

WELCOME TO CA INTERMEDIATE

1. I am from **Science** background (**12th std**) ✓
2. I was born and brought up in **odisha** ✓
3. I entered into CA Inter from **direct entry** route ✗
4. I failed in **Biology** and I was good at **Maths** ✓
5. I did my articleship from **kpmg (big4)** ✗
6. I cleared all levels of CA in **First attempt** ✓
7. ~~I am **25 years** old~~
8. I love watching **movies** ✓
9. I am a nerd ✗
10. ~~I watch a lot of webseries~~

Answering most FAQs:

- ① Why is result only 8-10%
- ② should you go for both/single group
- ③ Law/Theory → Weakness

My 3 promises

- ① Discipline & consistency
- ② Quality
- ③ 100% coverage

Your 3 Promise:

- ① Study with interest
- ② Perform better
- ③ Give my 200%

Approach of class:



- class
- Revision
- Writing practice
- mcqs → strength
- support

• No. of books:

Mine → Law summarized
Question Bank

- 100% in 200 pages
- 10 papers RTP/MTP

Yours:

— [concept book (200 pages)
Daily Practice Book (200 pages)
Scribble (200 pages)

When will you get the books?

F2F → 5-6 days

Online → 9-10 days

→ Self - discipline

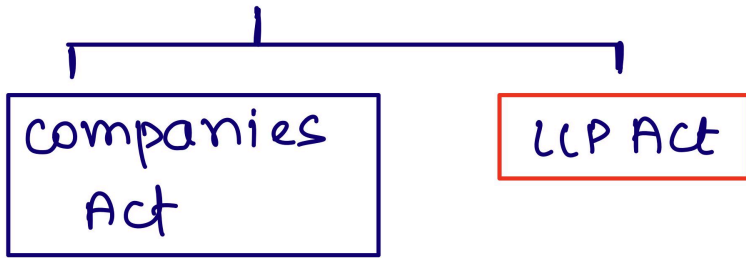
PDF → Description

Law se darr lagta hai

PAPER 2: CORPORATE AND OTHER LAW

Corporate law

(— marks)



+ Foreign company

- ~~470~~ sections 484

Other law

(— marks)

- ~~ICA & NI~~
- General clause Act
- FEMA
- Interpretation of Statute

Tesla

vs

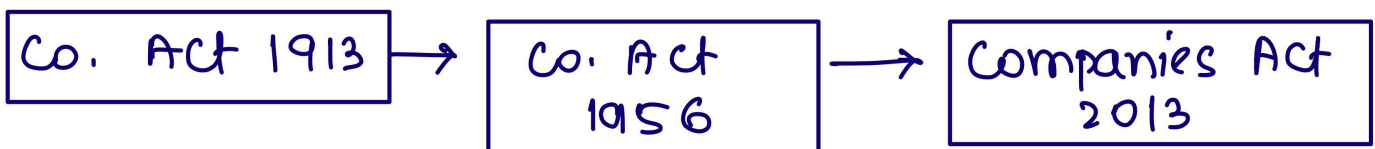
Microsoft



* Paper pattern

* Law vs Act?

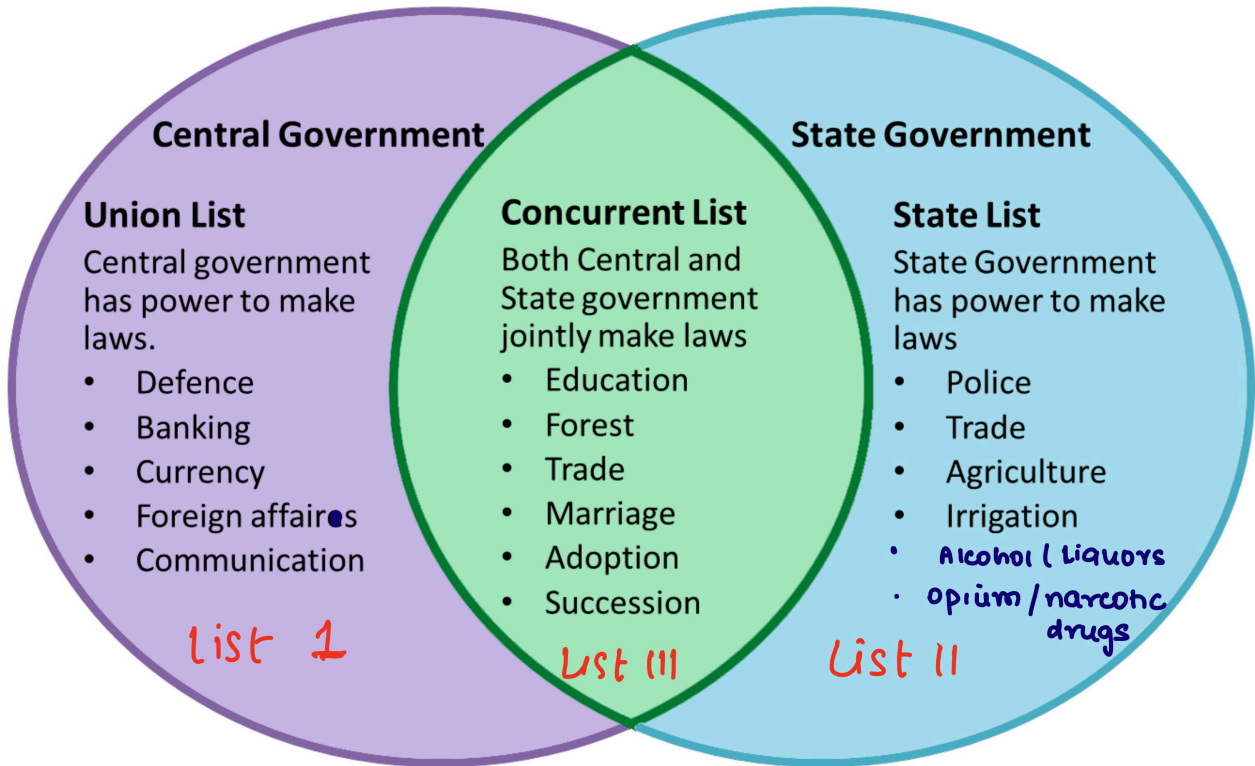
* How does Act comes into picture?



CONSTITUTION OF INDIA



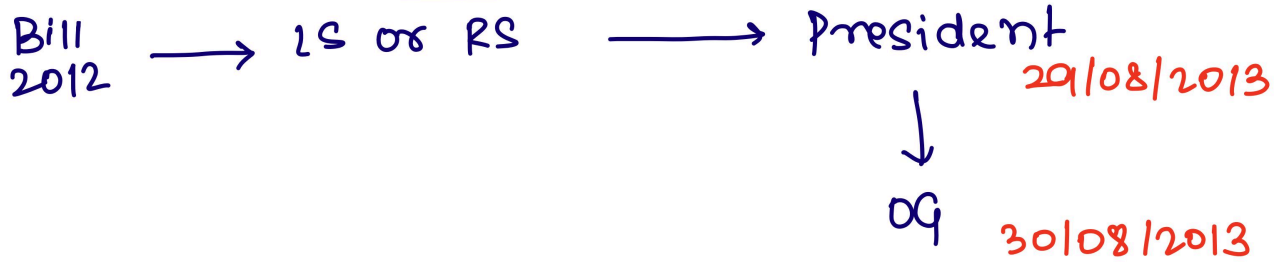
Article 246



Steps to make Act:

1.		<u>1</u>	<u>2</u>	<u>3</u>
	PA	29/08/13	29/08/13	29/08/13
2.	OC	30/08/13	30/08/13	30/08/13
	Apply	30/08/13	01/04/14	01/04/13
3.		<u>30/08/13</u>	01/04/14	30/08/13
4.				

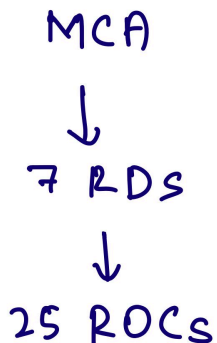
Companies Act 2013



Introduction to Companies Act:

- 29 chapters
- 470 sections (or 484?)
- 7 schedules

Hierarchy:



June 2022 → No. of companies
= — million

Refer statistics Jan 2023

PREAMBLE:

An act to consolidate and amend law relating to companies



OVERVIEW

Section 1: Short title, extent, commencement. Applicability:

Short Title: The Companies Act, 2013

Extent: Whole of India

Commencement: Notified in O.G.

Applicability:

1. To all companies incorporated under this Act or any previous laws
2. To banking companies, insurance companies, electricity companies or any other company formed under a Special Act subject to the provision of such Act.
3. Other body corporate notified by C.G. [NHA]

Section 2: Definitions

1) Company vs Body corporate

Company [2(20)]: means a co. incorporated under this Act or under previous company law.

Basic definition:

Company is an incorporated association which is an artificial person created by law, having a separate entity with perpetual succession and common seal.

Example: RIL, Adani, etc.

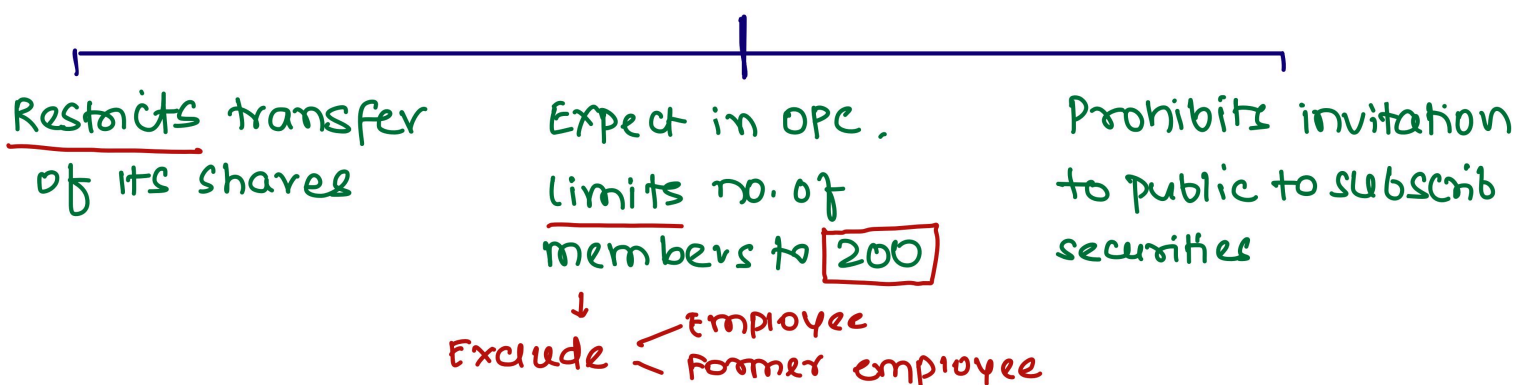
Body corporate [2(11)]: includes a company incorporated outside India but it does not include:

- (a) Co-operative society
- (b) Other body corporate notified by CG.

Types of companies:

1) Private co. vs Public co 2(68) 2(71)

- Private co. means a company having minimum PUSC as may be prescribed which by its articles



joint sh?

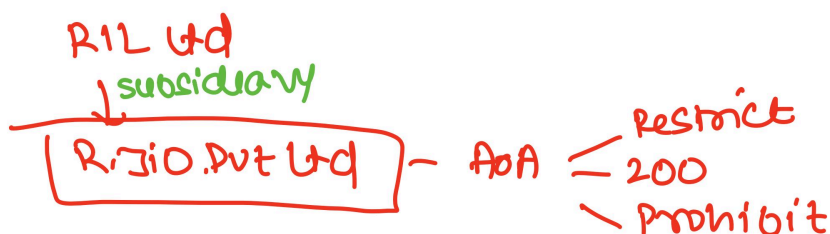
Is this a private co:

<u>Type</u>	<u>Number</u>	
Normal shareholder	194	194
Joint shareholders (5 couples)	10	5
Amar [current employee]	1	x
Akbar [former employee]	1	x
Anthony [first sh, now employee]	1	1
		<hr/>
		200

Section 2(71): Public company:

means any company other than a private co. having such use as may be prescribed.

Provided that a subsidiary of a public. co. shall be deemed to be a public company even if such subsidiary company continues to be private co. as per its articles.



Section 2[85] - Small company

means a company, **other than public company**, having:

(a) **PUSC** not exceeding ₹ 50 lakhs or such higher amount as may be prescribed not exceeding ₹ 10 crores

AND

(b) **Turnover** not exceeding ₹ 2 crores or such higher amount as may be prescribed not exceeding ₹ 100 crores.

Exercising its power vide sec 2(85), CG has prescribed the limits as follows:

- PUSC = 4 crores
- Turnover = 40 crores

Provided that, nothing in this clause shall apply to:

- holding co. & subsidiary co.
- sec 8 company
- co. formed under a special Act.

	<u>Case 1</u>	<u>Case 2</u>	<u>Case 3</u>
	A Ltd	B Pvt Ltd	C Pvt Ltd
PUSC	1.5 Cr	3.5 Cr	4.5 Cr
T/O	15 Cr	35 Cr	45 Cr
Small co. ?	NO.	Yes	NO

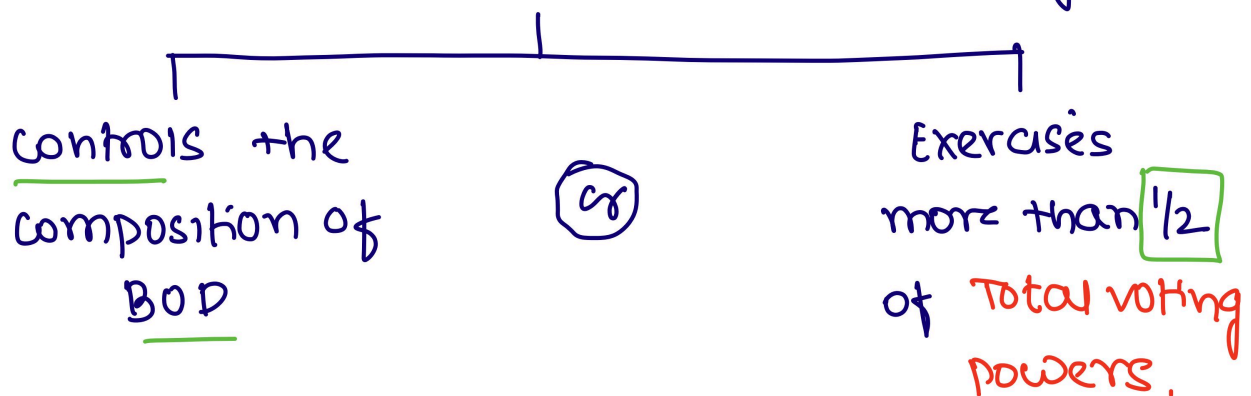
Case 4

D Pvt Ltd

PUSC	1CY
T10	45CY
small co?	<u>ND</u>

Holding, Subsidiary and Associate Co:

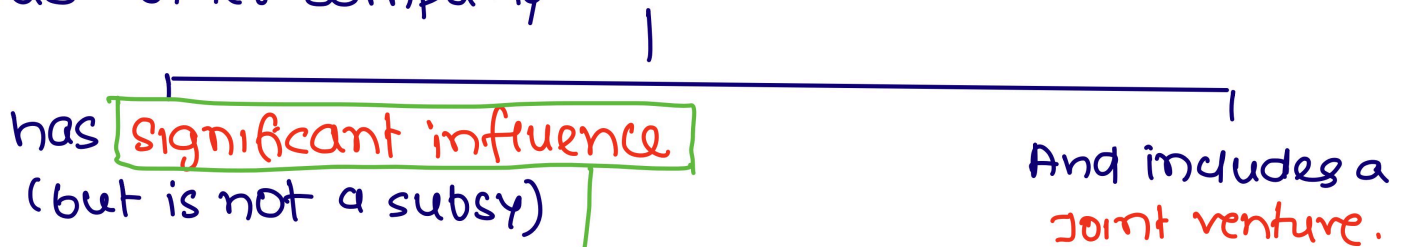
2(87) : Subsidiary Co: in relation to any other co., means a company in which the holding co.:

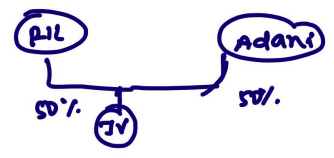
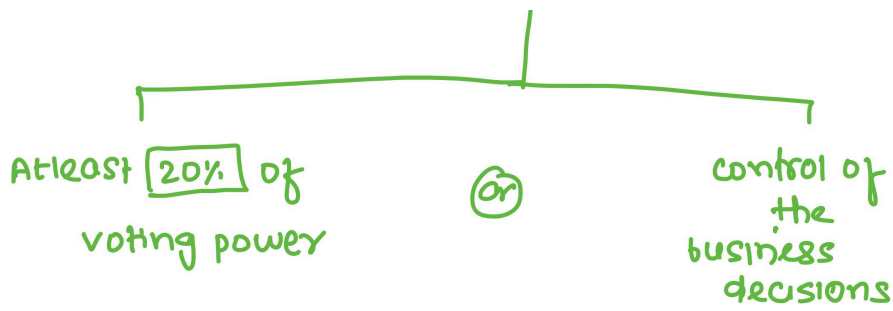


Provided that, no holding company shall have more than such layer of subsidiaries as may be prescribed. (i.e., not more than 2 layers of subsy)

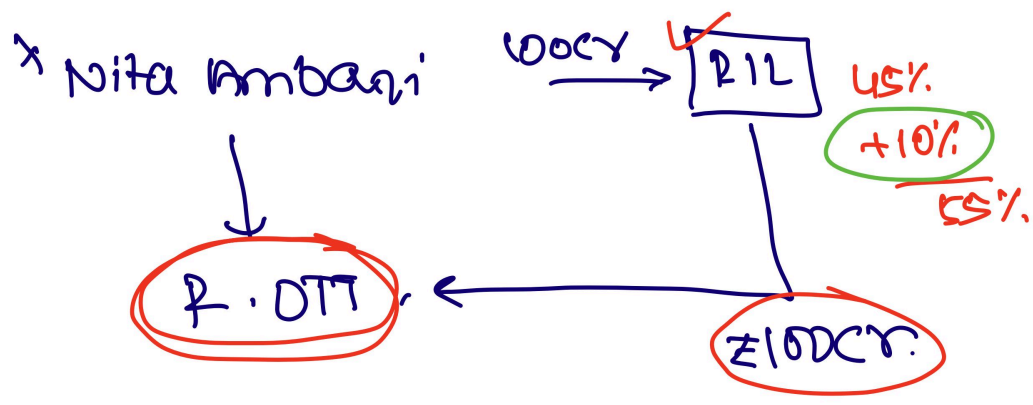
Associate Company [sec 2(6)] :

in relation to any other Co. means a Co. in which such other company :





Note: For determining associate/subsy company, shares held in fiduciary capacity shall not be counted.



- (a) Hold.
- (b) Subsy
- (c) Assoc
- (d) Idk

2(46): Holding company:

2(45): Government company:

means a co. in which **not less than 51%** of the **PUSC** is held by cg or sg or partly by both

It includes a co. which is subsidiary of a govt. co.

Question practice:

Answer:-

Relevant Provision:

As per section 2(85) of the companies Act, 2013, a small company means a company, other than public company having:

- (a) paid up share capital (PUSC) not exceeding such amount as may be prescribed, and
- (b) turnover not exceeding such amount as may be prescribed.

Nothing in this clause shall apply to:

- (a) Holding company and subsidiary company
- (b) section 8 company
- (c) company formed under Special Act.

Central Government has prescribed the following limits for the purpose of section 2(85):

- (a) PUSC shall not exceed Rs. 4 crores, and
- (b) turnover shall not exceed Rs. 40 crores.

Facts of the case:

In this case, New Private Ltd is a company having PUSC of ₹70 lakhs and turnover of ₹30 crores

Analysis:

In the given case, as the PUSC of New Private Ltd is ₹70 lakh (i.e., less than ₹4000000) and the turnover is ₹30000000 (i.e., less than ₹40000000) and it is a private company, all the conditions of section 2(85) is satisfied.

conclusion: Hence, New Private Ltd is ^{Not} a small company.

Financial statement [sec 2(40)]

BS

PL or Income/Exp. A/c

CFS *

Statement of change in Equity (SOCE)

Explanatory notes annexed to above documents

↓
(attached)

* Provided that, the following companies may prepare CFS:

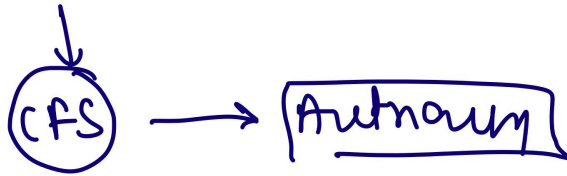
- (a) One person company
- (b) small company
- (c) Dormant co. (sec 455)
- (d) Private co. which is registered as a Start up

↓
such certificate is issued by Department for promotion of industry

A Pvt Ltd → Startup



FS
~~CFS~~



Financial Year [2(41)] :

In respect of a company or BC, FY means a period starting on or after 1st April and ending of 31st March of each year

However, where such co./BC is incorporated on or after 1st Jan of any year, FY shall end on 31st March of following year

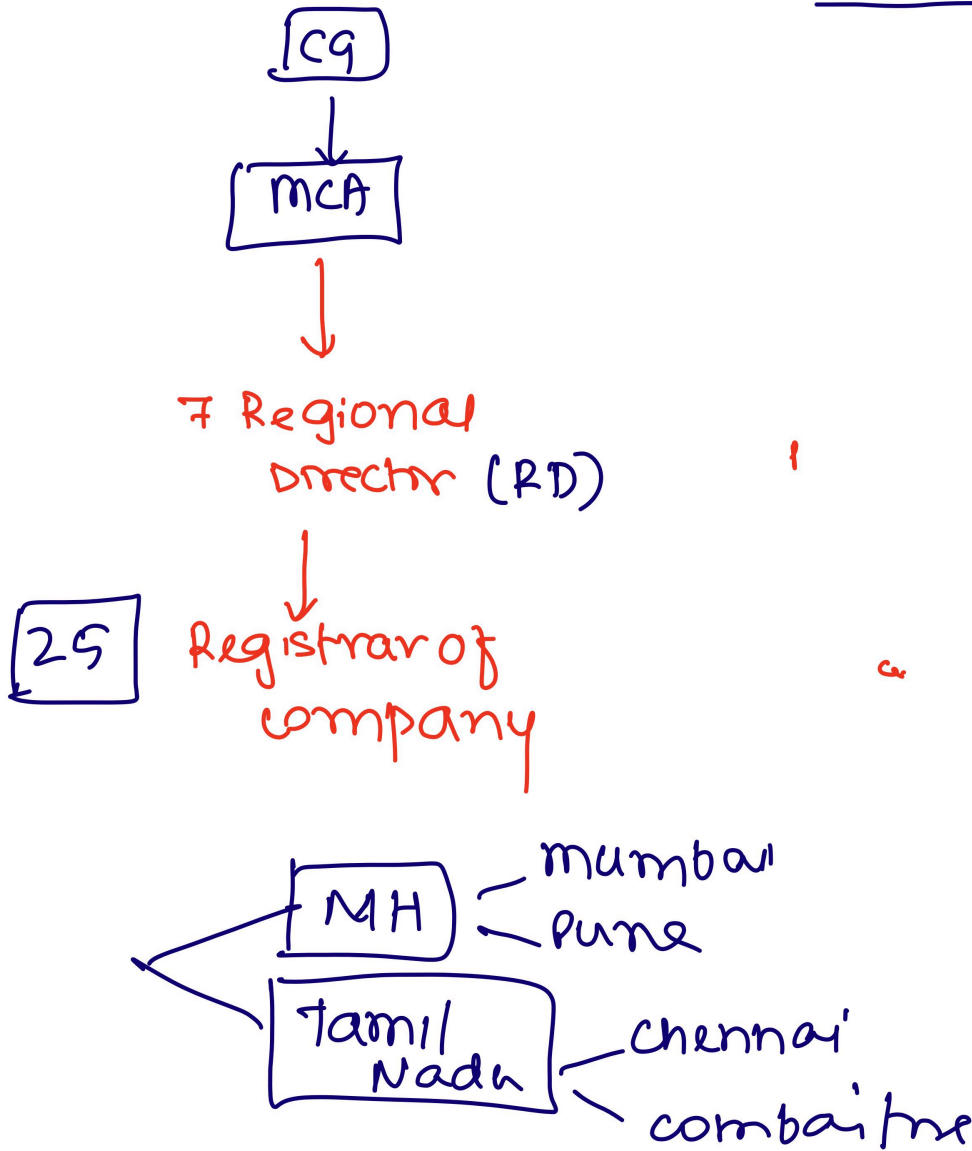
Provided that where a co./BC is H/S/A of a company incorporated outside India and is required to follow different FY for consolidation → Apply to CG for such change of FY.

Example:

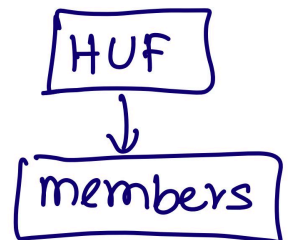
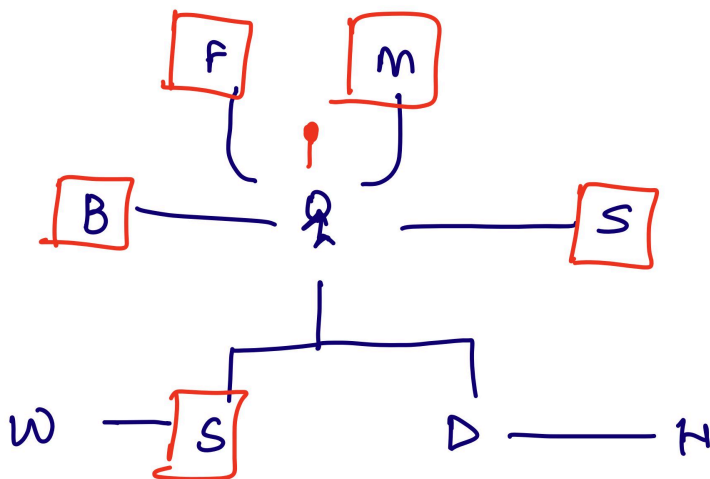
1) 01.04.2023 → 31.03.2024

2) 01.01.2024 → 31.03.202~~4~~⁵

Hierarchy of ministry for management of Companies:



Relative [2(77)]



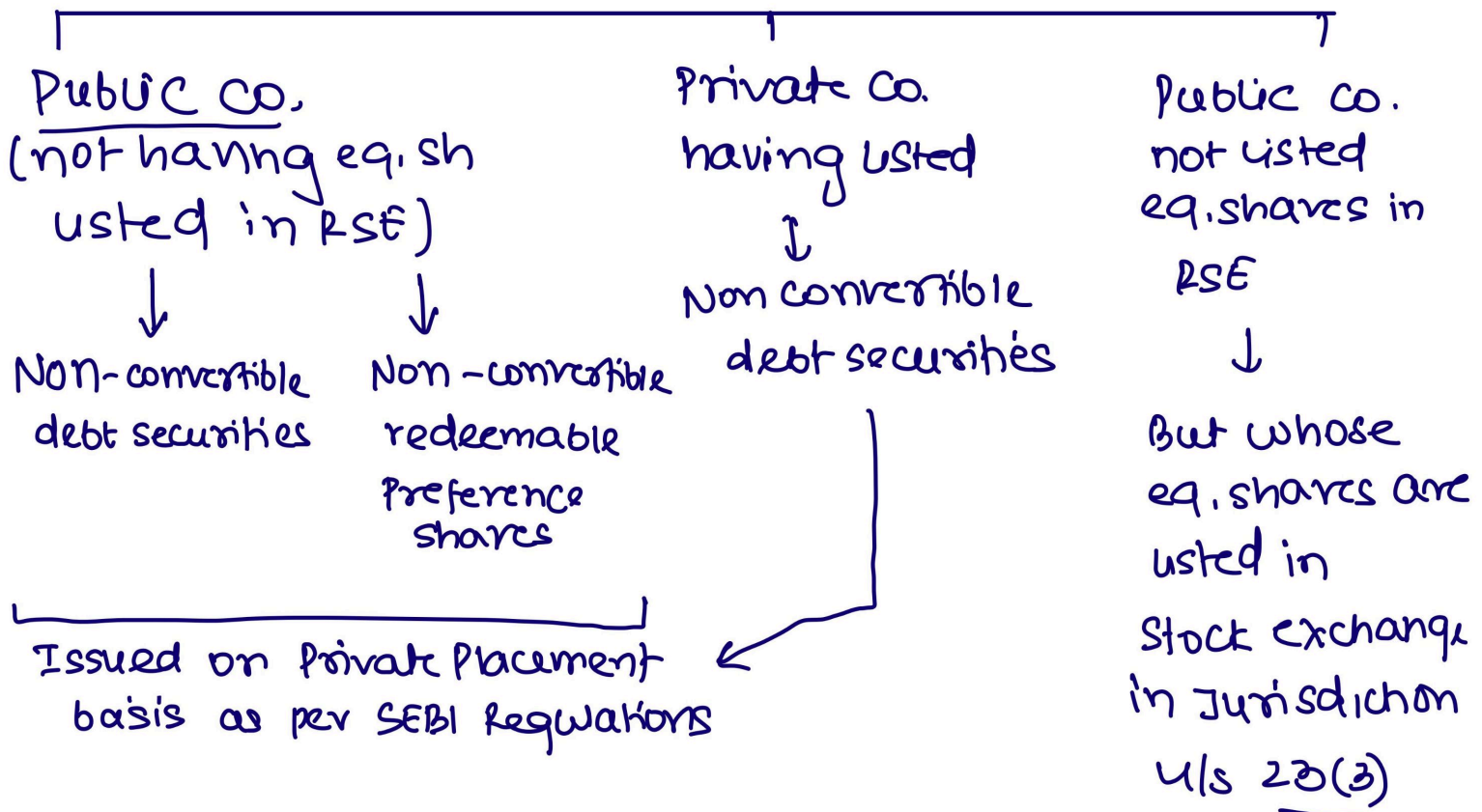
□ - step
• - Spouse

Q. Define private company and public company as per relevant provision of companies Act. [5 marks]

Listed company: [2(52)]

A company which has listed any of its securities in a Recognised Stock Exchange (RSE)

Provided that such class of companies as may be prescribed (in consultation with SEBI), shall not be considered as listed co.



Jmf

200CV

HNI

Officer in default:- [sec 2(60)]:

OIB in case of company, shall include the following:

- (a) Whole time director.
- (b) Key Managerial Person (KMP) [CEO/MD/CFO/CS, etc.]
- (c) Where there is no KMP, such director as may be specified by the Board.
Where board has not specified any names, all the directors shall be responsible.
- (d) Any person under immediate authority of BOD/KMP who actively participates in such default.
- (e) Any person on whose advise or instruction, the BOD is accustomed to act
(other than person giving advise in professional capacity)
- (f) Every director who is aware of such contravention or where such contravention has taken place with his consent.
- (g) In case of issue of shares
 - Share Transfer agent
 - Registrar to an issue.
 - Merchant banker.

Q: A default was committed by ABC Ltd, with respect to allotment of shares. State who are the person considered as officer in default as per companies Act.

[July'21-4m],

A: