COMPANIES ACT, 2013
HISTORY:
ENGLISH COMPANY LAW:

a) The Trading Companies Act, 1834;
a) The Chartered Companies Act, 1837;
c) The Joint Stock Companies Act, 1844;
d) The Limited Liability Act, 1855;
e) The Joint Stock Companies Act, 1856;

f) Joint Stock Companies Act, 1862;
g) The Companies Consolidation Act, 1908;
h) The Joint Stock Companies Act, 1929;
i) The English Companies Act, 1948; consolidated in the years-1967; 1976; 1980; 1981; 1983;
j) The English Companies Act, 1985; consolidated in 1989;

INDIAN COMPANY LAW:

a) Joint Stock Companies Act, 1850;

b) The Companies Act, 1857;

c) The Indian Companies Act, 1866;

c) The Indian Companies Act, 1862;

d) The Companies Act, 1913;

e) The Companies Act, 1956-H.C. Bhaba Committee;

f) The Companies Bill, 1993;

g) The Companies Bill, 1997;

h) The Indian Companies Act, 2013; 29th August, 2013;

i) The English Companies Act, 2006-It came into force from 2009;

SCHEME OF THE INDIAN COMPANIES ACT, 2013

The Act consists of 470 sections and it is divided into 29 Chapters. It has seven schedules.

Chapter 1) Preliminary-ss. 1, 2
Chapter 2) Incorporation of Company and matters incidental thereto-3 to 22;
Chapter 3) Prospectus and allotment of securities-23 to 42;
Chapter 4) Share Capital and Debentures-43 to 72;
Chapter 5) Acceptance of Deposits by Companies- 73 to 76-A;

Chapter 6) Registration of Charges- 77 to 87;

Chapter 7) Management and Administration- 88 to 122;

Chapter 8) Declaration and Payment of Dividend- 123 to 127;

Chapter 9) Accounts of Companies- 128 to 138;

Chapter 10) Audit and Auditors- 139 to 148;

Chapter 11) Appointment and Qualification of Directors- 149 to 172;

Chapter 12) Meetings of Board and its Powers- 173 to 195;

Chapter 13) Appointment and Remuneration of Managerial Personnel- 196 to 205;

Chapter 14) Inspection, Inquiry and Investigation- 206 to 229;

Chapter 15) Compromises, Arrangements and Amalgamations- 230 to 240;

Chapter 16) Prevention of Oppression and Mis-management- 241 to 246;

Chapter 17) Registered Valuers- 247;

Chapter 18) Removal of names of companies from the Register of Companies- 248 to 252;

Chapter 19) Revival and Rehabilitation of Sick Companies- 253 to 269;

Chapter 20) Winding-Up- 270 to 365;

a) Winding up by the Tribunal-271 to 303;

b) Voluntary Winding up- 304 to 323;

c) Provisions applicable to every mode of winding up- 324 to 358;

d) Official Liquidators- 359 to 365;

Chapter 21) a) Companies Authorized to register under this Act- 366 to 374;
b) Winding up of un-registered companies- 375 to 378;
Chapter 22) Companies Incorporated out side India- 379 to 393;
Chapter 23) Government Companies- 394 to 395;
Chapter 24) Registration Offices and Fees- 396 to 404;

Chapter 25) Companies to furnish information or statistics- 405
Chapter 26) Nidhis- 406;
Chapter 27) National Company Law Tribunal and Appellate Tribunal- 407 to 434;
Chapter 28) Special Courts- 435 to 446;
Chapter 29) Miscellaneous- 447 to 470;

Schedules:
I) Forms of Memorandum and Articles of Association;
II) Useful Lives to Compute Depreciation;
III) General Instructions for preparation of Balance Sheet and Statement of Profit and Loss of a Company;

IV) Code for Independent Directors;

V) Conditions to be fulfilled for the appointment of a Managing Director or Whole Time Director or Manager without the approval of the Central Government;

VI) Infrastructure Projects/Infrastructural facilities;

VII) Activities which may be included by companies in their CSR Policies;

RULES:

1) The Companies (Specification of Definitions Details) Rules, 2014;

2) The Companies Incorporation Rules, 2014;

3) The Companies (Prospectus and Allotment of Securities) Rules, 2014;

4) The Companies (Share Capital and Debenture Rules) 2014;

5) The Companies (Acceptance of Deposits) Rules, 2014;

6) The Companies (Registration of Charges) Rules, 2014;

7) The Companies (Management and Administration) Rules, 2014;

8) The Companies (Declaration and payment of Dividend) Rules, 2014;

9) The Companies (Accounts) Rules, 2014;
10) The Companies (Corporate Social Responsibility Policy) Rules, 2014;
11) The Companies (Audit and Auditors) Rules, 2014;
12) The Companies (Appointment and Qualification of Directors) Rules, 2014;
13) The Companies (Meetings of Board and its Powers) Rules, 2014;

14) The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
15) The Companies (Inspection, Investigation and Inquiry) Rules, 2014;
16) The Companies (Authorized to register) Rules, 2014;
17) The Companies (Registration of Foreign Companies) Rules, 2014;

19) The Companies (Registration of Offices Fees) Rules, 2014;

20) Nidhi Rules, 2014;

21) The Companies (Adjudication of Penalties) Rules, 2014;

22) The Companies (Cost Records and Audit) Rules, 2014;

23) The NCLAT (Conditions of Service) Rules, 2015;

24) The NCLT (Conditions of Service) Rules, 2015;

25) The Companies (Indian Accounting Standards) Rules, 2015;

26) The Companies (Auditor’s Report) Order, 2015;

27) Companies (Filing of documents and forms in extensible Business Reporting language) Rules, 2015;

28) MCA, SFIO, AD, JD Group-A Post Recruitment Rules, 2015.

ALLIED LAWS:

1) Securities Exchange Board of India Act, 1992
2) Securities Contract Regulation Act, 1956.
3) Depositories Act, 1996.
4) Foreign Exchange Management Act, 1999
5) Competition Act, 2002.s

Article 246 of Constitution indicates bifurcation of powers to make laws, between Union Government and State Government. Parliament has exclusive powers to make laws in respect of matters given in list I of the Seventh Schedule of the Constitution called Union List. List II (State List) contains items jurisdiction of State. List III (concurrent List) contains items where both the Union and State Government can exercise power.

Union List, List I, Entry 44 which contains Incorporation, regulation and winding up of corporations whether trading or not, with the objects not confined to one State, but not including Universities.

Entry 48 contains Stock Exchanges and future markets.

State List: List II of Seventh Schedule of Constitution- Entry No. 32 contains incorporation, regulation and winding up of corporations, other than those specified in List I, and universities, unincorporated trading, literary, scientific, religious and other societies and associations; co-operative societies.

MCA notification dt. 1st June, 2016 in exercise of the powers conferred by section 408 of the Companies Act, 2013, the Central Government hereby constitutes the NCLT to exercise and discharge the powers and functions as are, or may be, conferred on it by or under the said Act with effect from 1st June, 2016.

The Companies (Second Amendment) Act, 2002 provides for the setting up of a NCLT and NCLAT to replace the existing CLB and Board of Industrial and Financial Reconstruction. The setting up of NCLT as a specialized institution for corporate justice is based on the recommendation of the Justice Eradi committee on Law relating to Insolvency and winding up of companies.

NEED FOR SPECIALIZED COURTS OR TRIBUNALS: The genesis of setting up of specialized tribunals can be traced to the Supreme Court judgment in Sampath Kumar case.

The recommendations of the Shah Committee for setting up independent tribunals as also the suggestion of the administrative reforms commission for setting up of Civil Service Tribunal.

MEGA TRIBUNAL: NCLT can be called as Mega Tribunal, because NCLT will CONSOLIDATE the corporate jurisdiction of the following:

a) CLB

b) The Board of Industrial and Financial Reconstruction;

c) The Appellate Authority for Industrial and Financial Reconstruction;

d) Jurisdiction and powers relating to winding up, restructuring and other such

Provisions, vested in the High Courts.

Present Scenario 1st June, 2016: The MCA has issued notification for constitution of the NCLT and NCLAT with effect from 1-6-2016. Government constitutes NCLAT for hearing appeals against order of NCLT.

The NCLT is headed by President and NCLAT is headed by Chairperson.

The Companies (Amendment) Ordinance, 2019 – The Companies (Amendment) Ordinance, 2018 received the assent of the President of India’s to bring into force amendments into the provisions of Companies Act, 2013 with effect from 2-11-2018. The Ordinance is based on the recommendations of a committee which was formed with the objective of reviewing the provisions of the Act.

The objectives for which this ordinance was promulgated was ease of doing business and better corporate compliance. The key objectives of the amendment were:

a) Re-categorization of certain offences, which are in the category of compoundable offences to an in-house adjudication framework, wherein defaults would be subject to the penalty levied by an adjudicating officer;

b) Making a transparent and a technology driven adjudication on online platforms and publishing the orders on an online platform for improving efficiency and reducing hassles.

c) Reducing the burden on the already overburdened NCLT by increasing the role and functions of RDs.

d) To curb the burning issue of “shell and bogus companies” which are formed with the objectives of saving tax and increasing

The profits.
Since, the validity of the Ordinance is for six weeks only, thereby it was necessary that the ordinance gets the assent of the Parliament. The winter session of the Parliament was from 11th December, 2018 to 8th January, 2019. Even though the Ordinance got passed in the Lok Sabha, it could not be passed in the Rajya Sabha. Since, the Ordinance was to expire on 21st january, 2019, the President

Re-promulgated the Ordinance and thereby brought Companies (Amendment) Ordinance, 2019.

The amendments has resulted in reducing the burden on courts and tribunals by modifying the punishments to just monetary penalties in 16 sections of the Act.

With the latest amendments, the jurisdictions of 16 types of corporate offences would be shifted from the special

Courts to in-house adjudication. With this amendment, the scope of in-house adjudication has gone up from 18 sections at present to 34 sections of the Act.

HIGH LIGHTS OF THE COMPANIES (AMENDMENT) ORDINANCE, 2019: SEE THE MATERIAL.

HIGH LIGTS OF THE COMPANIES AMENDMENT ACT, 2017:
HIGH LIGHTS OF THE COMPANIES AMENDMENT ACT, 2015:
COMPANIES AMENDMENT ACT, 2014: