant influence**, but which is **not a subsidiary co.** of the co. having such influence and **includes a joint venture**.

Explanation: For the purpose of this clause:

- (a) "Significant influence" means control of **at least 20% of total voting power**, or control of or participation in **business decisions** under an agreement;
- (b) "Joint venture" means a **joint arrangement** whereby the parties that have **joint control** of the arrangement have rights to the net assets of the arrangement

Clarification: Shares held by a company in another company in a **fiduciary capacity** shall **not be** counted for the purpose of determining the relationship of associate company

A fiduciary is a person who holds a **legal or ethical relationship** of trust with one of more parties (persons or group of persons). Typically, a fiduciary prudently takes care of money or other assets for another person.

7 Auditing standards

means the standards of auditing or any addendum thereto for companies or class of companies referred to u/s 143(10)

Section 143(10) - CG may prescribe the standards of auditing or any addendum thereto, as recommended by ICAI, constituted u/s 3 of the CA Act, 1949, in consultation with and after examination of recommendations made by NFRA.

Provided that until any auditing standards are notified, any standard or standards of auditing specified by the ICAI shall be deemed to be the auditing standards.

8 Authorised Capital or Nominal Capital

means such capital as is authorised by the memorandum of a company to be the maximum amount of share capital of the company;

10 Board of Directors or Board

means the collective body of the directors of the company

11 Body corporate or Corporation

Includes a company incorporated outside India, but does not include:

- i. a co-operative society registered under any law relating to co-operative societies; and
- ii. any other body corporate (not being a company as defined in this Act), notified by CG;

12 "Book and Paper" and "Book or Paper": Includes: [WARM DVD]



maintained on paper or in electronic form;

13 "Books of account" includes records maintained in respect of:

- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
- (ii) all sales and purchases of goods and services by the company;
- (iii) the assets and liabilities of the company; and
- (iv) the items of cost as may be prescribed u/s 148 in the case of a company which belongs to any class of companies specified under that section;

14 Branch office, in relation to a company, means any establishment described as such by the co.;

15 Called-up capital means such part of the capital, which has been called for payment;

16 Charge means an interest or lien created on the property or assets of a company or any of its undertakings or both as security and includes a mortgage;

- 17 Chartered Accountant means a CA as defined in section 2(1)(b) of the Chartered Accountants Act, 1949 who holds a **valid certificate of practice** u/ss 6(1) of that Act;
- 18 Chief Executive Officer means an officer of a company, who has been **designated** as such by it;
- 19 Chief Financial Officer means a person **appointed** as the Chief Financial Officer of a company;
- 20 Company means a company **incorporated** under this Act or under any previous company law;
Example: RIL (1973), Tata Steel (1907), Infosys (1981).
- 21 Company limited by guarantee means a company having the **liability** of its members **limited** by the memorandum to such amount as the members may **respectively undertake to contribute** to the assets of the company in the event of its being **wound up**;
- 22 Company limited by shares means a company having the **liability** of its members **limited** by the **memorandum** to the amount, if any, **unpaid on the shares respectively held** by them;
Example: A shareholder who has paid Rs. 75 on a share of face value Rs. 100 can be called upon to pay the balance of Rs. 25 only.
- 26 Contributory means a person **liable** to contribute towards the assets of the company in the event of its being **wound up**.
Explanation: For the purposes of this clause, it is hereby clarified that a **person holding fully paid-up** shares in a company shall be considered as a contributory **but** shall have **no liabilities** of a contributory under the Act whilst retaining rights of such a contributory;
- 27 Control shall **include**:
- the right to appoint **majority** of the **directors** or
 - to control the **management** or **policy decisions** exercisable by a person(s) acting individually or in concert, directly or indirectly,
 - including by virtue of their **shareholding** or **management rights** or shareholders agreements or voting agreements or in any other manner
- 30 Debenture includes debenture stock, bonds or any other instrument of a company **evidencing a debt**, whether constituting a charge on the assets of the company or not.
Provided that, following instrument shall not be shall not be treated as debenture:
- a. **instruments** referred to in Chapter III-D of the RBI Act, 1934; and
 - b. such other instrument, as may be prescribed by **CG** in consultation with RBI, issued by Co.
- 34 Director means a **director appointed** to the Board of a company;
- 35 Dividend includes any **interim dividend**;

36 Document includes **summons, notice, requisition**, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form;

37 Employees stock option means the **option** given to the **directors, officers or employees** of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or **right to purchase**, or to subscribe for, the shares of the company at a **future date** at a **pre-determined price**;

38 "Expert" includes an **engineer**, a **valuer**, a **CA**, a **CS**, a cost accountant and any other person who has the power or authority to **issue a certificate** in pursuance of any law for the time being in force;

2 40 Financial statement in relation to a company, includes:

- i. **Balance sheet** as at the end of the financial year;
- ii. a **profit and loss account**, or in the case of a company carrying on any activity **not for profit**, an income and expenditure account for the financial year;
- iii. **cash flow statement (CFS)** for the financial year*;
- iv. a statement of changes in equity, if applicable; and
- v. any **explanatory** note annexed to, or forming part of, any doc. referred in above sub-clause:

*Provided that the FS, with respect to **OPC, small company and dormant company and Private company (startup)**, may not include **CFS**;

4 41 Financial Year, in relation to any company or BC, means **period ending on 31st day of March every year**, and where it has been **incorporated on or after the 1st day of January** of a year, the period ending on the 31st day of March of the **following year**, in respect whereof FS of the company or BC is made up.

Provided that where a company or BC, which is a holding company or a subsidiary or associate company of a **company incorporated outside India** and is required to follow a different FY for consolidation of its accounts outside India, the **CG** may, on an application made by that company or BC in such form and manner as may be prescribed, **allow any period as its FY**, whether or not that period is **a year**.

43 Free reserves means such reserves which, as per the latest audited balance sheet of a company, are **available for distribution as dividend**.

Provided that, following shall not be treated as free reserve:

- i. any amount representing **unrealised gains, notional gains**, or revaluation of assets, whether shown as a reserve or otherwise, or
- ii. any change in **carrying amount** of an asset or of a liability recognised in equity, including surplus in profit and loss account on measurement of the asset or the liability at **fair value**;

44 Global Depository Receipt (GDR): means any **instrument** in the form of a depository receipt, by whatever name called:

- **created** by a **foreign depository outside India** and
- **authorised** by a **company** making an issue of such depository receipts.

45 Government company means:

- any company in which **not less than 51%** of paid-up share capital is held by **CG**, or by any **SG**, or partly by **CG** and partly by one or more **SG**, and
- **includes** a company which is a **subsidiary company of such Government company**;

46 Holding company, in relation to one or more other companies, means a company of which such companies are **subsidiary companies**;

50 Issued Capital means such capital as the company **issues** from time to time **for subscription**;

51 Key Managerial Personnel, in relation to a company, means:

the CEO or the managing director or the manager;


the company secretary;

the whole-time director;

the Chief Financial Officer here

such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

such other officer as may be prescribed;

 52 Listed company means a **company** which has any of its securities listed on any **recognised stock exchange ("RSE")**;

Provided that **such class** of companies, which have listed or intend to list such class of securities, as may be prescribed in consultation with the SEBI, shall **not be considered as listed companies**.



According to Rule 2A of the Companies (Specification of definitions details) Rules, 2014, the following classes of companies shall not be considered as listed companies, namely:

- Public** companies which have **not listed their equity** shares on a RSE but have listed their:
 - non-convertible debt securities** issued on **private placement basis** in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008; or
 - non-convertible redeemable preference shares** issued on **private placement basis** in terms of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
 - both** categories of (i) and (ii) above.
- Private** companies which have listed their **non-convertible debt securities on private placement** basis on a RSE in terms of SEBI Regulation, 2008;
- Public** companies which have not listed their equity shares on a RSE but whose **equity shares are listed on a stock** exchange in a jurisdiction as specified in sec 23(3) of the Act.

53 Manager means an **individual** who:

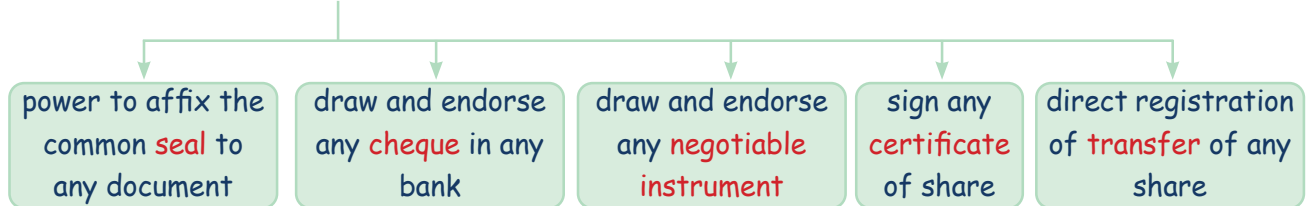
- subject to the superintendence, control and direction of the Board of Directors,
- has the management of **whole**, or **substantially the whole**, of the affairs of a company, and
- **includes a director** or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not;

54 Managing Director means a **director** who

- By virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors,
- is entrusted with **substantial powers of management** of the affairs of the company and
- includes a director occupying the position of managing director, by whatever name called.

Explanation: For the purposes of this clause, the **power to do administrative acts** of a **routine nature** when so authorised by the Board **shall not be deemed** to be included within the substantial powers of management;

Power to do administrative act:



55 Member in relation to a company, means:

- i. the **subscriber** to the memorandum of company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its **register of members**;
- ii. every other person who **agrees in writing** to become a member of the company and whose name is entered in the **register of members** of the company;
- iii. every person holding shares of the company and whose name is entered as a **beneficial owner** in the records of a **depository**;

56 Memorandum means the **MoA** of a company as **originally** framed or as **altered** from time to time in pursuance of any **previous** company law **or of this Act**;

 3 57 Net worth means the:

Aggregate value of:

1. paid-up share capital,
2. **All reserves** created out of the profits,
3. Securities premium account &
4. debit or credit balance of P&L

After deducting aggregate value of:

1. the accumulated **losses**,
2. **deferred** expenditure &
3. miscellaneous **expense not written off**

Does NOT include:

1. Reserve created out of **revaluatn** of assets
2. **Write-back** of depreciation and amalgamation

58 Notification means a notification published in Official Gazette and expression "notify" to be construed accordingly;

59 Officer includes any director, manager or KMP or any person in accordance with whose directions or instructions the BoD or any one or more of the directors is or are accustomed to act;

60 Officer who is in default, for the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any penalty or punishment by way of imprisonment, fine or otherwise, means any of the following officers of a company, namely:

- (i) Whole-time director;
- (ii) KMP;
- (iii) where there is no KMP, such director(s) as specified by the Board in this behalf and who has or have given his consent in writing to the Board to such specification, or all the directors, if no director is so specified;
- (iv) any person who, under the immediate authority of Board/KMP, is charged with any responsibility including maintenance, filing or distribution of accounts or records, authorises, actively participates in, knowingly permits, or knowingly fails to take active steps to prevent, any default;
- (v) any person in accordance with whose advice, directions or instructions the BoD of co. is accustomed to act, other than a person who gives advice to BoD in a professional capacity;
- (vi) every director, in respect of a contravention of any of the provisions of this Act, who is aware of such contravention by virtue of the receipt by him of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with his consent or connivance;
- (vii) in respect of the issue or transfer of any shares of a company, the share transfer agents, registrars and merchant bankers to the issue or transfer;

62 One Person Company (OPC) means a company which has only one person as a member;

63 Ordinary or Special Resolution means an OR/SR as referred to in section 114;

64 Paid-up share capital or share capital paid-up means: such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;

65 Postal ballot means voting by post or through any e-mode;

66 Prescribed means prescribed by rules made under this Act;

68 Private Company means a company having a minimum paid-up share capital as may be prescribed, and which by its articles:

- i. **restricts** the right to **transfer** its shares;
- ii. except in case of OPC, **limits** the number of its **members** to **200**:

Provided that in case **joint holding** - Treat them as **single member**.

Provided further, following shall **not be included** in number of members:

- a. persons who are in the **employment** of the company; and
 - b. persons who, having been **formerly in employment** of co., were members of co. while in that employment and have **continued to be members** after employment ceased.
- iii. **prohibits** any invitation to the **public to subscribe** for any securities of the company;

The requirement of having a minimum PUSC shall **not apply to a Section 8 provided** it has not committed a default in filing its financial statements u/s **137** or annual return u/s **92** with RoC.

69 Promoter means a person:

- a) who has been **named** as such in a **prospectus** or is identified by co. in **annual return** u/s 92,
- b) who has control over the **affairs** of the company, directly or indirectly whether as a shareholder, director or otherwise; or
- c) in accordance with whose advice, directions or instructions the Board of the company is **accustomed to act** (**except** where such person is acting merely in **professional capacity**)

70 Prospectus means any document described or issued as a prospectus and includes a **red herring prospectus** or **shelf prospectus** or **any notice**, circular, advertisement or other document **inviting** offers from the public for the subscription or purchase of any securities of a body corporate;

 71 Public company means a company which:

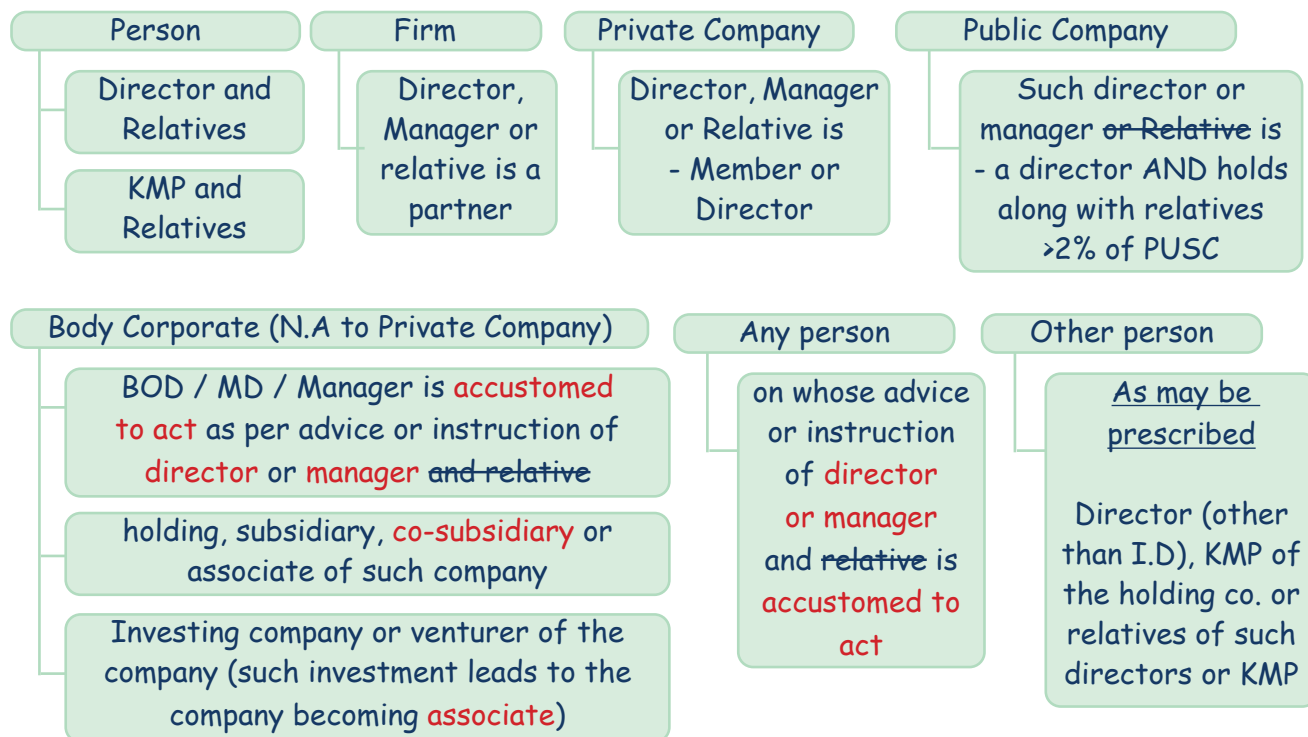
- i. is not a **private company**; and
- ii. has a minimum paid-up share capital as may be prescribed (N.A. to Sec 8 companies)

Provided that **subsidiary of a public co.** shall be **deemed** to be **public co.** for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;

74 Register of companies means the register of companies maintained by the Registrar on paper or in any electronic mode under this Act;

75 Registrar means a **Registrar**, an **Additional Registrar**, a **Joint Registrar**, a **Deputy Registrar** or an **Assistant Registrar**, having the **duty** of registering companies and discharging various functions under this Act

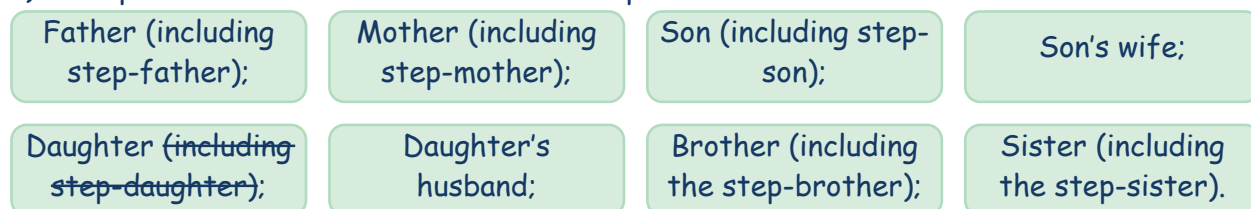
9 76 Related Party:



77 Relative:

Anyone who is related to another and covers the following:

- they are **members** of a HUF (Hindu Undivided Family);
- they are **husband** and **wife**; or
- one person is related to the other in the prescribed manner as under:



78 Remuneration means any **money**, or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961

84 Share means a share in the share capital of a company and **includes stock**;

85 Small company means a company, **other than a public company**: 5 7 11

- PUSC** of which does not exceed **Rs. 50 lakh** or such **higher** amount as may be prescribed which shall not be **> Rs. 10 crores**; and
- turnover** of which as per P&L account for the immediately preceding FY does not exceed **Rs. 2 cr.** or such **higher** amount as may be prescribed which shall not be **> Rs. 100 cr.**

Provided that nothing in this clause shall apply to:

- a **holding** company or a **subsidiary** company;
- a company registered under section 8; or
- a company or body corporate governed by any **special Act**.

As per the Companies (Specification of Definitions Details) Rules, 2014, for section 2(85), PUSC and T/O of small company shall not exceed **Rs. 4 crores** and **Rs. 40 crores** respectively.

[Amendment]

86 Subscribed capital means **such part** of the capital which is for the time being **subscribed** by the members of a company;

1 87 Subsidiary company or Subsidiary, in relation to any other company, means a **company** in which the **holding company**:

- i. **controls** the **composition** of the Board of Directors; or
- ii. **exercises** or controls more than $\frac{1}{2}$ of the **total voting power** either at its own or together with one or more of its subsidiary companies.

Provided that such class or classes of holding companies as may be prescribed **shall not have layers of subsidiaries** beyond such numbers as may be prescribed.

Explanation: For the purposes of this clause:

- a) a company shall be **deemed** to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or (ii) is of **another subsidiary co.** of holding co.;
- b) the **composition** of a company's BoD shall be **deemed** to be controlled by another company if that other company by exercise of some power exercisable by it at its **discretion** can **appoint or remove all or a majority** of the directors;
- c) the expression "**company**" includes any **body corporate**;
- d) **layer** in relation to a holding company means its subsidiary or subsidiaries;

Note - Shares held by a company or power exercisable by it in another company in a **fiduciary capacity** shall **not be counted** for purpose of determining the holding - subsidiary relationship.

88 Sweat equity shares means such **equity** shares as are issued by a company to its **directors** or **employees** at a **discount** or for consideration, other than cash, for providing their **know-how** or making available rights in the nature of intellectual **property rights** or **value additions**.

89 Total voting power, in relation to any matter, means the **total number of votes** which may be cast in regard to that matter on a poll at a meeting of a company **if all the members** thereof or their proxies having a right to vote **are present** at the meeting **and cast their votes**;

90 Tribunal means the **NCLT** constituted u/s 408;

91 Turnover means the **gross amount** of **revenue recognised** in the **P&L account** from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a **FY**;

92 Unlimited company means a company **not having any limit on the liability** of its members;

93 Voting Right means the right of a **member** of a company **to vote** in any meeting of the company or by means of postal ballot;

The End

Student's Notes:-