

The Companies Act 2013 is an Act of the Parliament of India on Indian company law which regulates incorporation of a company, responsibilities of a company, directors, dissolution of a company. The 2013 Act is divided into 29 chapters containing 470 sections as against 658 Sections in the Companies Act, 1956 and has 7 schedules. However, currently there are only 438 (470-39+7) sections remains in this Act.[1] The Act has replaced The Companies Act, 1956 (in a partial manner) after receiving the assent of the President of India on 29 August 2013. The Act came into force on 12 September 2013 with few changes like earlier private companies maximum number of members were 50 and now it will be 200. A new term of "one-person company" is included in this act that will be a private company and with only 98 provisions of the Act notified.[2][3] A total of another 184 sections came into force from 1 April 2014. The Ministry of Corporate Affairs thereafter published a notification for exempting private companies from the ambit of various sections under the Companies Act.[5]

The 2013 legislation has stipulations for increased responsibilities of corporate executives in the IT sector, increasing India's safeguards against organized cyber crime by allowing CEO's and CTO's to be prosecuted in cases of IT failure. Major changes in Companies Act 2013 Edit Companies (1st amendment) Act 2015. Companies (2nd amendment) Act 2017. Companies (3rd amendment) Act 2019. Companies (4th amendment) Bill 2020.

What are the feature of a company in your opinion?

A registered association which is an artificial legal person, having an independent legal, entity with a perpetual succession, a common seal for its signatures, a common capital comprised of transferable shares and carrying limited liability.

Features & Characteristics Of A Company

Incorporated association: A company comes into existence when it is registered under the Companies Act (or other equivalent act under the law). A company has to fulfil requirements in terms of documents (MOA, AOA), shareholders, directors, and share capital to be deemed as a legal association.

Artificial Legal Person: In the eyes of the law, A company is an artificial legal person which has the rights to acquire or dispose of any property, to enter into contracts in its own name, and to sue and be sued by others.

Separate Legal Entity: A company has a distinct entity and is independent of its members or people controlling it. A separate legal entity means that only the company is responsible to repay creditors and to get sued for its deeds. The individual members cannot be sued for actions performed by the company. Similarly, the company is not liable to pay personal debts of the members.

Perpetual Existence: Unlike other non-registered business entities, a company is a stable business organisation. Its life doesn't depend on the life of its shareholders, directors, or employees. Members may come and go but the company goes on forever.