A photograph of a wooden desk with a laptop, a stack of papers, a smartphone, and a notebook. The text is overlaid on the image.

***“If people like you, they ll listen to you.
But if they trust you, they ll do business
with you.”***

- Zig Ziglar

A man in a suit is shown from the chest up, holding a tablet. The image is a double exposure, with a cityscape of skyscrapers overlaid on his body. The background is a blurred cityscape with a bright sky.

Introduction to Company Accounts

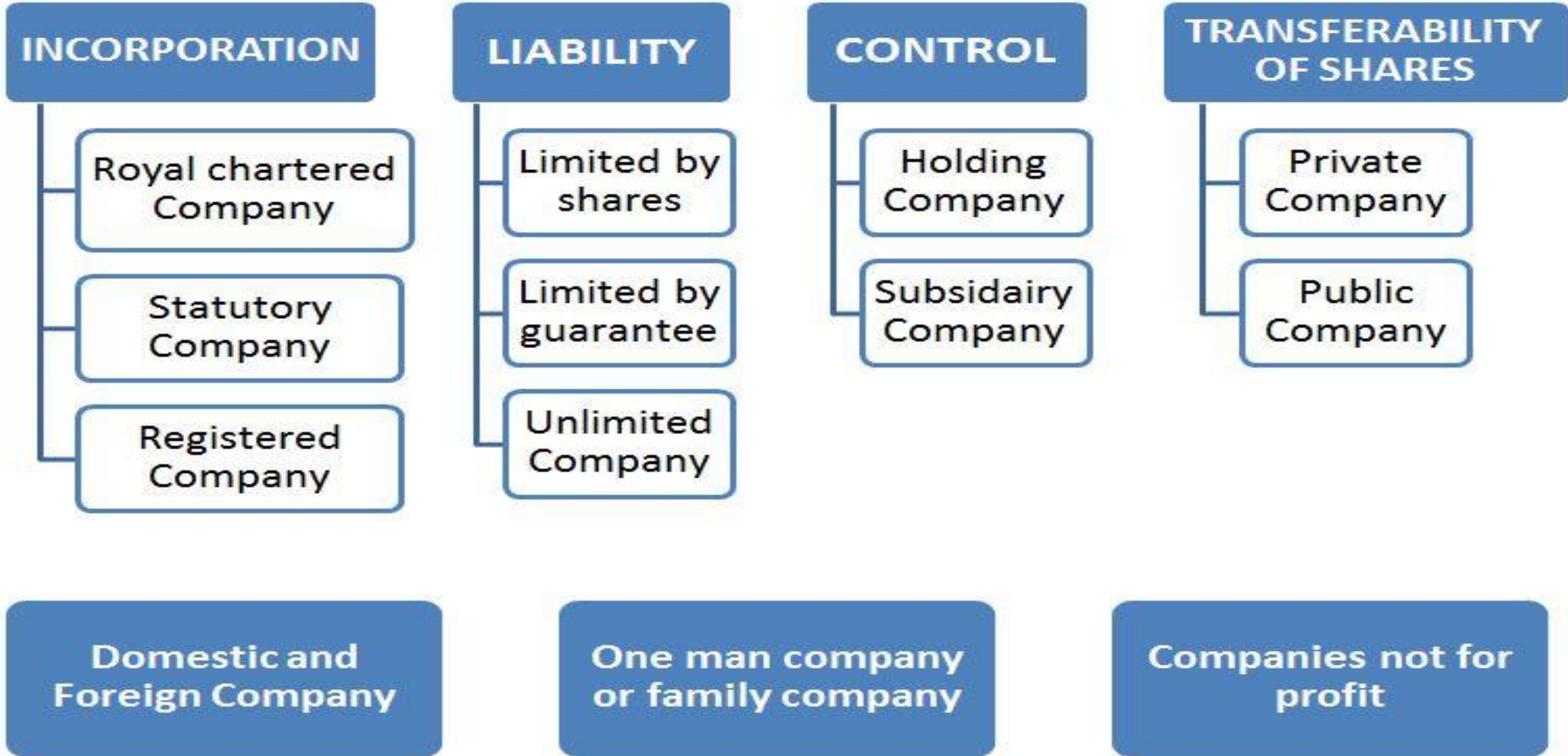
- Krishnan R
SIES ASCS



FEATURES

1. Registration;
2. Voluntary Association;
3. legal personality;
4. Contractual capacity;
5. Management;
6. Capital;
7. Permanent existence;
8. Registered Office;
9. Common Seal;
10. Limited Liability;
11. Transferability;
12. Statutory Obligations;
13. Not a citizen;
14. Residence;
15. Fundamental rights;
16. Social Objective;
17. Centrally Administrated;
18. "Lifting the veil" of the company

TYPES OF COMPANIES



I. On the basis of registration

- **Statutory Companies** - Registered under special act or state



- **Registered Companies** - Companies registered under Companies Act 2013.



- **Chartered Companies** - Registered under royal charter granted by King or Queen of England



II. On the basis of number of members

- **Private Companies** - Minimum 2 members and maximum 200. Cannot invite public for share subscription. Shares transfer is subject to restrictions.



- **Public Companies** - A company which is not a private company and has a minimum paid up capital of Rs. 5,00,000, with unlimited members.



- **One Person Company** - Only one person is a member. Paid up capital is not more than Rs. 50,00,000/-

III. On the basis of Listing

➤ **Listed Company** - Shares are listed on the Stock Exchange.



➤ **Unlisted Companies** - Shares are not listed on the Stock Exchange.



IV. Non Profit Companies - Adani Foundation, Dove Foundation,

V. Holding and Subsidiary Companies - Motilal Oswal Fin Serv Ltd - Motilal Oswal Fininvest Ltd, Aspire Home Fin Corp Ltd

VI. Others

- **Small Companies** - Paid up capital less than Rs. 50,00,000/- . Turnover as per P&L a/c does not exceed Rs. 2 Crs.
- **Associate Companies** - A company significantly influenced (atleast 20% substantial interest) by another company or a joint venture company.
- **Foreign Companies** - A company incorporated outside India but having business operations in India.



- **Government Companies** - A company where not less than 5% of paid up capital is held by Central / State / both. Subsidiaries of Govt Companies are also deemed to be Govt Company.



Formation of a Company

Requisites:

1. A private Limited Company can be formed with minimum two members and two Directors. Directors and Members can be same.
2. Private Limited Company is formed with or without share capital (limited by Guarantee)/ Unlimited Liability Company.
3. Minimum authorized share capital and paid up share capital of a Private Limited Company is Rs. 2 but is generally formed with a minimum capital of Rs. 1 Lac.
4. Atleast one director should be resident in India.
5. PAN, TAN is obtained along with company incorporation.

Procedure for Incorporation of Private Limited Company

Step 1:

Obtain Digital Signature Certificate for each of the Directors. Digital Signature Certificates are used to sign documents electronically. Duration: 2-3 days after submission of documents. Fees: Rs 1500/- for each DSC

Documents required:

1. Self attested Identity Proof (PAN Card)
2. Self attested Address Proof (Aadhar Card, Driving License, Passport, Electricity Bill, etc)
3. Completely filled DSC Form with photo affixed on the space provided along with signatures wherever required.
4. One video of exact 30 seconds stating the following: “My name is Mr./Ms. _____, My mobile number is _____. My email id is _____. I am applying for Class 2 DSC and this form is completely filled by me.”
5. Please share working email id and password as OTPs will be received on the same to complete the procedure.

Step 2:

Obtain Director Identification Number

Step 3:

Application for availability of name: The name should be unique, distinct and should not resemble with the name of any existing Company or LLP. The name should not be undesirable. Duration: 15-20 days.

Step 4:

Filing form for incorporation (SPICe) - After approval of Incorporation form from ROC, IC is obtained.

Documents required:

- ✓ Proof of proposed Registered office of the Company
- ✓ Copy of utility bill of the proposed registered office of the Company not older than 2 months
- ✓ Affidavit and declaration by the first subscribers and Directors
- ✓ Form DIR-2 (Consent to act as Director)
- ✓ Self attested Address Proof, Id Proof of the members and the Directors
- ✓ Objects incidental to the main object.
- ✓ Email id and Telephone Numbers of the Directors and Members.
- ✓ Occupation of the Directors and Members
- ✓ Education Qualification of the Directors and members
- ✓ Place of birth of the Directors and Members.

Step 5:

Obtaining Certificate of Commencement of Business:

- ✓ Declaration by Director
- ✓ Board Resolution for commencement of business.

Step 6:

Printing of share certificates



Thank You