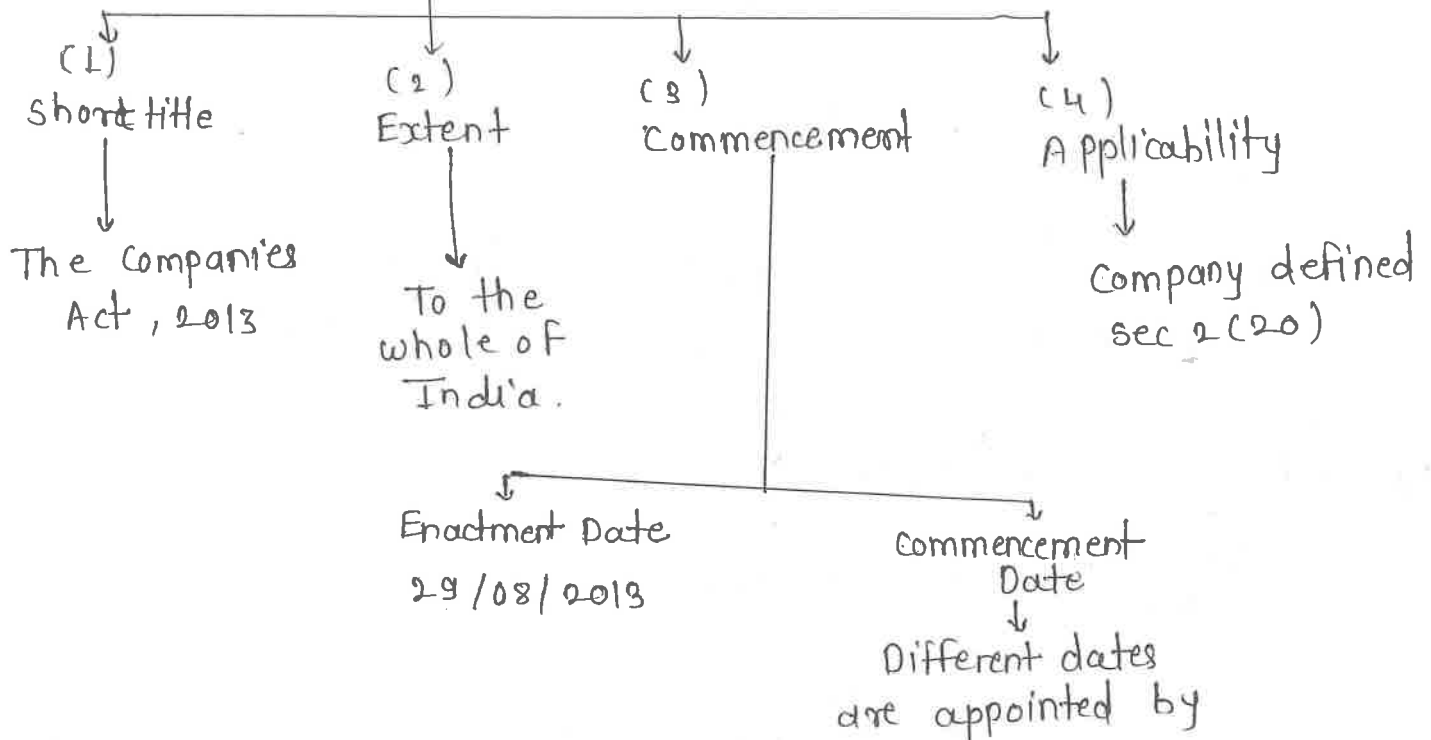


Chapter 1 - Preliminary

Section 1

Section 2



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Section 1(4) Applicability

↓
Applicable to companies as defined under sec 2(20)

↓
Company means company

↓
Incorporated under.

←
This Act
[2013]

or

→
any other previous law (sec 2(67))

Simple words →

Company means Company incorporated under Indian companies Act.

Foreign Company [Sec 2(42)]

Means

company

①. Incorporated outside India.

②. Having place of Business in India.

And

Conduct any ③ business activity.

By itself

through an Agent.

physically

Electronic.

Ching pung Pvt. Ltd.

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company



India company Act, 2013.



Co.

foreign company.



Incorporated outside India



Business in India.



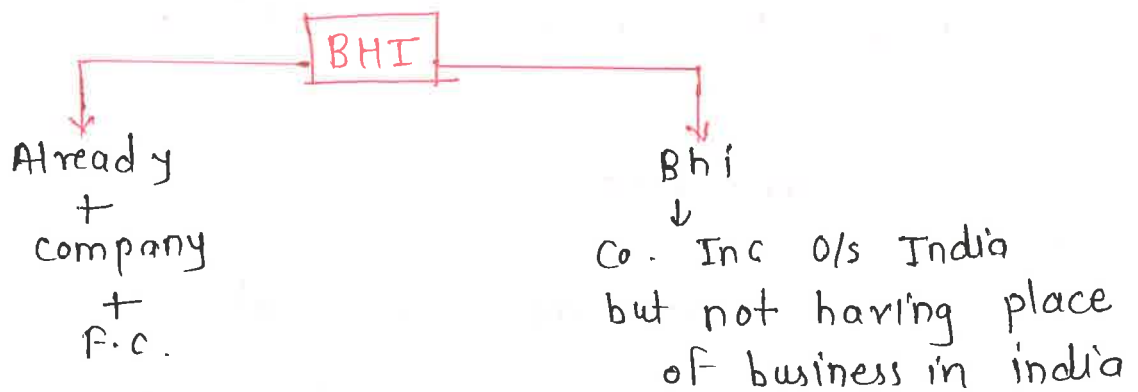
Foreign Company.

Body Corporate [Sec 2(11)]

↓
Includes
↓

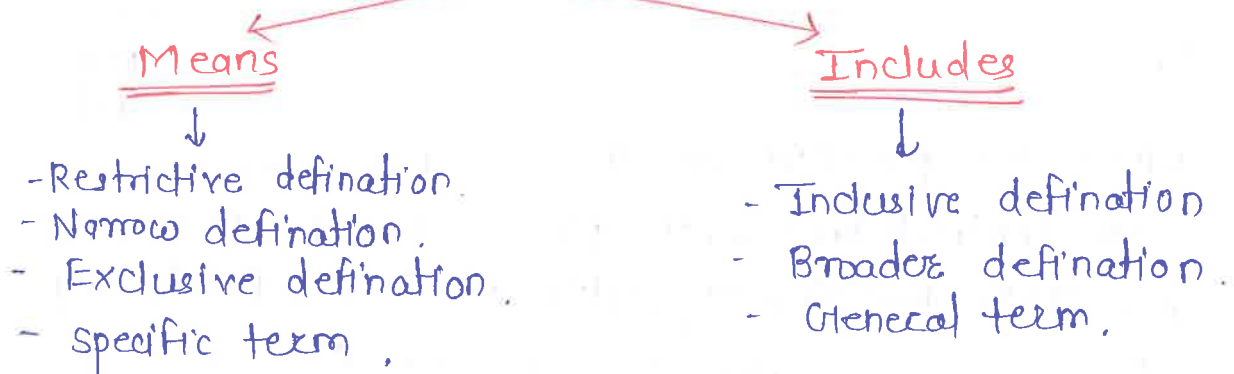
a company incorporated o/s India.

In simple words → Body corporate me wo company
BHI aegi jo India ke bahar
incorporated hai.

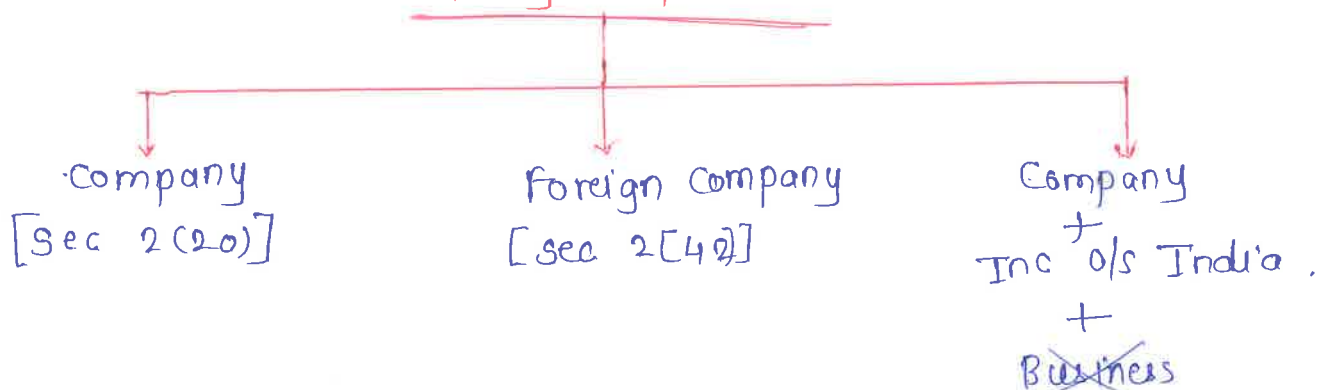


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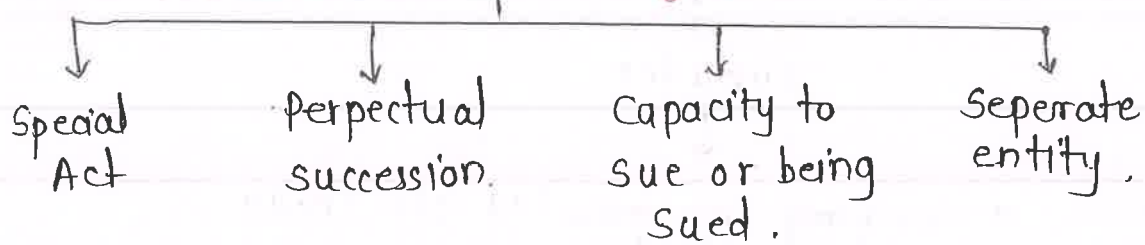
Terminology



Body Corporate



Body Corporate / statutory Body.

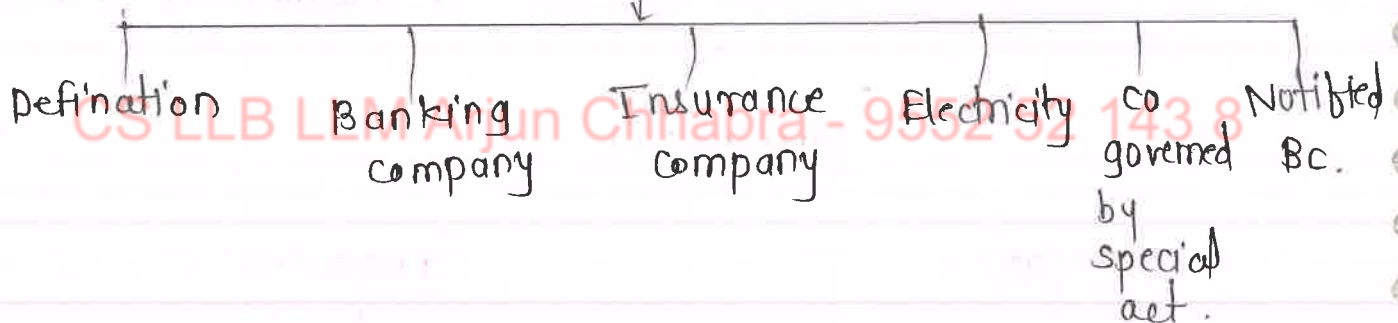


Whether Co. Act, 2013 applicable to body Corporate as well?

ANS - IF C.O. by notification specifies.
specified Body corporate = NHAI / FCI.

Applicability Sec 1(4)

Companies - Sec 2(20)



Where the provision of the Co. Act 2013 are contradictory with provision of Insurance Act 1938, Banking regulation Act 1949, Electricity Act 2003. The provision of such Acts will prevail.

specific over General.

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Holding & subsidiary company.

Holding company
[Sec 2(46)]

Holding company
means a Company having
one or more subsidiary.

Subsidiary company
[Sec 2(87)]

In relation to any other
Company [Holding co]

Means a Company
[Sec 2(20)]

In which a holding
Company

(i)

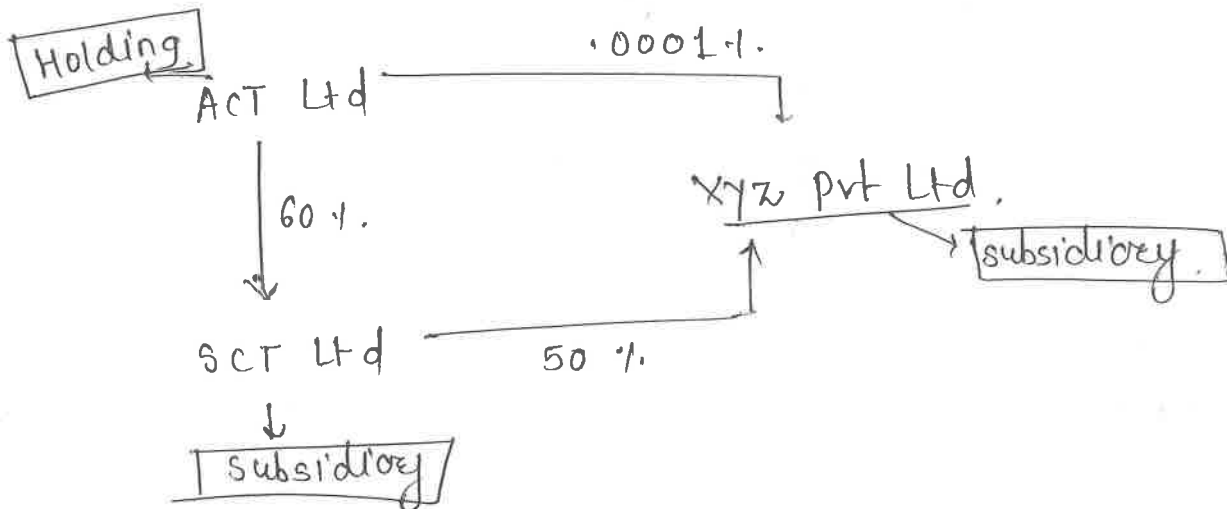
Controls the composition
of board of
Directors.

or

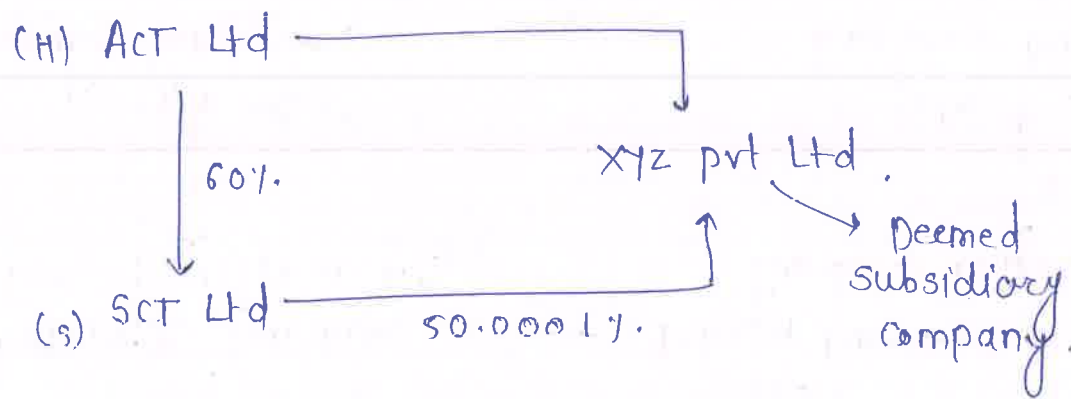
(ii)

Exercises or controls
more than one-half of
the total ~~share capital~~
voting power.
either at its own or
together with one or
more of its subsidiary.

2(87) ii



Section 2 (87) (ii) + Explanation (a)



Explanation - for the purpose of this clause.

a] A Company shall be deemed to be subsidiary company of the holding company even if the control referred in sub clause (i) or (ii) is of another subsidiary company of the holding company.

b] If one company by exercise of some power at its discretion (भारती मजीसे) can appoint or remove all or majority of directors of another company, former company shall be considered as holding company.

c] The expression "company" includes body corporate.

Public Company [sec 2 (71)]

Means a company.

↓
which

is not a
private
company

Has minimum
p.u.s.c as may be
prescribed.

Provided that - A company which is subsidiary company of a company, not being a private co. (Public co) shall be deemed to be a public company for the purpose of this act even where such subsidiary co. continues to be a private co. in its Articles.

In simple words, subsidiary of public company is always a public company.

Government Company [Sec 2 (45)]

Means any company

↓
in which

↓
Not less than 51% of
p. u. s. c. is held by

CGI or SGI or or partly by
CGI or SGI or SGI's

Includes.

↓
company which is
subsidiary of such Govt.
company.

In simple words -

subsidiary of Govt. co
is also Govt. co.

Ex -

Narendra Motors (Govt. co)

505000
[50.51%]

↓
Shah Motors [subsidiary co]

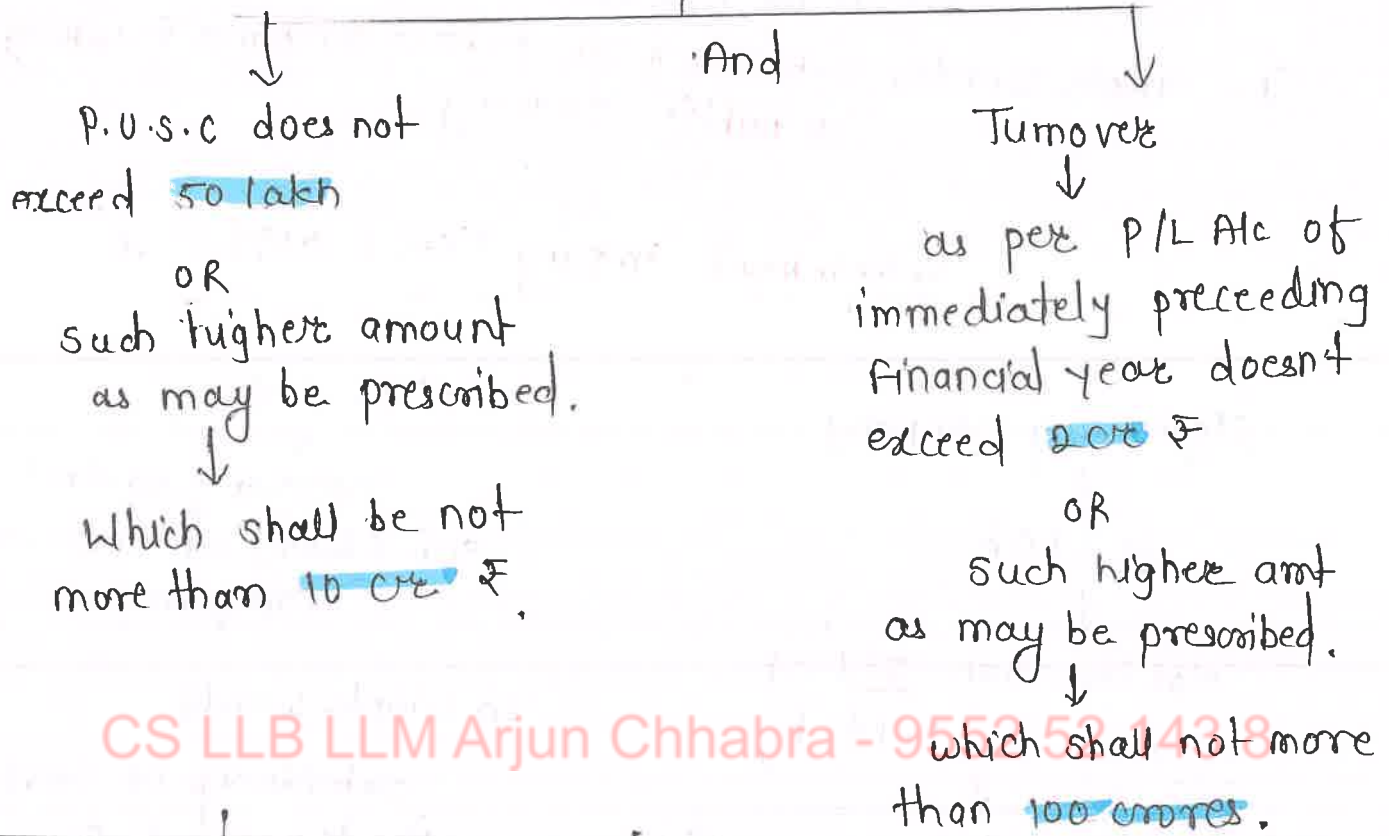
[Govt. Also] - as per inclusive
definition.

Explanation - for the purpose of this clause,
The p. u. s. c. shall be construed as "total voting power"
where shares with differential voting rights have been
issued.

Small Company Sec 2(85)

Means a Company [Sec 2(20)]

other than public company
(means private co.)



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Limits	Till 31st March 2021	1 April 2021 till 10th Sept 2022	15 Sep 2022 onwards
P.U.S.C	Max - 50 lakh	Max - 2 crore	Max - 4 cr
T.O	max - 2 cr	max - 20 cr	max 40 cr

Small co. [2(85)]

↓
Pvt. Co

P.U.S.C

↓
Max - 4 cr

↓
Such higher amt as

may be prescribed which shall not be more than 10 cr.

T.O

T.P.F.Y

↓
max ₹ 40 cr.

↓
₹ 100 cr

→ provided that nothing in this clause shall apply to, -

- a] Holding - subsidiary
- b] section 8 Co.
- c] Co. governed by special act.

→ Benefits of small company -

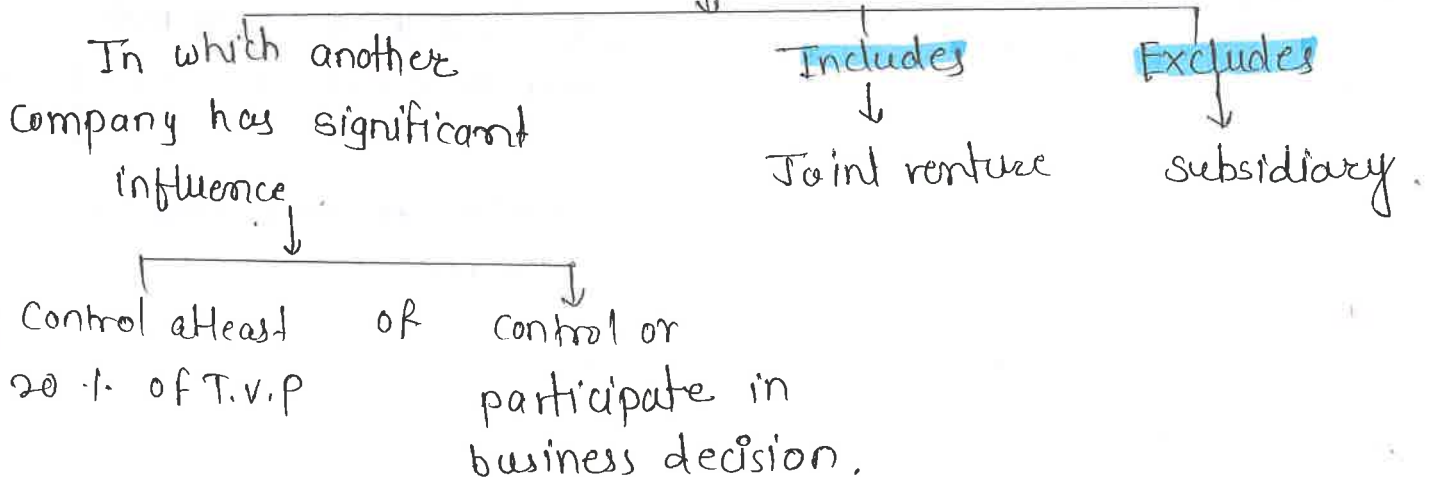
- 1] No need to prepare cash flow statement as a part of financial statements
- 2] Holding of only two board meeting in a year.
- 3] Advantage of preparing & filing and abridged (छोटा) annual return.
- 4] Annual return of the company can be signed by the company secretary or where there is no CS, by a director of company.
- 5] Lesser penalty for small company.
- 6] Low legal compliance cost.

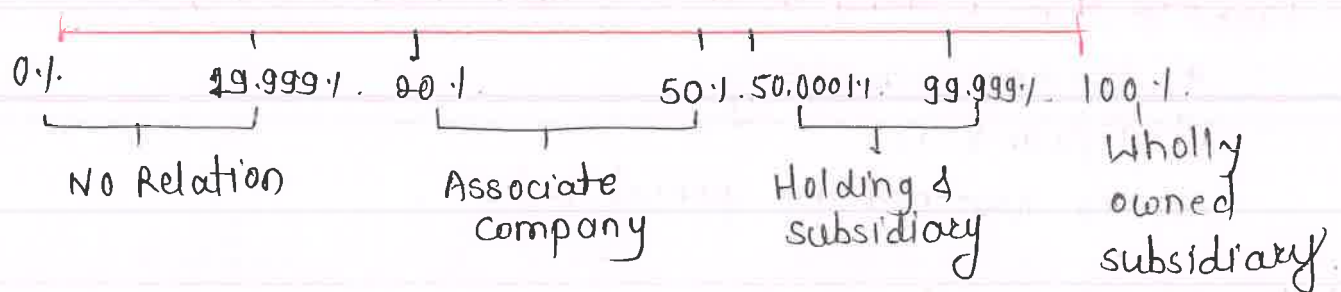
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Associate Company [sec 2(6)]

↓
In relation to another company

↓
Means a company [sec 2(20)]





Companies on the basis of liability -

↓
Company [sec 2(20)]

↓
Limited by
Guarantee
(21)

↓
Liability of
members is limited
upto the amount
he undertake to contribute
to the assets of the
Company in the event
of winding up.

↓
Limited by
shares
(22)

↓
Liability of
members is limited
upto the amount
unpaid on shares.

↓
Unlimited
shares
company.
(92)

↓
Not having
any limit on
the liability
of its
member
Ex - Amway
India
enterprise Pvt Ltd.

Similarity

- In the both, members liability is limited.

Difference.

In guarantee LP. member can be called to contribute only in event of winding up.
In shares members can be called at any time to pay unpaid amt.

<u>Winding up</u>	<u>Dissolution</u>
① Asset - sell, liability - pay off ② Company still remain existence ③ Winding up is initial stage process of dissolution	① company is not in existence after dissolution ② Dissolution is end process