

COMPANIES ACT, 2013

[18 OF 2013]*

[AS AMENDED BY COMPANIES
(AMENDMENT) ACT, 2020]

*An Act to consolidate and amend the law
relating to companies*

BE it enacted by Parliament in the Sixty-fourth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

¹Short title, extent, commencement and application.

1. (1) This Act may be called the Companies Act, 2013.

(2) It extends to the whole of India.

(3) This section shall come into force at once and the remaining provisions of this Act shall come into force on such date as the Central Government may, by notification² in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

(4) The provisions of this Act shall apply to—

- (a) companies incorporated under this Act or under any previous company law;
- (b) insurance companies, except in so far as the said provisions are inconsistent with the provisions of the Insurance Act, 1938 (4 of 1938) or the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (c) banking companies, except in so far as the said provisions are inconsistent with the provisions of the Banking Regulation Act, 1949 (10 of 1949);

*Assented by the President of India on 29th August, 2013.

1. Corresponds to sections 1, 616, 620B and 620C of the 1956 Act.

2. For notifications and clarifications enforcing provisions of the Companies Act, 2013, see **Division Three**.

- (d) companies engaged in the generation or supply of electricity, except in so far as the said provisions are inconsistent with the provisions of the Electricity Act, 2003 (36 of 2003);
- (e) any other company governed by any special Act for the time being in force, except in so far as the said provisions are inconsistent with the provisions of such special Act; and
- (f) such body corporate, incorporated by any Act for the time being in force, as the Central Government may, by notification, specify in this behalf, subject to such exceptions, modifications or adaptation, as may be specified in the notification.

³Definitions.

2. In this Act, unless the context otherwise requires,—

- ⁴(1)⁵ “abridged prospectus” means a memorandum containing such salient features of a prospectus as may be specified by the Securities and Exchange Board by making regulations in this behalf;
- ⁶(2)⁷ “accounting standards” means the standards of accounting or any addendum thereto for companies or class of companies referred to in section 133*;
- ⁸(3)⁹ “alter” or “alteration” includes the making of additions, omissions and substitutions;
- ¹⁰(4)¹¹ “Appellate Tribunal” means the National Company Law Appellate Tribunal constituted under section 410;
- ¹²(5)¹³ “articles” means the articles of association of a company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this Act;
- ¹³(6)¹⁴ “associate company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

3. Corresponds to section 2 of the 1956 Act.

4. Corresponds to section 2(1) of the 1956 Act.

5. Enforced with effect from 12-9-2013.

6. Corresponds to section 211(3C) of the 1956 Act.

7. Enforced with effect from 1-4-2014.

8. Corresponds to section 2(1A) of the 1956 Act.

9. Enforced with effect from 12-9-2013.

10. Corresponds to section 2(1B) of the 1956 Act.

11. Enforced with effect from 12-9-2013.

12. Corresponds to section 2(2) of the 1956 Act.

13. Enforced with effect from 12-9-2013.

14. See Circular No. 24/2014, dated 25-6-2014 (Holding of shares in a Fiduciary Capacity). For details, see **Division Three**. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*There is no reference to any ‘companies or class of companies’ in section 133.

- ¹⁵[*Explanation.*—For the purpose of this clause,—
- (a) the expression “significant influence” means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement;
- (b) the expression “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;]
- ¹⁶(7) “auditing standards” means the standards of auditing or any addendum thereto for companies or class of companies referred to in sub-section (10) of section 143;
- ¹⁷(8) “authorised capital” or “nominal capital” means such capital as is authorised by the memorandum of a company to be the maximum amount of share capital of the company;
- ¹⁸(9)¹⁹ “banking company”²⁰ means a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949);
- ²¹(10)²² “Board of Directors” or “Board”, in relation to a company, means the collective body of the directors of the company;
- ²³(11)²⁴ “body corporate”²⁵ or “corporation” includes a company incorporated outside India, but does not include—
- (i) a co-operative society registered under any law relating to co-operative societies; and
- (ii) any other body corporate (not being a company as defined in this Act), which the Central Government may, by notification²⁶, specify in this behalf;
- ²⁷(12)²⁸ “book and paper” and “book or paper” include books of account, deeds, vouchers, writings, documents, minutes and registers maintained on paper or in electronic form;

15. Substituted by the Companies (Amendment) Act, 2017, w.e.f. 7-5-2018. Prior to its substitution, *Explanation* read as under :

‘Explanation.—For the purposes of this clause, “significant influence” means control of at least twenty per cent of total share capital, or of business decisions under an agreement;’

16. Enforced with effect from 1-4-2014.

17. Enforced with effect from 12-9-2013.

18. Corresponds to section 2(5) of the 1956 Act.

19. Enforced with effect from 12-9-2013.

20. For definition of “banking company” under section 5(c) of the Banking Regulation Act, 1949, see **Appendix I**.

21. Corresponds to sections 2(6) and 252(3) of the 1956 Act.

22. Enforced with effect from 12-9-2013.

23. Corresponds to section 2(7) of the 1956 Act.

24. Enforced with effect from 12-9-2013.

25. For meaning of expression “body corporate”, see **Appendix II**.

26. For notified body corporate, see **Division Three**.

27. Corresponds to section 2(8) of the 1956 Act.

28. Enforced with effect from 12-9-2013.

- ²⁹(13)³⁰ “books of account” includes records maintained in respect of—
- (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
 - (ii) all sales and purchases of goods and services by the company;
 - (iii) the assets and liabilities of the company; and
 - (iv) the items of cost as may be prescribed under section 148 in the case of a company which belongs to any class of companies specified under that section;
- ³¹(14)³² “branch office”, in relation to a company, means any establishment described as such by the company;
- ³³(15) “called-up capital” means such part of the capital, which has been called for payment;
- ³⁴(16)³⁵ “charge” means an interest or lien created on the property or assets of a company or any of its undertakings or both as security and includes a mortgage;
- ³⁶(17)³⁷ “chartered accountant”³⁸ means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) who holds a valid certificate of practice under sub-section (1) of section 6 of that Act;
- ³⁹(18) “Chief Executive Officer” means an officer of a company, who has been designated as such by it;
- ⁴⁰(19) “Chief Financial Officer” means a person appointed as the Chief Financial Officer of a company;
- ⁴¹(20)⁴² “company” means a company incorporated under this Act or under any previous company law;

29. Corresponds to section 209(1) of the 1956 Act.

30. Enforced with effect from 1-4-2014.

31. Corresponds to sections 2(9) and 8 of the 1956 Act.

32. Enforced with effect from 12-9-2013.

33. Enforced with effect from 12-9-2013.

34. Corresponds to section 124 of the 1956 Act.

35. Enforced with effect from 12-9-2013.

36. Corresponds to section 33(2), *Explanation* of the 1956 Act.

37. Enforced with effect from 12-9-2013.

38. For definition of “chartered accountant” under sections 2(1)(b) and 6(1) of the Chartered Accountants Act, 1949, see **Appendix I**.

39. Enforced with effect from 12-9-2013. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

40. Enforced with effect from 12-9-2013.

41. Corresponds to sections 2(10) and 3 of the 1956 Act.

42. Enforced with effect from 12-9-2013.

- ⁴³(21)⁴⁴ “company limited by guarantee” means a company having the liability of its members limited by the memorandum to such amount as the members may respectively undertake to contribute to the assets of the company in the event of its being wound up;
- ⁴⁵(22)⁴⁶ “company limited by shares” means a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them;
- ⁴⁷[(23) “Company Liquidator” means a person appointed by the Tribunal as the Company Liquidator in accordance with the provisions of section 275 for the winding up of a company under this Act;]
- ⁴⁸(24)⁴⁹ “company secretary” or “secretary” means a company secretary as defined in clause (c) of sub-section (1) of section 2⁵⁰ of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a company to perform the functions of a company secretary under this Act;
- ⁵¹(25)⁵² “company secretary in practice” means a company secretary who is deemed to be in practice under sub-section (2) of section 2⁵³ of the Company Secretaries Act, 1980 (56 of 1980);
- ⁵⁴(26)⁵⁵ “contributory”⁵⁶ means a person liable to contribute towards the assets of the company in the event of its being wound up.

43. Corresponds to sections 2(23) and 12(2)(b) of the 1956 Act.

44. Enforced with effect from 12-9-2013.

45. Corresponds to sections 2(23) and 12(2)(a) of the 1956 Act.

46. Enforced with effect from 12-9-2013.

47. Enforced with effect from 15-12-2016. Substituted by the Insolvency and Bankruptcy Code, 2016, w.e.f. 15-11-2016. Prior to its substitution, clause (23) read as under :

‘(23) “Company Liquidator”, in so far as it relates to the winding up of a company, means a person appointed by—

(a) the Tribunal in case of winding up by the Tribunal; or

(b) the company or creditors in case of voluntary winding up,

as a Company Liquidator from a panel of professionals maintained by the Central Government under sub-section (2) of section 275;’

48. Corresponds to section 2(45) of the 1956 Act.

49. Enforced with effect from 12-9-2013. Provisions of clause (24) of section 2 shall not apply to Section 8 Companies - *Notification No. GSR 466(E), dated 5-6-2015.*

50. For definition of “company secretary” under section 2(1)(c) of the Company Secretaries Act, 1980, *see Appendix I.*

51. Corresponds to section 2(45A) of the 1956 Act.

52. Enforced with effect from 12-9-2013.

53. For definition of “Company secretary in practice” under section 2(2) of the Company Secretaries Act, 1980, *see Appendix I.*

54. Corresponds to section 428 of the 1956 Act.

55. Enforced with effect from 12-9-2013.

56. For meaning of the term “contributory”, *see Appendix II.*

Explanation.—For the purposes of this clause, it is hereby clarified that a person holding fully paid-up shares in a company shall be considered as a contributory but shall have no liabilities of a contributory under the Act whilst retaining rights of such a contributory;

⁵⁷(27) “control” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;

⁵⁸[(28) “Cost Accountant” means a cost accountant as defined in clause (b) of sub-section (1) of section 2⁵⁹ of the Cost and Works Accountants Act, 1959 (23 of 1959) and who holds a valid certificate of practice under sub-section (1) of section 6 of that Act;]

⁶⁰(29)⁶¹ “court” means—

- (i) the High Court having jurisdiction in relation to the place at which the registered office of the company concerned is situate, except to the extent to which jurisdiction has been conferred on any district court or district courts subordinate to that High Court under sub-clause (ii);
- (ii) the district court, in cases where the Central Government has, by notification, empowered any district court to exercise all or any of the jurisdictions conferred upon the High Court, within the scope of its jurisdiction in respect of a company whose registered office is situate in the district;
- (iii) the Court of Session having jurisdiction to try any offence under this Act or under any previous company law;
- ⁶²(iv) the Special Court established under section 435;
- (v) any Metropolitan Magistrate or a Judicial Magistrate of the First Class having jurisdiction to try any offence under this Act or under any previous company law;

57. Enforced with effect from 12-9-2013.

58. Substituted by the Companies (Amendment) Act, 2017, w.e.f. 9-2-2018. Prior to its substitution, clause (28) read as under :

‘(28) “cost accountant” means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959);’

Earlier section 2(28) was enforced with effect from 12-9-2013.

59. For definition of “cost accountant” under section 2(1)(b) of the Cost and Works Accountants Act, 1959, see **Appendix I**.

60. Corresponds to sections 2(11), 2(14), 10 and 622 of the 1956 Act.

61. Except sub-clause (iv), clause (29) is enforced with effect from 12-9-2013.

62. Enforced with effect from 18-5-2016.

⁶³(30)⁶⁴ “debtenture”⁶⁵ includes debtenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not:

⁶⁶[**Provided** that—

(a) the instruments referred to in Chapter III-D of the Reserve Bank of India Act, 1934 (2 of 1934); and

(b) such other instrument, as may be prescribed by the Central Government in consultation with the Reserve Bank of India, issued by a company,

shall not be treated as debtenture;]

⁶⁷(31)⁶⁸ “deposit” includes any receipt of money by way of deposit or loan or in any other form by a company, but does not include such categories of amount as may be prescribed⁶⁹ in consultation with the Reserve Bank of India;

⁷⁰(32)⁷¹ “depository”⁷² means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996);

⁷³(33)⁷⁴ “derivative”⁷⁵ means the derivative as defined in clause (ac) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

⁷⁶(34)⁷⁷ “director” means a director appointed to the Board of a company;

⁷⁸(35)⁷⁹ “dividend”⁸⁰ includes any interim dividend;

63. Corresponds to section 2(12) of the 1956 Act.

64. Enforced with effect from 12-9-2013.

65. For meaning of the term “debtenture”, see **Appendix II**.

66. Inserted by the Companies (Amendment) Act, 2017, w.e.f. 9-2-2018.

67. Corresponds to section 58A, *Explanation* of the 1956 Act.

68. Enforced with effect from 1-4-2014.

69. See rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 (**Division Two**).

70. Corresponds to section 2(12A) of the 1956 Act.

71. Enforced with effect from 12-9-2013.

72. For definition of “depository” under section 2(1)(e) of the Depositories Act, 1996, see **Appendix I**.

73. Corresponds to section 2(12B) of the 1956 Act.

74. Enforced with effect from 12-9-2013.

75. For definition of “derivative” under section 2(ac) of the Securities Contracts (Regulation) Act, 1956, see **Appendix I**.

76. Corresponds to section 2(13) of the 1956 Act.

77. Enforced with effect from 12-9-2013.

78. Corresponds to section 2(14A) of the 1956 Act.

79. Enforced with effect from 12-9-2013.

80. See also SS-3 : Secretarial Standard on Dividend (See **Division Three**).

- ⁸¹⁽³⁶⁾⁸² “document” includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form;
- ⁸³⁽³⁷⁾⁸⁴ “employees’ stock option” means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price;
- ⁸⁵⁽³⁸⁾⁸⁶ “expert” includes an engineer, a valuer, a chartered accountant, a company secretary, a cost accountant and any other person who has the power or authority to issue a certificate in pursuance of any law for the time being in force;
- ⁸⁶⁽³⁹⁾ “financial institution” includes a scheduled bank, and any other financial institution defined or notified under the Reserve Bank of India Act, 1934 (2 of 1934);
- ⁸⁶⁽⁴⁰⁾⁸⁷ “financial statement” in relation to a company, includes—
- (i) a balance sheet as at the end of the financial year;
 - (ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year;
 - (iii) cash flow statement for the financial year;
 - (iv) a statement of changes in equity, if applicable; and
 - (v) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv):

81. Corresponds to section 2(15) of the 1956 Act.

82. Enforced with effect from 12-9-2013.

83. Corresponds to section 2(15A) of the 1956 Act.

84. Enforced with effect from 12-9-2013.

85. Corresponds to section 59(2) of the 1956 Act.

86. Enforced with effect from 12-9-2013.

87. In case of private companies, in section 2(40) for the proviso, following proviso shall be substituted—

Provided that the financial statement, with respect to one person company, small company, dormant company and private company (if such private company is a start-up) may not include the cash flow statement.

Explanation.—For the purposes of this Act, the term “start-up” or “start-up company” means a private company incorporated under the Companies Act, 2013 (18 of 2013) or the Companies Act, 1956 (1 of 1956) and recognised as start-up in accordance with the notification issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry’. - Notification No. GSR 464(E), dated 5-6-2015, as amended by, Notification No. GSR 583(E), dated 13-6-2017.

Provided that the financial statement, with respect to One Person Company, small company and dormant company, may not include the cash flow statement;

⁸⁸⁽⁴¹⁾⁸⁹ “financial year”, in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up:

⁹⁰**[Provided** that where a company or body corporate, which is a holding company or a subsidiary or associate company of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Central Government⁹¹ may, on an application⁹² made by that company or body corporate in such form and manner as may be prescribed, allow any period as its financial year, whether or not that period is a year:

Provided further that any application pending before the Tribunal as on the date of commencement of the Companies (Amendment) Act, 2019, shall be disposed of by the Tribunal in accordance with the provisions applicable to it before such commencement:]

88. Corresponds to section 2(17) of the 1956 Act. Enforced with effect from 1-4-2014. *See also* SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

89. In case of an unlisted public company which is licensed to operate by RBI or SEBI or IRDA from the International Financial Services Centre located in an approved multi services SEZ set-up under the SEZ Act, in clause (41) of section 2, after the second proviso, the following proviso shall be inserted, namely :—

“Provided also that in case of a Specified IFSC public company, which is a subsidiary of a foreign company, the financial year of the subsidiary may be same as the financial year of its holding company and approval of the Tribunal shall not be required.”.—*Notification No. GSR 8(E), dated 4-1-2017.*

In case of a private company which is licensed to operate by RBI or SEBI or IRDA from the International Financial Services Centre located in an approved multi services SEZ set-up under the SEZ Act, in clause (41) of section 2, after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that in case of a Specified IFSC private company, which is a subsidiary of a foreign company, the financial year of the subsidiary may be same as the financial year of its holding company and approval of the Tribunal shall not be required.”.—*Notification No. GSR 9(E), dated 4-1-2017.*

90. Substituted by the Companies (Amendment) Act, 2019, w.r.e.f. 2-11-2018. Prior to its substitution, first proviso, as amended by the Companies (Amendment) Act, 2017, w.e.f. 9-2-2018, read as under :

“Provided that on an application made by a company or body corporate, which is a holding company or a subsidiary or associate company of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Tribunal may, if it is satisfied, allow any period as its financial year, whether or not that period is a year:”

91. Powers are delegated to Regional Directors (*see* **Division Three**).

92. *See* rules 67 and 88 and Form No. NCLT 1 and Annexure B of the NCLT Rules, 2016. *See also* rule 40, Form No. INC 28, e-Form No. RD-1 and e-Form RD-GNL 5 of the Companies (Incorporation) Rules, 2014 (**Division Two**). Prescribed fees under National Company Law Tribunal Rules, 2016 is Rs. 5,000 (Application for change in financial year). *See* Circular No. 3/2019, dated 11-3-2019 (**Division Three**) for clarification on filing of e-Form RD-1.

⁹³[**Provided also** that] a company or body corporate, existing on the commencement of this Act, shall, within a period of two years from such commencement, align its financial year as per the provisions of this clause;

⁹⁴(42)⁹⁵ “foreign company” means any company or body corporate incorporated outside India which—

- (a) has a place of business in India whether by itself or through an agent, physically or through electronic mode⁹⁶; and
- (b) conducts any business activity⁹⁷ in India in any other manner;

⁹⁸(43)⁹⁹ “free reserves” means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend:

93. Substituted for “Provided further that” by the Companies (Amendment) Act, 2019, w.r.e.f. 2-11-2018.

94. Corresponds to section 591(1) of the 1956 Act.

95. Enforced with effect from 1-4-2014.

96. See rule 2(1)(h) of the Companies (Specification of Definitions Details) Rules, 2014. Rule 2(1)(h) read as under :

“electronic mode’ means carrying out electronically based, whether main server is installed in India or not, including, but not limited to—

- (i) business to business and business to consumer transactions, data interchange and other digital supply transactions;
- (ii) offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- (iii) financial settlements, web based marketing, advisory and transactional services, database services and products, supply chain management;
- (iv) online services such as telemarketing, telecommuting, telemedicine, education and information research; and
- (v) all related data communication services,

whether conducted by e-mail, mobile devices, social media, cloud computing, document management, voice or data transmission or otherwise.”

97. See rule 3 of the Companies (Registration Offices & Fees) Rules, 2014. Rule 3 read as under :
“3. *Business activity*.—Every company including foreign company which carries out its business through electronic mode, whether its main server is installed in India or outside India, which—

- (i) undertakes business to business and business to consumer transactions, data interchange or other digital supply transactions;
- (ii) offers to accept deposits or invites deposits or accepts deposits or subscriptions in securities, in India or from citizens of India;
- (iii) undertakes financial settlements, web based marketing, advisory and transactional services, database services or products, supply chain management;
- (iv) offers online services such as telemarketing, telecommuting, telemedicine, education and information research; or
- (v) undertakes any other related data communication services,

whether conducted by e-mail, mobile devices, social media, cloud computing, document management, voice or data transmission or otherwise, shall be deemed to have carried out business in India.”

98. Corresponds to section 372A, *Explanation (b)* and section 2(29A), *Explanation* of the 1956 Act.

99. Enforced with effect from 12-9-2013. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. See also SS-3 : Secretarial Standard on Dividend (*See Division Three*).

Provided that—

- (i) any amount representing unrealised gains, notional gains or re-valuation of assets, whether shown as a reserve or otherwise, or
- (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value,

shall not be treated as free reserves;

¹(44) “Global Depository Receipt” means any instrument in the form of a depository receipt, by whatever name called, created by a foreign depository outside India and authorised by a company making an issue of such depository receipts;

²(45)³ ^{3a}“Government company” means any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government company;

⁴(46)⁵ “holding company”, in relation to one or more other companies, means a company of which such companies are subsidiary companies.

⁶[*Explanation.*—For the purposes of this clause, the expression “company” includes any body corporate;]

⁷(47) “independent director” means an independent director referred to in sub-section (5)* of section 149;

⁷(48) “Indian Depository Receipt” means any instrument in the form of a depository receipt created by a domestic depository in India and authorised by a company incorporated outside India making an issue of such depository receipts;

(49) ⁸[****]

*Should be read as ‘(6)’.

1. Enforced with effect from 12-9-2013. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Corresponds to sections 2(18) and 617 of the 1956 Act. For exemptions granted to Government companies, see *Notification No. GSR 463(E), dated 5-6-2015*. For notified debt to capital and free reserves ratio, see *Notification No. SO 702(E), dated 10-3-2016*. (see **Division Three**).
3. Enforced with effect from 12-9-2013.
- 3a. In case of Government Companies, in section 2(45), the following *Explanation* shall be inserted, namely:—
Explanation.—For the purposes of this clause, the “paid-up share capital” shall be construed as “total voting power”, where shares with differential voting rights have been issued. - *Notification No. GSR 463(E), dated 5-6-2015*.
4. Corresponds to sections 2(19), 2(47) and 4 of the 1956 Act.
5. Enforced with effect from 12-9-2013. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. Inserted by the Companies (Amendment) Act, 2017, w.e.f. 9-2-2018.
7. Enforced with effect from 1-4-2014. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
8. Omitted by the Companies (Amendment) Act, 2017, w.e.f. 9-2-2018. Prior to its omission, clause (49) read as under :
(49) “interested director” means a director who is in any way, whether by himself or through any of his relatives or firm, body corporate or other association of individuals in which

(Contd. on page 1.12)

⁹(50) “issued capital” means such capital as the company issues from time to time for subscription;

⁹(51) “key managerial personnel”, in relation to a company, means—

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the company secretary;

(iii) the whole-time director;

(iv) the Chief Financial Officer; ¹⁰[***]

¹¹[(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed;]

¹²(52)¹³ “listed company” means a company which has any of its securities listed on any recognised stock exchange:

^{13a}[**Provided** that such class of companies, which have listed or intend to list such class of securities, as may be prescribed in consultation with the Securities and Exchange Board, shall not be considered as listed companies;]

¹⁴(53)¹⁵ “manager” means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not;

¹⁶(54)¹⁷ “managing director” means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed

(Contd. from page 1.11)

he or any of his relatives is a partner, director or a member, interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of a company;’

Earlier section 2(49), which corresponded to section 300(1) of the 1956 Act, was enforced with effect from 12-9-2013.

9. Enforced with effect from 12-9-2013. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Word “and” omitted by the Companies (Amendment) Act, 2017, w.e.f. 9-2-2018.

11. Sub-clauses (v) and (vi) substituted for sub-clause (v), *ibid*. Prior to its substitution, clause (v) read as under :

“(v) such other officer as may be prescribed;”

12. Corresponds to section 2(23A) of the 1956 Act.

13. Enforced with effect from 12-9-2013. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13a. Inserted by the Companies (Amendment) Act, 2020, with effect from a date yet to be notified.

14. Corresponds to section 2(24) of the 1956 Act.

15. Enforced with effect from 12-9-2013.

16. Corresponds to section 2(26) of the 1956 Act.

17. Enforced with effect from 12-9-2013.

in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management¹⁸ of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation.—For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

¹⁹(55)²⁰ “member”, in relation to a company, means—

- (i) the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company²¹, and on its registration, shall be entered as member in its register of members;
- (ii) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;
- (iii) every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository;

²²(56)²³ “memorandum” means the memorandum of association of a company as originally framed or as altered from time to time in pursuance of any previous company law or of this Act;

²³(57)²⁴ “net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits ²⁵[, securities premium account and debit or credit balance of profit and loss account], after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;

18. For meaning of the expression “substantial powers of management”, see **Appendix II**.

19. Corresponds to sections 2(27) and 41 of the 1956 Act. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

20. Enforced with effect from 12-9-2013.

21. For meaning of the expression “shall be deemed to have agreed to become member of the company”, see **Appendix II**.

22. Corresponds to section 2(28) of the 1956 Act.

23. Enforced with effect from 12-9-2013. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

24. Corresponds to section 2(29A) of the 1956 Act.

25. Substituted for “and securities premium account” by the Companies (Amendment) Act, 2017, w.e.f. 9-2-2018.