

IMPLICATIONS OF COMPANIES ACT 2013

ACCOUNTANCY – XII

UNIT	PARTICULARS	COMPANIES ACT 2013	IMPORTANT
PARTNERSHIP ACCOUNTS	NO OF PARTNERS	Number of Maximum Partners restricted up to 50 partners by Rule (10) of Companies (Miscellaneous) Rules Act, 2014.	Rule 10 of the Companies Misc. Rules provides for maximum limit as 50 Partners. Section 464 of the Companies Act, 2013 provides that number of persons in any association/Partnership shall not exceed one hundred subject to the limit prescribed in rules. In this regard Rule 10 of the Companies (Miscellaneous) Rules, 2014 provides that no association/partnership shall be formed, consisting of more than 50 persons. Therefore, limit as of now is 50 partners. <u>(For Students maximum number of Partners to be taken as 50.)</u>

<p>COMPANY ACCOUNTS</p>	<p>ISSUE OF SHARES</p>	<ul style="list-style-type: none"> • Meaning of Private, Public and One Person Company (OPC) • Maximum number of members in Private Company extended to 200. • Presentation of Share Capital in Company Balance Sheet as per Schedule III. • Table F for Articles of Association-Rate of Interest on Calls in Arrears (@10% p.a) and Calls in Advance (@12% p.a). • Section 52 (2) for utilization of Securities Premium Reserve. • Section 53 prohibits issuing shares at a Discount, However, Section 54 of the Act permits a company to issue following shares at a Discount. Sweat Equity Shares. • Private placement of Shares. 	<p>Under the New Act a private company is defined u/s. 2(68) as under:</p> <p>“Private Company” means a company which by its articles-</p> <ul style="list-style-type: none"> (i) Restricts the right to transfer its shares; (ii) Except in One person Company, limits the number of its members to two hundred; <p>(provided that where two or more persons hold one or more shares in a company jointly, they shall, for the purpose of this clause, be treated as a single member:</p> <p>Provided further that</p> <ul style="list-style-type: none"> [A] persons who are in the employment of the company, and [B] persons who having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased, [C] Shall not be included in the number of members. <p>(iii) Prohibits any invitation to the public to subscribe for any securities of the company.</p> <p>PUBLIC COMPANY means a company which is not a private company;</p> <p>Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.</p> <p>As per provision of section 2(62) of the Companies Act, 2013 “one person company” means a company which has only one person as member.</p> <p>FORMATION OF OPC [Rule 3]</p>
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	<p>Redemption of Debentures</p>	<ul style="list-style-type: none"> • Guidelines for Debenture Redemption Reserve now as 25% of the face value of the Debentures issued before redemption of debentures commences. 	<p>The Companies Act, 2013 vide Section 71(4) together with the Companies (Share capital and Debentures) Rules, 2014 requires a company to create Debenture Redemption Reserve (DRR) of an amount that is at least equal to 25% of the total nominal (face) value of debentures that are redeemable by it.</p> <p>Following categories of companies are exempt from creating DRR:</p> <ol style="list-style-type: none"> 1. All India Financial Institutions (AIFIs) regulated by Reserve Bank of India; 2. Other Financial Institutions regulated by Reserve Bank of India; 3. Banking Companies for both public as well as privately placed debentures; and 4. Housing Finance Companies registered with the

		<ul style="list-style-type: none"> • Debenture Redemption Investment is to be made before 30th April @15% of debentures to be redeemed up to 31st March of next year. 	<p>National Housing Bank.</p> <p>Every company required to create/maintain DRR shall on or before the 30th April of each year, deposit or invest, as the case may be, a sum which shall not be less than fifteen percent of the amount of its debentures maturing during the year ending on the 31st day of March next year in any one or more of the following methods, namely: (a) in deposits with any scheduled bank, free from charge or lien (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of section 20 of the Indian Trusts Act, 1882; (v) The amount deposited or invested, as the case may be, above shall not be utilized for any purpose other than for the repayment of debentures maturing during the year referred above, provided that the amount remaining deposited or invested, as the case may be, shall not at any time fall below 15 per cent of the amount of debentures maturing during the 31st day of March of that year'</p>
ANALYSIS OF FINANCIAL STATEMENTS	FINANCIAL STATEMENTS OF COMPANY	<ul style="list-style-type: none"> • Presentation of Balance Sheet as per Schedule III, Part I. • Presentation of Statement of Profit and Loss as per Schedule III, Part II (Only for the purpose 	

		of Analysis of Financial Statement)	
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