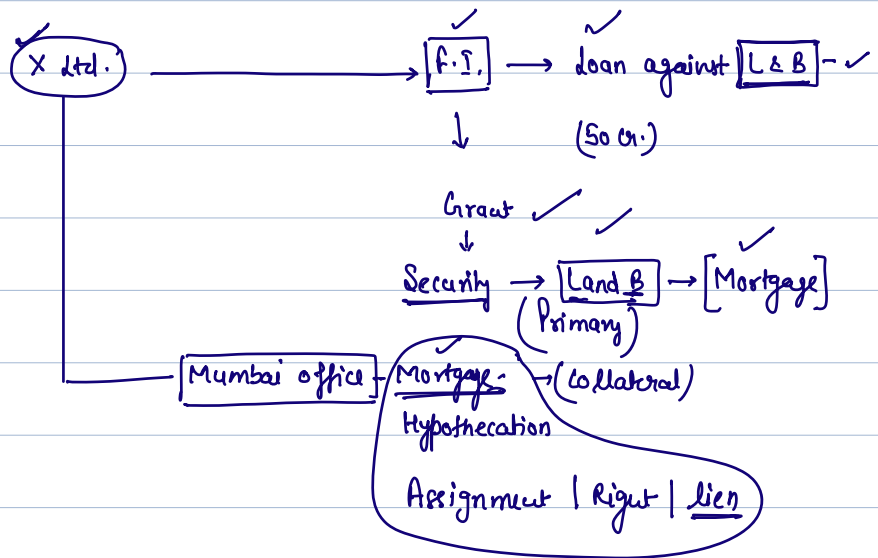


(c) Charge:



(d) Chartered Accountant - Membership - Employment or Statutory Audit
Company Secretary - " - " or Secretarial Audit
Cost Accountant - " - " or Cost Audit

(e) Company: means - Companies incorporated under this Act; and
" " " previous company law.

Note: Companies incorporated under the provisions of laws of other countries (i.e. foreign companies) are not considered as Company under Companies Act, 2013. Such companies are covered within the meaning of the term "Body Corporate".

(f) Types of Companies:

Company

(a) Company with limited liability

(b) Unlimited Companies

(i) Company limited by Guarantee

(ii) Company limited by Shares

Companies in which members will be held personally liable for the liabilities of the Company.

Liability of Members are limited to the amount guaranteed by them, which is payable at the time of winding-up the Company.

Liability of Members are limited to the extent of unpaid shares held by them.

(g) ESOP:

A Ltd.

Right to purchase

→ [Directors, Officers, Employees

shares of the Co.

- A Ltd.

- Holding / sub. of A Ltd.

at a future date

at a pre-determined price

Current Price : ₹ 500

future price : 1200/-

offer price : ₹ 100 → after two years

No. of shares offered : 500

(500 × 1100) 5,50,000

(h) Books of A/c v. Financial Statement :

	Books of A/c	Financial Statement
(i)	Defined v/s <u>2(13)</u>	Defined v/s <u>2(40)</u>
(ii)	Comprises of records of: (a) Receipts and Payment (b) Sales and Purchases (c) Assets and Liabilities (d) Material, labour and other items of cost	Comprises of following statements (a) Balance Sheet (b) Profit & Loss A/c / G & E A/c / SPL (c) Cash flow statement (d) Statement of Changes in Equity (e) Explanatory Notes
(iii)	Provisions relating to Maintenance of A/cs are covered v/s <u>128</u>	Provisions relating to preparation of f.s. are covered v/s <u>129</u>

(i) financial year: Sec. 2(41) :

Date of Incorporation	First FY	<u>2nd FY</u> ↴
- 15.06.2022	15.06.2022 - 31.03.23	01.04.2023 - 31.03.2024
- 15.10.2022	15.10.2022 - 31.03.23	01.04.2023 - 31.03.2024
- 10.01.2023	10.01.2023 - 31.03.24	01.04.2024 - 31.03.2025
- 18.03.2023	18.03.2023 - 31.03.24	01.04.2024 - 31.03.2025

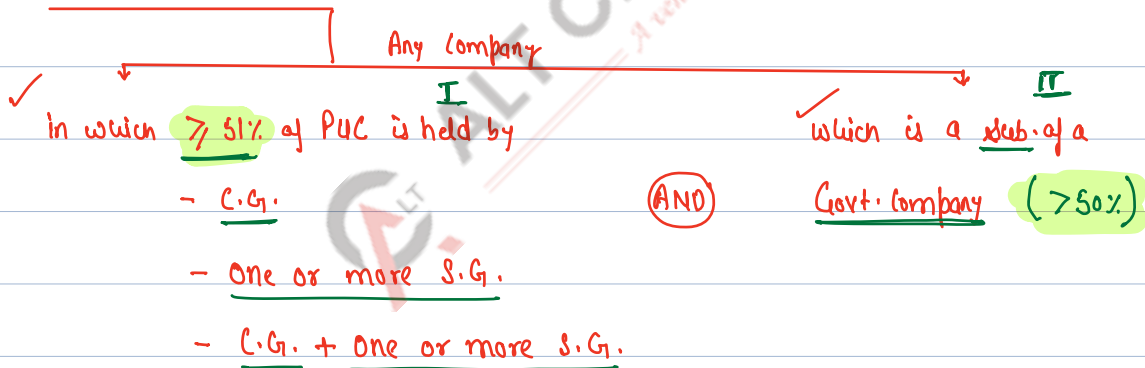
Q. : Whether first FY of a company can be less than or more than period of 12 months. (YES)

Ex. X Inc. is incorporated in India and is following the year from 01. Jan. to 31 Dec. as its financial year.

X Inc. is having a wholly owned subsidiary in India S (P) Ltd. for the purpose of consolidation of f.s. X Inc. required S (P) Ltd. to follow Jan - Dec. as its financial year. Comment whether it is feasible.

Ans.: Yes, S (P) Ltd. is required to make an application to the Central Govt. to allow the company to follow Jan-Dec. as its financial year due to consolidation requirements of its Holding Company X Inc.

(3) Govt. Co. - Sec 2(45):

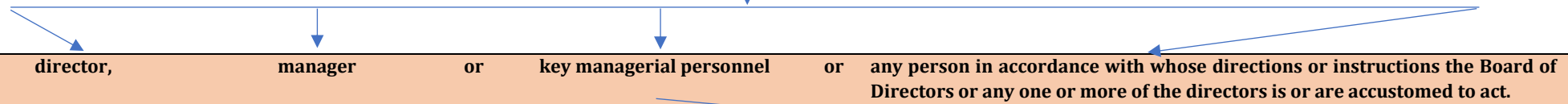


Ex.	C.G.	S.G.	Govt. Co.	Public	Remarks
A Ltd.	70%	-	-	30%	Govt. Co.
B Ltd.	40%	20%	10%	30%	" "
C Ltd.	40%	-	30%	30%	Not a Govt. Co.
D Ltd.	-	-	55%	45%	Govt. Co.
E Ltd.	30%	20%	50%	-	Not a Govt. Co.
F Ltd.	30%	10%	55%	5%	Govt. Co.

H.W. - Written practice of two questions.

Analysis of definition of term "Officer" under the Companies Act, 2013

Sec. 2(59) - "Officer" includes any



Meaning of Director	Meaning of Manager		Meaning of Key Managerial Personnel																			
<p>Sec. 2(34): "director" means a director appointed to the Board of a company</p> <p>↓</p> <p>Sec. 2(10): "Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company.</p>	<p>Sec. 2(53): "manager" means an individual who,</p> <p>⇒ subject to the superintendence, control and direction of the Board of Directors,</p> <p>⇒ has the management of the whole, or substantially the whole, of the affairs of a company,</p> <p style="text-align: center;">and</p> <p>⇒ includes a director, or</p> <p>⇒ any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not.</p>		<p>Sec. 2(51): "key managerial personnel", in relation to a company, means—</p> <p>(i) the Chief Executive Officer or the managing director or the manager;</p> <p>(ii) the company secretary;</p> <p>(iii) the whole-time director;</p> <p>(iv) the Chief Financial Officer;</p> <p>(v) 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</p> <p>(vi) such other officer as may be prescribed.</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Meaning of Terms used in definition of "KMP"</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #FFD700;">CEO</td> <td style="background-color: #FFD700;">Sec. 2(18)</td> <td style="background-color: #FFD700;">"Chief Executive Officer" means an officer of a company, who has been designated as such by it;</td> </tr> <tr> <td style="background-color: #FFD700;">Managing Director</td> <td style="background-color: #FFD700;">Sec. 2(54)</td> <td style="background-color: #FFD700;">"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.</td> </tr> <tr> <td style="background-color: #FFD700;">Manager</td> <td style="background-color: #FFD700;">Sec. 2(53)</td> <td style="background-color: #FFD700;">Already defined</td> </tr> <tr> <td style="background-color: #FFD700;">Company Secretary</td> <td style="background-color: #FFD700;">Sec. 2(24)</td> <td style="background-color: #FFD700;">"company secretary" or "secretary" means a company secretary as defined in Sec, 2(1) (c) of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act.</td> </tr> <tr> <td style="background-color: #FFD700;">Whole Time Director</td> <td style="background-color: #FFD700;">Sec. 2(94)</td> <td style="background-color: #FFD700;">"whole-time director" includes a director in the whole-time employment of the company.</td> </tr> <tr> <td style="background-color: #FFD700;">Chief Financial officer</td> <td style="background-color: #FFD700;">Sec. 2(19)</td> <td style="background-color: #FFD700;">"Chief Financial Officer" means a person appointed as the Chief Financial Officer of a company.</td> </tr> </table>	CEO	Sec. 2(18)	"Chief Executive Officer" means an officer of a company, who has been designated as such by it;	Managing Director	Sec. 2(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.	Manager	Sec. 2(53)	Already defined	Company Secretary	Sec. 2(24)	"company secretary" or "secretary" means a company secretary as defined in Sec, 2(1) (c) of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act.	Whole Time Director	Sec. 2(94)	"whole-time director" includes a director in the whole-time employment of the company.	Chief Financial officer	Sec. 2(19)	"Chief Financial Officer" means a person appointed as the Chief Financial Officer of a company.
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