



Law Bomb

Chapter I

PRELIMINARY

- 1 **Company [Section 2(20)]** - Company means a company incorporated:
 - (a) Under mis Act; or (2013)
 - (b) Under any previous company law.

- 2 **Body Corporate or Corporation [Section 2(11)]**- **Section 2(11) of the Companies Act, 2013 provides that** body corporate or corporation includes a company incorporated outside India but does not include- a Co-operative society.

- 3 **Private Company [Sec. 2(68)]** - Limits the number of members to 200. If no. of members exceeds 200, it is deemed to be public Co. while calculating no. for 200 calculation:- Past and present employee members are **not** counted and Joint holders on shares are counted as 1

- 4 **One Person Company [Sec. 2(62)]** - Only a natural person who is an Indian citizen whether resident or otherwise shall be eligible to incorporate OPC or to be a nominee for the sole member of a OPC.

- 5 The term 'resident in India' means a person who has stayed in India for a period of not 120 days during the immediately preceding FY.

- 6 However, if a natural person is member in a OPC and becomes a nominee in another OPC, such person shall meet the eligibility criteria specified in Rule 3(2) **within** 180 days.

7 A minor can/cannot become a member or nominee of the OPC

8 OPC cannot be incorporated or converted into a sec 8 Co.

9 **Withdrawal by Nominee and new appointment in OPC** - The person nominated by the subscriber or member of a OPC may, withdraw his consent by giving a notice in writing to member and to OPC.

10 'Small Company' [Sec. 2(85)] - A company shall be a small company only if it satisfies both the following conditions:

- (i) Its **paid-up share capital** does not exceed Rs. 4 cr.; and
- (ii) Its **turnover** (as per profit and loss account for the immediately preceding FY) does not exceed Rs. 40 cr.

11 A company shall not be a small company, if:

- a. It is a public company; or
- b. It is a holding or a subsidiary company; or
- c. It is a company registered u/s sec 8 Co.; or

12 **Listed Company** [Sec. 2(52)] - following companies shall **NOT** be considered as **Listed Company** for the purpose of compliance with provisions of Companies Act 2013:-

- a) **PUBLIC** Companies which have **NOT** listed their Eq. shares on a recognized Stock Exchange BUT have listed their
 - a) Non-Convertible debt securities - non convertible debentures issued on Private Placement basis.
 - b) Non-Convertible preference shares issued on Private Placement basis.
- b) **PRIVATE** Companies which have listed their

non convertible debt securities (debentures) issued on Private Placement basis on a recognized Stock Exchange.

c) **PUBLIC** Companies which have **NOT** listed their Equity Shares on a recognized Stock Exchange in India.

13 Subsidiary Company [Sec. 2(87)] - (Any 1 condition satisfy) -

(a) That other controls the **composition of its** Board of directors; (holding company has power, at its discretion, to **appoint or remove** majority or all of the directors of the subsidiary company without the consent of the other persons.

(b) That other exercises or controls **more than** half of the **total** voting rights.

- either at its own or
- together with one or more of subsidiaries; or
- through its subsidiary.

14 Company shall not have more than two layers of subsidiaries. exception (i) foreign subsidiary (ii) if any layer contains wholly owned subsidiary

1. Associate Company [Sec. 2(6)] - means a company in which that other company has a significant influence, (means control of at least 20% of total voting power, or control of or participation in business decisions under an agreement) but which is not a subsidiary company of the company having such influence **And includes a joint venture company**.

15 Formation of Companies with Charitable Objects, etc. [Sec. 8]

16 company intends to prohibit the payment of dividend/surplus to its members.

17 Licence issued by C.A (ROC).

18A firm may/may not become a member of a company registered u/s

19 The C.G (R.D) may **revoke the licence** issued to the company if the company:

- (a) contravenes any of the provisions of this Act; or
- (b) contravenes any condition subject to which the licence was issued; or
- (c) the affairs of the company are carried on fraudulently or not as within the object of the company.

20 if licence revoked, CG may order a section 8 Company to:

- (a) wind up; or (b) convert into any other Co.
- (c) amalgamated with any other company registered u/s 8 and having similar objects;

21 A non-profit company may alter the provisions of its MOA or AOA with the prior approval of the C.G.

22 Government Company means any company: (any 1 condition)

2(45)

- (i) in which not less than 51% of the paid up share capital having ||||| is held – (Equ. + Pref)
 - (a) by the Central Government; or
 - (b) by any State Government(s); or
 - (c) jointly by the Central Government and any State Government(s).

(instead TVR use if if Co. issue DVR shares)

- (ii) which is a subsidiary of a Government company.

23 Dormant Company [Sec. 455]

Where a company is formed and registered under this Act for:-

- a future project and has no Significant Accounting Transaction or,

- to hold an asset or intellectual Property and has Significant Accounting Transaction, or

no.

↙ ↗

- an inactive company,

24- Provided that a Private company which is a subsidiary of a Public company shall be deemed to be public company 2(71) Not vice-versa.

Inactive Co.

- has not conducted any business activity during last 2 F.Y. (or)
- has not ~~made~~ made any significant atc transaction during last 2 F.Y.
- has not filed F.S or annual return for last 2 F.Y.

⇒ Significant Atc transaction means any transaction (SAT)

Other than

R → Registrar → payment of fees.

A → Act comply → payment

A → Allotment of shares to fulfill requirement of Act.

M → maintenance of office and records