Companies Act 2013:

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.[4]

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.

History

Indian Companies Act 1956 was an Act of the Parliament of India, enacted in 1956, which enabled companies to be formed by registration, sets out the responsibilities of companies, their directors and secretaries and also provides for the procedures for its winding.[6]

Mandatory CSR contributions

Section 135 of the Companies Act introduces mandatory Corporate Social Responsibility (CSR) contributions for large companies, making it the only mandatory CSR law in the world. According to the bill, all firms with net worth above 5 billion rupees or ₹500 crores (approx. $75 million), turnover over 10 billion rupees or ₹1000 crores (approx. $150 million), or net profit over 50 million rupees or ₹5 crores (approx. $750,000) are required to spend at least 2% of their annual profits of the preceding year. The law requires that all businesses affected establish a CSR committee to oversee the spending. Prior to this law's passage, CSR laws applied to public sector companies only.[7]

Company Secretary

Section 203 of the Companies Act 2013 deals with the appointment of a Company Secretary. The act very first time in the history of Indian company law has defined Company Secretary as a Key managerial personnel of the Company.

Indian company law make it mandatory for every Indian listed, and every other entity having more than rupees ten crore (100 million) paid up capital, to have a whole time Company Secretary .

Major changes in Companies Act 2013

- Companies (1st amendment) Act 2015

- Companies (2nd amendment) Act 2017
- Companies (3rd amendment) Act 2019
- Companies (4th amendment) Bill 2020

Features of a Company, Kinds of Company and Share Capital of a Company

Features of company as per Indian companies act 1956, define a company or corporate body. A company has certain very unique features and characteristics. Let us familiarize ourselves with the features of a company, kinds of company, and Share Capital of Company.

If you asked 10 people what makes a "good company," you would probably get 10 answers. This is partly because "good" means different things to different people. For example, from a consumer's perspective, a good business provides excellent products and services. From a business owner's perspective, a good business is able to support itself. However, there are several characteristics of a company that are commonly seen among successful businesses.

1. A Well Conceived Plan

Good businesses need good plans. You don't need a complex business plan to make a business successful, but you should have a plan that is well thought out and executed. This includes considering your finances, product development, distribution and marketing plans. Develop a structure for your organization and then adhere to the processes you've defined.

2. Strong and Positive Leadership

Good companies have leaders that are decisive when it comes to steering the organization's course. They know how to build strong relationships and provide open communication with their employees. They motivate their team and hold everyone to high standards of responsibility and accountability.