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# Rajput Jain & Associates

Chartered Accountants

**KEY HIGHLIGHTS OF COMPANIES ACT 2013**  
(BEGINNING OF A NEW ERA)



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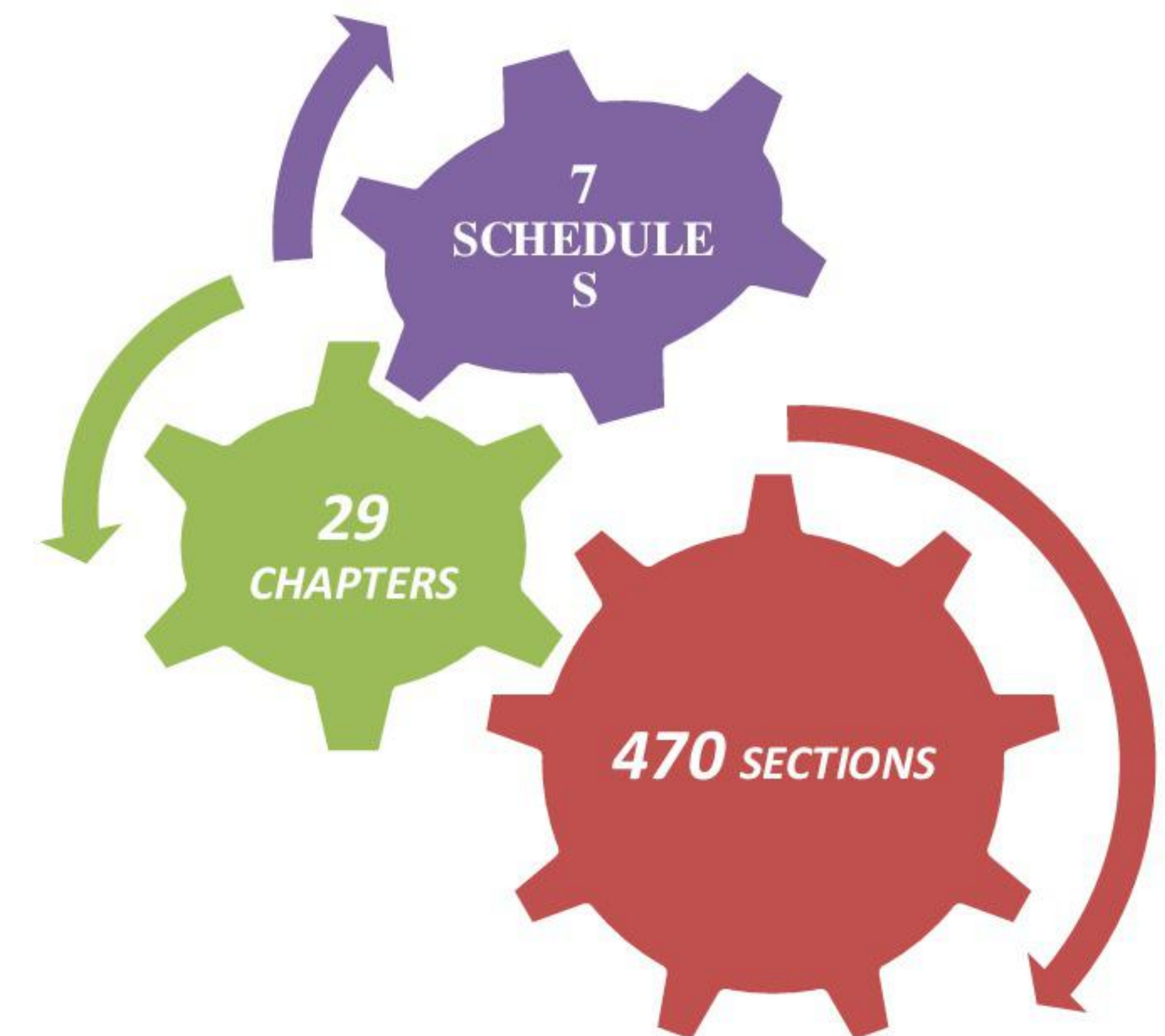
# INTRODUCTION

## BRIEF SUMMARY OF THE NOTIFIED PROVISIONS OF THE NEW COMPANIES ACT, 2013

The MCA in its vide notification dated September 12, 2013 has notified the sections set out in the Annexure (“**Notified Provisions**”) with effect from September 12, 2013. In this issue, the impact of some of the key Notified Provisions is discussed.

The MCA in its vide circular dated September 18, 2013 has clarified that the relevant provisions of the Old Company Law corresponding to the Notified Provisions ceased to have effect from September 12, 2013.

The 2013 Act is more concise as compared to the 1956 Act, with just 470 sections and 7 schedules. There are over 300 references in the 2013 Act to Rules that may be prescribed to implement those sections.





## ➤ SHAREHOLDING IN A HOLDING COMPANY

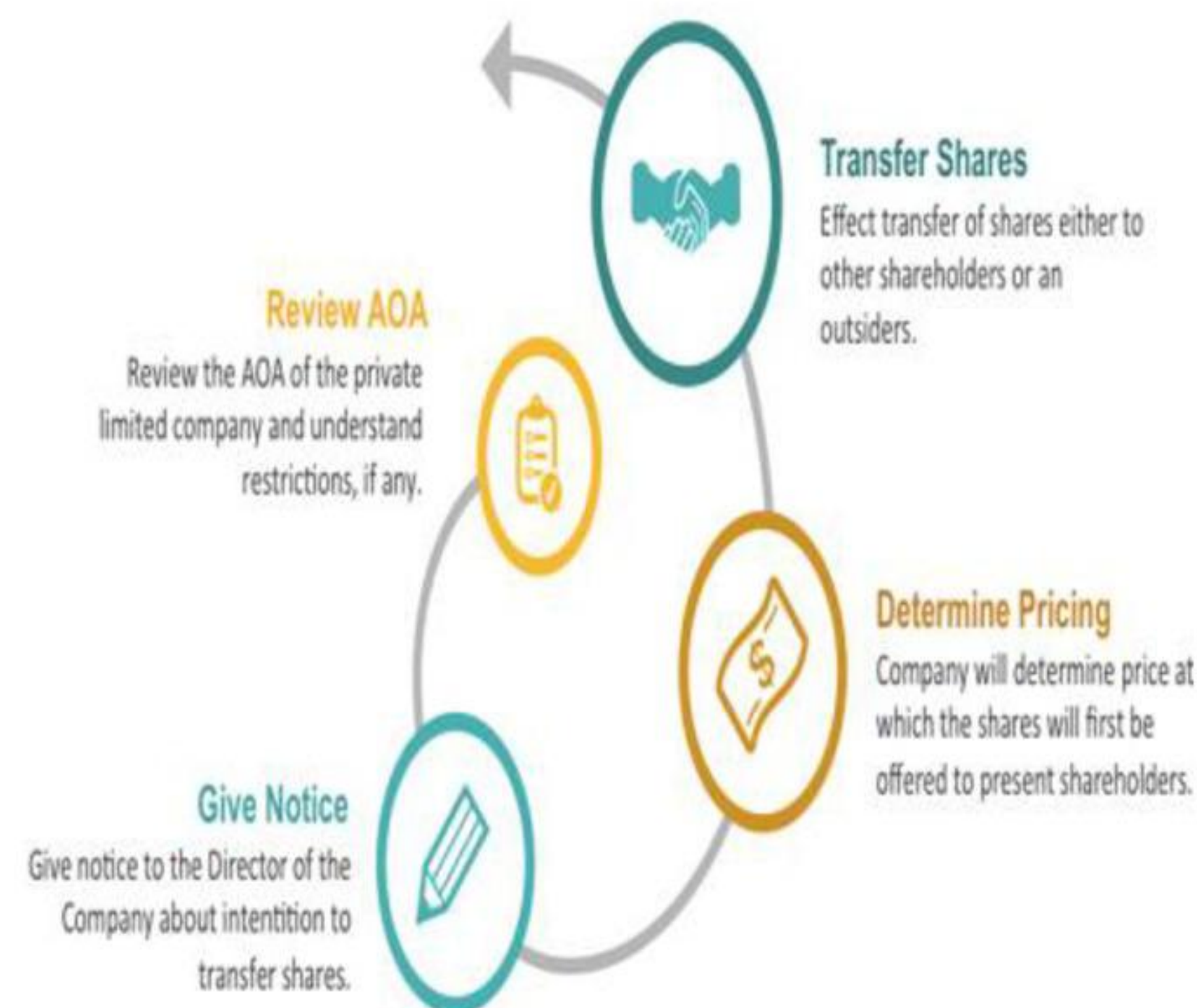
The Section 19 pertaining to shareholding in a holding company in the new company law is similar to section 42 of the old company law, which restricts acquisition or holding of any share in a holding company by its subsidiary. **The definition of ‘Subsidiary Company’ under the New Company Law includes a company in which the holding company exercises or controls more than one-half of the total share capital either on its own or together with one or more of its subsidiary companies.** Unlike the Old Company Law wherein only equity share capital was considered for determining the holding subsidiary relationship, under the New Company Law, the calculation of total share capital will factor in both equity shareholding and the preference shareholding.





## SHARE TRANSFER RESTRICTIONS

### Share Transfer Procedure in Private Limited Company



The New Company Law has a provision similar to Section 111A of the Old Company Law. As per the said provision, the shares of a public company shall be freely transferable. The New Company Law distinctly provides that any contract or arrangement between two or more persons in respect of transfer of securities of a public company shall be enforceable as a contract. The said provision, to a certain extent puts the rest to doubtfulness with respect to applicability of contractual arrangement viz. a right to first offer, a right of first refusal, tag along right, etc (“Contractual Arrangement”). The applicability of such Contractual Arrangement has been a subject matter of such litigation and the courts have taken contrary views from time to time. The said provision only validates the applicability of the aforesaid Contractual Arrangement as a contract.

However, the doubtfulness regarding the power of the company to refuse the transfer which is in violation of such Contractual Arrangement to which the public company is a party still exists.



## ➤ EXTRAORDINARY GENERAL MEETING





Like earlier, an Extraordinary General Meeting may be called by the Board or at the requisition made by the members, under the New Company Law.

- ✚ The Board may, whenever it deems fit, call an extraordinary general meeting of the company
- ✚ The Board shall, at the requisition made by —
  - in the case of a company having a share capital, such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting;
  - in the case of a company not having a share capital, such number of members who have, on the date of receipt of the requisition, not





less than one-tenth of the total voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in subsection (4).

-  The requisition made under sub-section (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
-  If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
-  A meeting under sub-section (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
-  Any reasonable expenses incurred by the requisitionists in calling a meeting under sub-section (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted



from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

**MCA Clarification:** The MCA vide its circular dated September 13, 2013 has clarified that all companies which have issued notices of general meeting on or after September 12, 2013, the statement to be annexed to the notice shall comply with additional requirements as prescribed in the New Company Law as set out above.

### ➤ **PUBLIC OFFER**

The definition of public offer consider offer of securities to the public through issue of a prospectus. Every prospectus should contain a declaration about the compliance of the provisions of the New Company Law and a statement to the effect that nothing in the prospectus is contrary to the applicable provisions of the New Company Law, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made there under.





Any misrepresentation of facts and/or concealment of material facts in a prospectus will be dealt more deliberately under the New Company Law. The company shall be liable to be punished with a fine which shall not be less than Rupees fifty thousand but which may extend up to Rupees three lakh and every person who is knowingly a party to the issue of such prospectus shall be liable to be punished with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both. Further, if such misrepresentation or concealment amounts to fraud, the punishment may go up to 10 years of imprisonment as per Section 447 of the New Company Law.





## ➤ RESTRICTION ON VOTING RIGHTS

The Articles of a company may restrict the right of vote of a member in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the company has exercised any right of lien. A company cannot prohibit any member from exercising his voting right on any other ground. Earlier, the private companies could provide for other grounds.

### *Section 106: Restriction on voting rights*

Voting rights cannot be exercised if calls on the shares have not been paid or other sums presently payable have not been paid

No other restrictions can be imposed for not casting a vote.

Power of the private company to restrict voting power in case of shares or interests have not been held for a specific period has been dispensed with.



## ➤ ROTATION OF AUDITOR



Every company is required to appoint an individual or a firm at its first annual general meeting (AGM) as an auditor. The auditor shall hold office from the conclusion of that meeting till the conclusion of its 6th AGM and thereafter till the conclusion of every 6th meeting.

The appointment of auditor is to be ratified by members at every AGM.

Individual Auditors are to be compulsorily rotated every 5 years and audit firm every 10 years in listed companies & certain other classes of companies, as may be prescribed. Transition period of 3 years provided to the companies to comply with the mandatory rotation of auditor requirement.

Section 139(2) of the Act prohibits the following categories of companies from appointing / reappointing an audit firm for more than 2 terms of 5 consecutive years, i.e. 10 consecutive



years, after which such company would be required to mandatorily rotate its auditors in accordance with the Act:

- ✚ Listed companies;
- ✚ Unlisted public companies having a paid-up share capital of INR 10 crores or more;
- ✚ All private limited companies having a paid-up share capital of INR 20 crores or more; and
- ✚ All companies (private and public) which do not meet the thresholds mentioned in (ii) and (iii) above, but have public borrowings from banks / financial institutions or public deposits of more than INR 50 crores.

These auditor(s) (either individual/audit firm) can be re-appointed after cooling off period of 5 years. Three (3) years transition period will be given to every company, existing on or before the commencement of this act, to comply with this requirement.

Provided further that no audit firm having a common partner or partners to the other audit firms, whose tenure has expired in a company immediately preceding the financial year, shall be appointed as auditor of the same company for a period of five years. The firm shall include a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008.

Members of a company can provide for following by passing a resolution:



- (a) In the audit firm appointed by it, the auditing partner and his team shall be rotated at such intervals as may be resolved by members; or
- (b) The audit shall be conducted by more than one auditor.

**Illustration on the aforesaid section**

**✚ For Individual Auditor**

No. of Consecutive Year of Audit already done at Present.	Maximum no. of years in which he/she can be further appointed as Auditor in the same firm.
<b>5</b>	<b>3</b>
<b>4</b>	<b>3</b>
<b>2</b>	<b>3</b>
<b>1</b>	<b>3</b>

**For Firm as a Auditor**

No. of Consecutive Year of Audit already done at Present.	Maximum no. of years in which he/she can be further appointed as Auditor in the same firm.
<b>10</b>	<b>3</b>
<b>8</b>	<b>3</b>
<b>6</b>	<b>4</b>
<b>4</b>	<b>6</b>
<b>5</b>	<b>5</b>
<b>2</b>	<b>8</b>



**DIRECTORS**





➤ **Woman Director**

Every listed company shall appoint at least one woman director within one year from the commencement of the Companies Act, 2013.

Every other public company having:

- Paid up share capital of Rs. 100 crores or more, or
- Turnover of Rs. 300 crore or more as on the last date of latest audited financial statements, shall also appoint at least one woman director within 1 years from the commencement of the Companies Act, 2013

A period of Six (6) months from the date of company's incorporation has been provided to enable the companies incorporated under Companies Act, 2013 to comply with this requirement. It is better to say that existing companies (under the previous companies act) has to comply the above requirements within one year from the date of commencement of Companies Act, 2013 and new companies (under the new companies act) has to comply within 6 months from the date of its incorporation.





Further if there is any periodic vacancy of a woman director then it shall be filled up by the board of directors within 3 months from the date of such vacancy or not later than immediate next board meeting, whichever is later. (Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 hereinafter referred in this chapter as Rule).

### ➤ CHARITABLE AND OTHER FUNDS CONTRIBUTION

The Board of Directors of a company may contribute to bonafide charitable and other funds. A prior permission of the company in general meeting (ordinary resolution) shall be required for if the aggregate of such contributions in a financial year exceeds 5 % (five percent) of its average net profits for the three immediately preceding financial years.





## ➤ CONTRIBUTIONS TO POLITICAL PARTY

A company with approval from its Board of Directors may contribute any amount directly or indirectly to any political party in a financial year up to 7.5 % (seven and a half percent) of its average net profits during the three immediately preceding financial years. However, a Government company and a company which has been in existence for less than three financial years cannot make such political contribution.



## ➤ RESTRICTION ON POWERS OF BOARD OF A COMPANY

- Approval of Shareholders (Special Resolution) is required to exercise the following powers by Board of a Company:
  - ✚ Sale, lease or otherwise disposal of the undertaking;
  - ✚ Invest otherwise in trust securities the amount of compensation amount received as a result of any merger / amalgamation; and
  - ✚ Borrowings in excess of the paid up share capital and free reserves.
  - ✚ Remit or give time for repayment of any debt due from a Director.
- Section 180 is applicable to Private companies also.



- Resolutions passed u/s 293 of the erstwhile Companies Act, 1956 for borrowings/creation of security will be sufficient compliance of Section 180 for one year from the date of notification of this Section, i.e. upto September 11, 2014.

### **Powers of the Board & Resolution (Section 179 & 180):**

- Powers of the Board to borrow money, give loans, give guarantee, provide security; and invest funds can be delegated
- Shareholders' approval by Special resolution required for exercising the following powers:
  - To sell, lease or otherwise dispose of the whole of the undertaking of the company.
    - ✚ (Understanding means investment **exceeds 20%** of the Net worth or generates 20% of the total income during the previous FY)
    - ✚ (Substantially the whole of the undertaking means **20% or more** of the value of the undertaking )
  - To invest otherwise in trust securities the amount of the compensation received by it as a result of any merger or amalgamation.
  - To borrow money together with the money already borrowed by the company will exceed aggregate of its **paid up share capital + free reserves** apart from temporary loans.
  - To remit or give time for the repayment of any debt due from a director.



➤ **LOANS TO DIRECTORS AND OTHER PERSONS IN WHOM THE DIRECTOR IS INTERESTED**

The section 185 of Company Act, 2013 was notified on 12 September 2013 and was applicable from that day itself. If there is any deviation from the conditions laid under this section then the Auditor is required to report the same in his Audit Report. A non qualified report would hold auditor in default.

The lending company and the receiver both would be liable for the penalty under the same section.

**Section 185:-** This primarily deals with the subject of person to whom company cannot give loan.

**Section 186:-** This section enlists the exceptions and specifies the limits up to which a company can give loan.

The section 185 of Companies Act, 2013, restrict the company on giving loans, guarantee or provide security to Directors or any other person in whom Director is interested.

The New Company Law also restricts a company from giving any loan to, including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any of its directors or to the following person (in which director is interested):





- Any director of the lending company, or of a company which is its holding company or any partner or relative of any such director;
- Any firm in which any such director or relative is a partner;
- Any private company of which any such director is a director or member;
- Anybody corporate at a general meeting of which not less than twenty five percent of the total Voting power may be exercised or controlled by any such director, or by two or more such directors, together; or
- Anybody corporate, the Board of Directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company.

**However, this restriction does not apply to:**

- The giving of any loan to a managing or whole-time director:
  - as a part of the conditions of service extended by the company to all its employees; or
  - pursuant to any scheme approved by the members by a special resolution; or
- A company which in the ordinary course of its business provides loans or gives guarantees or securities for the due repayment of any loan and in respect of such loans an interest is charged at a rate not less than the bank rate declared by the Reserve Bank of India.



➤ **FORWARD CONTRACTS BY DIRECTOR OR KEY MANAGERIAL PERSONS ( SECTION 194)**

No director of a company or any of its key managerial personnel shall buy in the company, or in its holding, subsidiary or associate company—

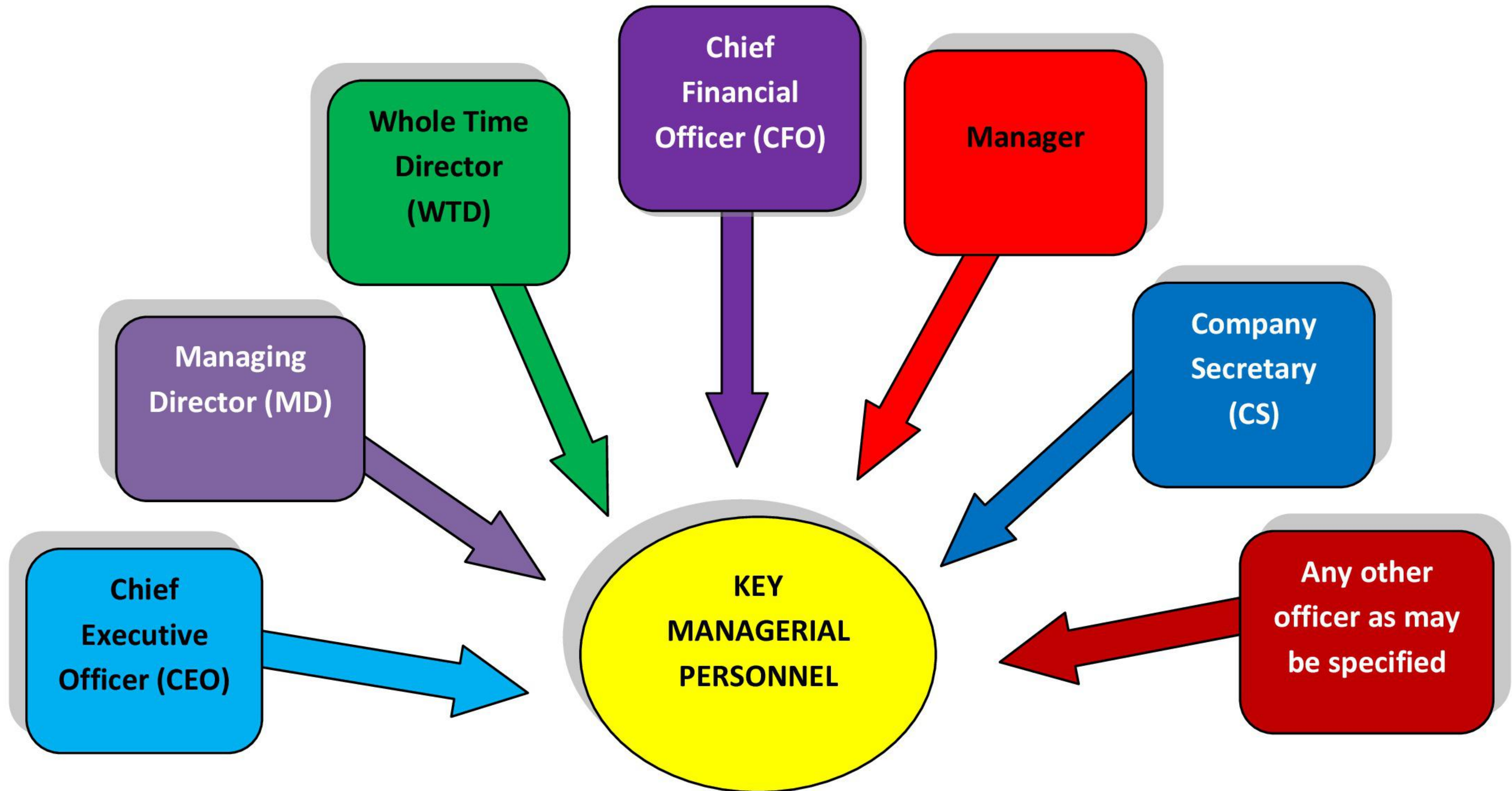
- A right to call for delivery or a right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures; or
- A right, as he may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures.

If a director or any key managerial personnel of the company contravenes such director or key managerial personnel shall be punishable with imprisonment for a term which may extend to two years or with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees, or with both.

Any contravention by director or key managerial personnel be shall liable to surrender the same to the company and the company shall not register the securities so acquired in his name in the register, and if they are in dematerialised form, it shall inform the depository not to record such acquisition and such securities, in both the cases, shall continue to remain in the names of the transferors.



# KEY MANAGERIAL PERSONNEL





➤ **RESTRICTION ON NON-CASH TRANSACTIONS WITH DIRECTORS**

(1) No company shall enter into an arrangement by which—

- A director of the company or its holding, subsidiary or associate company or a person connected with him acquires or is to acquire assets for consideration other than cash, from the company; or
- The company acquires or is to acquire assets for consideration other than cash, from such director or person so connected, unless prior approval for such arrangement is accorded by a resolution of the company in general meeting and if the director or connected person is a director of its holding company, approval under this sub-section shall also be required to be obtained by passing a resolution in general meeting of the holding company.



(2) The notice for approval of the resolution by the company or holding company in general meeting under sub-section (1) shall include the particulars of the arrangement along with the value of the assets involved in such arrangement duly calculated by a registered valuer.



(3) Any arrangement entered into by a company or its holding company in contravention of the provisions of this section shall be voidable at the instance of the company unless—

- The restitution of any money or other consideration which is the subject matter of the arrangement is no longer possible and the company has been indemnified by any other person for any loss or damage caused to it; or
- Any rights are acquired bona fide for value and without notice of the contravention of the provisions of this section by any other person.

### ➤ **PROHIBITION ON INSIDER TRADING**

Under the new company's law, a company is incorporated under the Companies Act and on being listed with a Stock Exchange after executing the listing agreement the SEBI (Prohibition of Insider Trading) Regulations, 2015 apply from 15/5/2015. It is important to know Section 195 of the Companies Act, 2013 which reads as under:





(1) No person including any director or key managerial personnel of a company shall enter into insider trading.

(a) “insider trading” means –

- An act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities, by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or
- An act of counseling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person;

(b) “price-sensitive information” means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company.

(2) If any person violates the provisions of this section, he shall be punishable with imprisonment for a term which may extend to five years or with fine which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher, or with both.”

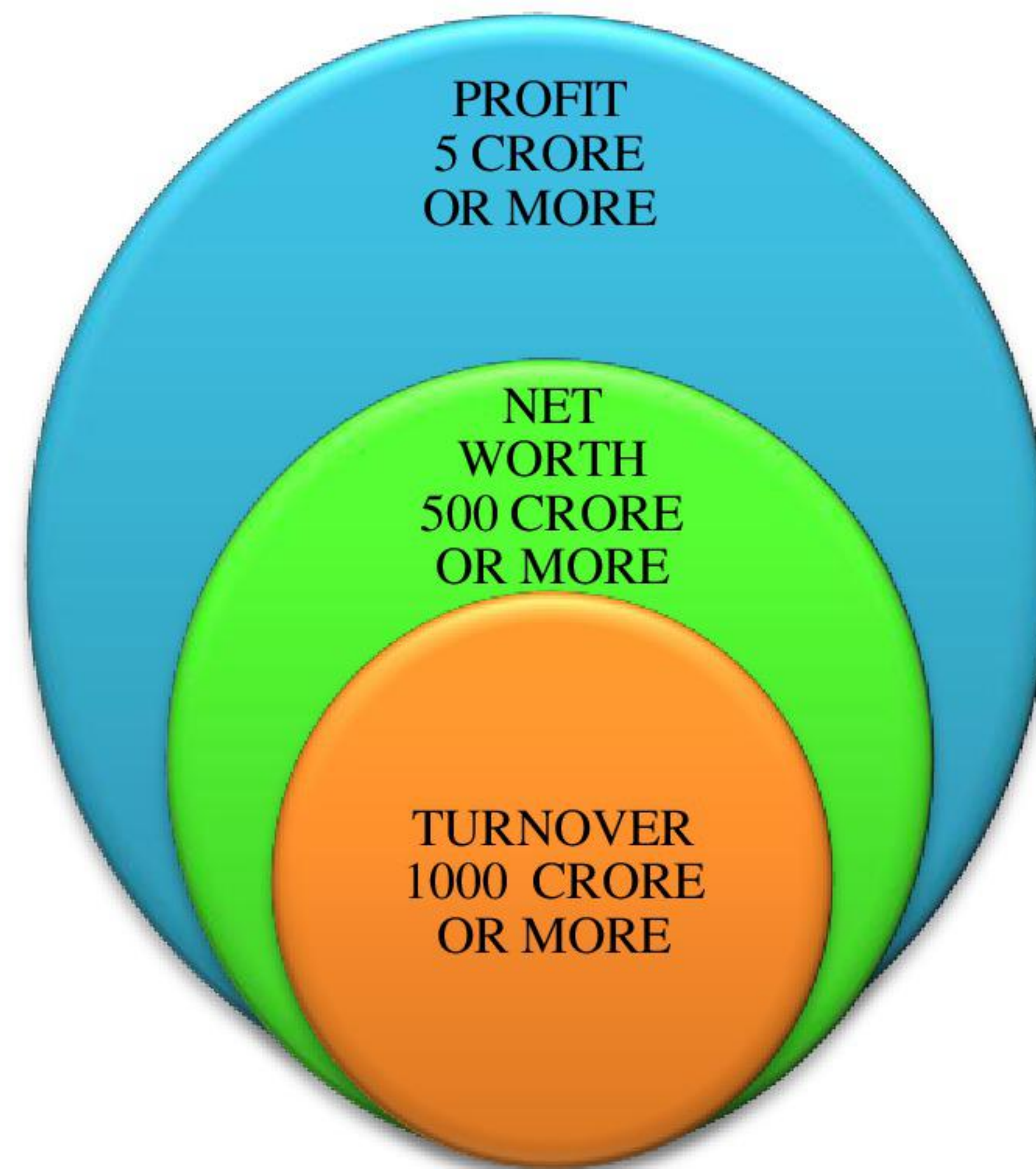


## ➤ Corporate Social Responsibility - Indian Companies Act 2013

### Applicability

Section 135 of the Companies Act provides the threshold limit for applicability of the CSR to a Company:

- ✚ Net worth of the company to be **Rs 500 crore or more;**
- ✚ Turnover of the company to be **Rs 1000 crore or more;**
- ✚ Net profit of the company to be **Rs 5 crore or more.** Further as per the CSR Rules, the provisions of CSR are not only applicable to Indian companies, but also applicable to branch and project offices of a foreign company in India.



### Definition of the term CSR

The term CSR has been defined under the CSR Rules which includes but is not limited to:



- ✚ Projects or programs relating to activities specified in the Schedule; or
- ✚ Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR policy subject to the condition that such policy covers subjects enumerated in the Schedule.

### **CSR Committee and Policy:**

Every qualifying company requires spending of at least 2% of its average net profit of the immediately preceding three financial years on CSR activities. Further, the qualifying company will be required to constitute a committee (CSR Committee) of the Board of Directors (Board) consisting of 3 or more directors. The CSR Committee shall formulate and recommend to the Board,

- ✚ A policy which shall indicate the activities to be undertaken (CSR Policy);
- ✚ Recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The Board shall take into account the recommendations made by the CSR Committee and approve the CSR Policy of the company.



## Activities under CSR:

The activities that can be done by the company to achieve its CSR obligations include eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immune deficiency virus, acquired, immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and such other matters as may be prescribed.





➤ **POWER TO EXEMPT**

The New Company Law empowers the Central Government to exempt a particular class of companies from applicability of particular provisions.

Considering the unwarranted applicability of many provisions to private companies and unlisted public companies, this provision is important and the Central Government may exercise this power soon enough.

➤ **PUNISHMENT FOR FRAUD**

The New Company Law provides for strict punishment for any fraud. The punishment for fraud is imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to pay a fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud. Where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.

This imprisonment and fine does not rescue the accused from any liability including repayment of any debt under this Act or any other law for the time being in force.



➤ **NATIONAL COMPANY LAW TRIBUNAL AND NATIONAL COMPANY LAW APPELLATE TRIBUNAL**

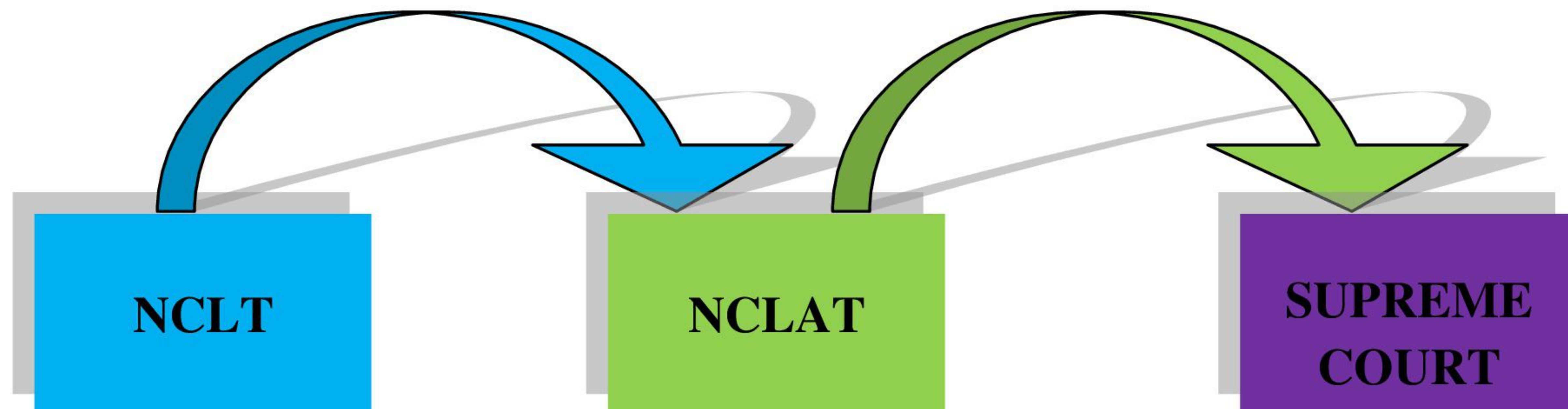
Section 2(90) of the New Company Law defines ‘Tribunal’ as the National Company Law Tribunal and Section 2(4) defines ‘Appellate Tribunal’ as the National Company Law Appellate Tribunal and thereafter Chapter XXVII (Sections 407 to 434) deals with the Tribunal and the Appellate Tribunal. However, only Sections 2(4), 2(90) and 407 to 414 (both inclusive) have been notified by the Central Government till now.



The notified sections of the chapter mostly deal with the establishment/constitution of the tribunal and the appellate tribunal. While Section 407 sets out the definitions for the purpose of this chapter, Section 408 establishes the tribunal to be known as the National Company Law Tribunal exclusively for dealing with and adjudicating matters pertaining to company law and company affairs and Section 409 sets out the eligibility criteria for the appointment of the president, judicial members and the technical members of the tribunal. Thereafter, Section 410 establishes the appellate tribunal to be known as the National Company Law



Appellate Tribunal for dealing with appeals from the National Company Law Tribunal and Section 411 sets out the eligibility criteria of the chairperson, judicial members and technical members of the appellate tribunal. Section 412 sets out that the president of the tribunal and the chairperson of the appellate tribunal shall be appointed only after due consultation with the Chief Justice of India and that the members of the tribunal and the technical members of the appellate tribunal shall be appointed on the recommendation of the selection committee comprising of persons set out therein. Section 413 sets out the term of office for the office bearers of the tribunal and the appellate tribunal and Section 414 sets out that the salary, allowances and other terms and conditions of service shall be as may be prescribed. Sections pertaining to the acting president/chairperson, resignation of members, removal of members, staff, benches, order of the tribunal, appeal from orders of the tribunal, expeditious disposal, appeal to Supreme Court, power to punish for contempt, delegation of power, limitation, etc. of the tribunal and the appellate tribunal has not been notified yet. It is pertinent to note that although the notification of Sections 407 to 414 establishes the tribunal and the appellate tribunal but the procedure to be followed by the tribunal/appellate tribunal or the powers of the tribunal/appellate tribunal has not been notified yet.





**ANNEXURE**  
**NOTIFIED PROVISIONS**

<b>THE COMPANIES ACT, 2013</b>	<b>TITLE OF THE SECTION</b>
	<b>Definitions</b>
<b>2(1)</b>	Definition of Abridged Prospectus
<b>2(3)</b>	Definition of Alter/ Alteration
<b>2(4)</b>	Definition of Appellate Tribunal
<b>2(5)</b>	Definition of Articles
<b>2(6)</b>	Definition of Associate Company
<b>2(8)</b>	Definition of Authorised Capital/ Nominal Capital
<b>2(9)</b>	Definition of Banking Company
<b>2(10)</b>	Definition of Board of Directors/ Board
<b>2(11)</b>	Definition of Body Corporate/ Corporation
<b>2(12)</b>	Definition of Book and Paper/ Book or Paper
<b>2(14)</b>	Definition of Branch Office

<b>THE COMPANIES ACT, 2013</b>	<b>TITLE OF THE SECTION</b>
	<b>Definitions</b>
<b>2(15)</b>	Definition of Called-up Capital
<b>2(16)</b>	Definition of Charge
<b>2(17)</b>	Definition of Chartered Accountant
<b>2(18)</b>	Definition of Chief Executive Officer
<b>2(19)</b>	Definition of Chief Financial Officer
<b>2(20)</b>	Definition of Company
<b>2(21)</b>	Definition of Company limited by Guarantee
<b>2(22)</b>	Definition of Company limited by Shares
<b>2(24)</b>	Definition of Company Secretary/ Secretary
<b>2(25)</b>	Definition of Company Secretary in Practice
<b>2(26)</b>	Definition of Contributory
<b>2(27)</b>	Definition of Control



2(28)	Definition of Cost Accountant
2(29)	Definition of Court
<b>{Except sub-clause (iv)}</b>	
2(30)	Definition of Debenture
2(32)	Definition of Depository
2(33)	Definition of Derivative
2(34)	Definition of Director
2(35)	Definition of Dividend
2(36)	Definition of Document
2(37)	Definition of Employees' Stock Option
2(38)	Definition of Expert
2(39)	Definition of Financial Institution
2(40)	Definition of Financial Statement
2(43)	Definition of Free Reserves
2(44)	Definition of Global Depository Receipt
2(45)	Definition of Government Company
2(46)	Definition of Holding Company
2(49)	Definition of Interested Director
2(50)	Definition of Issued Capital

2(51)	Definition of Key Managerial Person
2(52)	Definition of Listed Company
2(53)	Definition of Manager
2(54)	Definition of Managing Director
2(55)	Definition of Member
2(56)	Definition of Memorandum
2(57)	Definition of Net Worth
2(58)	Definition of Notification
2(59)	Definition of Officer
2(60)	Definition of Officer who is in Default
2(61)	Definition of Official Liquidator
2(63)	Definition of Ordinary or Special Resolution
2(64)	Definition of Paid-up Share Capital/ Share Capital Paid-up
2(65)	Definition of Postal Ballot
2(66)	Definition of Prescribed
2(67)	Definition of Previous Company
<b>{Except sub-clause (ix)}</b>	
2(68)	Definition of Private Company
2(69)	Definition of Promoter
2(70)	Definition of Prospectus



2(71)	Definition of Public Company
2(72)	Definition of Public Financial Institution
2(73)	Definition of Recognized Stock Exchange
2(74)	Definition of Register of Companies
2(75)	Definition of Registrar
2(76)	Definition of Related Party
2(77)	Definition of Relative
2(78)	Definition of Remuneration
2(79)	Definition of Schedule
2(80)	Definition of Scheduled Bank
2(81)	Definition of Securities
2(82)	Definition of Securities and Exchange Board
2(84)	Definition of Share
2(86)	Definition of Subscribed Capital
2(87)	Definition of Subsidiary Company/ Subsidiary
<b>{Except the proviso and explanation (d)}</b>	
2(88)	Definition of Sweat Equity Shares
2(89)	Definition of Total Voting Power
2(90)	Definition of Tribunal

2(91)	Definition of Turnover
2(92)	Definition of Unlimited Company
2(93)	Definition of Voting Rights
2(94)	Definition of Whole-time Director
2(95)	Words and Expression not defined in this Act.
19	Subsidiary Company not to hold shares in its Holding Company
21	Authentication of Documents, Proceedings and Contracts
22	Execution of Bills of Exchange, etc.
23	Public Offer and Private Placement
<b>{Except Subsections(1)(b) and (2)}</b>	
24	Power of Securities and Exchange Board to regulate Issue and Transfer of Securities
25	Document containing Offer of Securities for Sale to be Deemed Prospectus
<b>{Except Subsection(3)}</b>	
29	Public Offer of Securities to be in Dematerialized Form
30	Advertisement of Prospectus
31	Shelf Prospectus



32	Red-Herring Prospectus
33 {Except Subsection(3)}	Issue of Application Form for Securities
34	Criminal Liability for Misstatement in Prospectus
35	Civil Liability for Misstatement in Prospectus
36	Punishment for fraudulently inducing people to invest money
37	Action by Affected Persons
38	Punishment for Personation for Acquisition, etc. of Securities
39 {Except Subsection (4)}	Allotment of Securities by Company
40 {Except Subsection (6)}	Securities to be dealt with in Stock Exchanges
44	Nature of Shares or Debentures
45	Numbering of Shares
49	Calls on Shares of same class to be made on uniform basis
50	Company to accept un-paid Share Capital although not called-up
51	Payment of Dividend in proportion

	to amount paid-up
57	Punishment for Personation of Shareholder
58	Refusal of Registration and Appeal against Refusal
59	Rectification of Register of Members
60	Publication of Authorised, Subscribed and Paid-up Capital
65	Unlimited Company to provide for Reserve Share Capital on conversion into Limited Company
69	Transfer of Certain Sums to Capital Redemption Reserve Account
70 {Except Subsection (2)}	Prohibition for Buy Back in Certain Circumstances
86	Punishment for Contravention
91	Power to close register of members or Debenture Holders or other Security Holders
100 {Except Subsection (6)}	Calling of Extraordinary General Meeting
102	Statement to be Annexed to Notice
103	Quorum for Meetings



104	Chairman of Meetings
105	Proxies
{Except 3rd and 4th proviso of Sub-Section (1) and Sub-Section (7)}	
106	Restriction on Voting Rights
107	Voting by Show of Hands
111	Circulation of Members' Resolution
112	Representation of President and Governors in Meetings
113	Representation of Corporations at Meeting of Companies and of Creditors
{Except Subsection(1)(b)}	
114	Ordinary and Special Resolutions
116	Resolutions passed at Adjourned Meeting
127	Punishment for failure to distribute dividends
133	Central Government to prescribe Accounting Standards
161	Appointment of Additional Director, Alternate Director and Nominee Director
{Except Subsection (2)}	
162	Appointment of Directors to be voted individually
163	Option to Adopt Principle of

	Proportional Representation for Appointment of Directors
176	Defects in appointment of directors not to invalidate actions taken
180	Restrictions on powers of Board
181	Company to contribute to bona fide and Charitable Funds, etc.
182	Prohibitions and restrictions regarding Political Contributions
183	Power of Board and other persons to make Contributions to National Defence Fund, etc.
185	Loan to directors, etc.
192	Restriction on Non-Cash Transactions Involving Directors
194	Prohibition on Forward Dealings in securities of Company by Director or Key Managerial Personnel
195	Prohibition on Insider Trading of Securities
202	Compensation for loss of office of managing Or Whole-Time Director or Manager



379	Application of Act to Foreign Companies
382	Display of Name, etc., of Foreign Company
383	Service on Foreign Company
386 {Except Subsection (a)}	Interpretation
394	Annual Reports on Government Companies
405	Power of Central Government to direct Companies to furnish information or statistics
407	Definitions
408	Constitution of National Company Law Tribunal
409	Qualification of President and Members of Tribunal
410	Constitution of Appellate Tribunal
411	Qualifications of Chairperson and members of Appellate Tribunal

412	Selection of Members of Tribunal and Appellate Tribunal
413	Term of office of President, Chairperson and other Members
414	Salary, allowances and other terms and conditions of service of Members
439	Offences to be Non-Cognizable
443	Power of Central Government to appoint Company Prosecutors
444	Appeal against Acquittal
445	Compensation for accusation without reasonable cause
446	Application of Fines
447	Punishment for Fraud
448	Punishment for False Statements
449	Punishment for False Evidence
450	Punishment where no specific penalty or punishment is provided



<b>451</b>	Punishment in case of repeated default
<b>452</b>	Punishment for wrongful withholding of property
<b>453</b>	Punishment for improper use of "Limited" or "Private Limited"
<b>456</b>	Protection of action taken in good faith
<b>457</b>	Non-disclosure of information in certain cases
<b>458</b>	Delegation by Central Government of its powers and functions
<b>459</b>	Powers of Central Government or Tribunal to accord approval, etc., subject to conditions and to prescribe fees on applications

<b>460</b>	Condonation of delay in certain cases
<b>461</b>	Annual Report by Central Government
<b>462</b>	Power to exempt class or classes of companies from provisions of this Act
<b>463</b>	Power of court to grant relief in certain cases
<b>467</b>	Power of Central Government to amend Schedules
<b>468</b>	Powers of Central Government to make rules relating to winding up
<b>469</b>	Power of Central Government to make rules
<b>470</b>	Power to remove difficulties



# Reach Us



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