

PREFACE TO THIRD EDITION

It gives us an immense pleasure in presenting the Third Edition of the Book 'Corporate Laws'. The years 2013 and 2014 were marked by major changes in Company Law. A new piece of legislation, namely, the Companies Act, 2013 replaced the earlier Companies Act, 1956.

*The Companies Act, 2013 comprises of 470 sections as against 658 sections in the Act of 1956. It has only 7 schedules as against 15 in the previous Act. The new Act of 2013 makes a provision for Rules to be notified/prescribed under respective sections of the Act. Thus, to have a correct picture of law, one has to read the provisions of the Act along with the prescribed/notified Rules. Most of the sections and the rules have been notified. However, **you may note that the provisions of the Act which require intervention of the Tribunal have not yet been notified. It's because the Company Law National Tribunal is yet to be constituted. However, like other competing books on the subject, we have given new provisions only so that students do not run into confusion.***

The provisions relating to, inter alia, the following have been included in the Companies Act, 2013 for the first time - One person company, small company, enrichment provisions in Articles, private placement, class action, disgorgement provisions, requirement of certificate to commence business for private companies, electronic voting, notice of general meeting in electronic mode, electronic voting, consolidated financial statements, subsidiary accounts on company's website, Mandatory spending on CSR activities by specified

companies, mandatory internal audit, compulsory rotation of auditors, Tribunal's power to remove auditors, fraud detection and duties of the professionals, namely, CA/CS/CWA, prohibition of non-audit services by the auditors, mandatory resident director, woman director on the Boards of notified companies, elaborate provisions relating to appointment and role of independent directors, participation in Board Meetings through video conferencing, summary procedure for liquidation of companies having < 1 crore book value, secretarial audit, definition of fraud, definition of promoter, key-managerial personnel, panel of professionals to act as Company Liquidator for winding up, simplification of voluntary winding up process by doing away with the distinction between members' voluntary winding up and creditors' voluntary winding up.

The Companies Act, 2013 has, however, dropped certain provisions which were contained in the erstwhile Act of 1956. These include - Certificate of incorporation - conclusive evidence of compliance, provisional contracts, statement in lieu of prospectus, statutory meeting and filing of statutory report, Central Government's power to remove disqualification of moral turpitude in relation to directors, share qualification, compliance certificate from a practicing Company Secretary, issue of shares at a discount except sweat equity shares, etc.

We have made an attempt to present the provisions of the Companies Act, 2013 in the most simplified and intelligible manner. Being conversant with the requirements of B.Com. (H) students, we have given the related Rules at appropriate places only to the extent absolutely necessary for the undergraduates.

The present edition also includes latest case-law at appropriate places. Besides, the text has been revised at desired places to foster better understanding of the subject.

We hope that this revised edition will serve the needs of the students as well as the teachers of the subject even better than before. However, suggestions for further improvement of the Book are most welcome and we shall be too happy to acknowledge the same with gratitude.

We shall be failing in our duty, if we do not thank Mr. Mitra Pal Yadav of Taxmann Publications (P.) Ltd. for his support in preparation of this edition.

With Best Wishes for 2015

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