

Update

MCA notifies 98 sections of Companies Act, 2013 w.e.f. September 12, 2013 – an analysis



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Update

Brief on Sections enforced and their Impact on Commencement

Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
19	42	Subsidiary company not to hold shares in its holding company.	Neither the Company nor its nominee can hold shares of its holding company. On the other hand the holding company also cannot allot/transfer shares to its subsidiary company.	This restriction has been there in the 1956 Act and therefore, will not create any new difficulty for companies.
21	54	Authentication of documents, proceedings and contracts.	Any document requiring authentication or contracts made on behalf of the company can be signed by any KMP or an officer of the company authorised by the Board	The section is purely operational and does not bring about any major difficulty for companies. Common seal is not required for usual commercial documents including contracts.
22	47, 48	Execution of bills of exchange, etc	A bill of exchange, hundi or promissory note shall be deemed to have been made/accepted/drawn/ endorsed on behalf of a company if made/accepted/drawn/ endorsed in the name of, or on behalf of or on account of, the company by any person acting under its authority, express or implied.	This section is by and large the same as existing provisions. Power of attorney requires common seal.
23 Except clause (b) of Sub-Sec 1 & Sub-Sec 2	--	Public offer and private placement	1) A public company may issue securities to public through prospectus or through a rights issue or a bonus issue or through private placement. 2) A private company may issue securities by way of rights issue or bonus issue	The private placement restrictions would have been extremely serious new requirement. However, the same have not been enforced. There is no new requirement arising from the enforcement of these provisions.



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
24	55-A	Power of Securities and Exchange Board to regulate issue and transfer of securities, etc.	Issue and transfer of securities and non-payment of dividend shall be administered by SEBI for listed companies or companies intending to get their securities listed on any recognized stock exchange in India.	Administrative powers on issue and transfer of securities were already with SEBI. There is no change caused by implementation of the section.
25 Except Sub-Sec (3)	64	Document containing offer of securities for sale to be deemed prospectus	Any document by which securities are offered to public for, shall be considered as deemed prospectus and will attract all the liability thereon.	The provisions pertain to offer for sale and is analogous to existing provisions of the 1956 Act. No change caused by these provisions. It is difficult to understand why sub-section (3) has not been enforced, as the same is in line with sec. 64 (3) of the 1956 Act.
29	68-B	Public offer of securities to be in dematerialized form.	Every company making public offer; and such other class of public companies shall issue the securities only in dematerialised form. Other companies can convert its securities into dematerialised form or issue its securities in physical form or in dematerialised form.	This is in accordance with existing SEBI requirements. Hence, no change.
30	66	Advertisement of prospectus	In case of advertisement of any prospectus, the contents (object, Liability, share capital, names of the signatories and number of shares subscribed) of its memorandum are also to be specified.	The contents of the advertisement of prospectus are substantially the same as in existing law. Hence, no change.
31	60-A	Shelf prospectus.	1) Shelf Prospectus shall be valid for a period not exceeding one year. Validity shall commence from the date of opening of the	These provisions are in line with the existing provisions of the 1956 Act. Hence, no change.

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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			<p>first offer of securities under that prospectus.</p> <p>2) Along with the shelf prospectus, company also needs to file information memorandum material information such as new charges created, changes in the financial position that occurs between two offers with the Registrar .</p>	
32	60-B	Red herring prospectus.	<p>A company may issue a red herring prospectus prior to the issue of a prospectus. Company shall file it with the Registrar at least three days prior to the opening of the subscription list and the offer. It shall carry same obligations as applicable to a prospectus. On closure of the offer company shall file with the Registrar and the SEBI all the details not included in the red herring.</p>	These provisions are in line with the existing provisions of the 1956 Act. Hence, no change.
33 Except Sub-Sec (3) *** all sub sec to be in brackets	56(3)	Issue of application forms for securities.	<p>No form of application for the purchase securities shall be issued unless it is accompanied by an abridged prospectus.</p> <p>Exemption: a) in connection with a bona fide invitation to a person to enter into an underwriting agreement; or (b) securities which were not offered to the public.</p> <p>A copy of the prospectus to be given on request before the closing of the subscription list</p>	The provision is in the same as in the existing Act. Interestingly, sub-section (3) is the penal provision. The only reason for not enforcing the penalty provision could be that the adjudicating machinery for imposition of penalty has not yet been put in place. But then, it cannot be that the penal provisions of the 1956 Act will apply, though the substantive law will be as in the 2013 Act.

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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			and the offer.	
34	63	Criminal liability for misstatements in prospectus	Every person who authorises the issue of prospectus which is misleading or untrue shall be liable under section 447 of the Act.	The section was there in the 1956 Act as well, and hence, no change.
35 Except clause e of sub sec 1	62	Civil liability for misstatements in prospectus	The company and every person who is a director/ promoter/ authorised the issue of the prospectus shall under section 36 be liable to pay compensation to every person who has sustained such loss or damage	Clause (e) of sub-section (1) pertains to civil liability of expert. This is yet to be enforced. The rest of the persons – that is, director, promoter, person authorizing the issue of prospectus, and a person named in the prospectus, shall remain liable. Civil liability for prospectus mis-statements is there in the 1956 Act too,
36	68	Punishment for fraudulently inducing persons to invest money.	Every person shall be liable under section 447 for punishable with imprisonment for a term of six months to 10 years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud	This section is analogous to existing provisions. Hence, no change.
37	--	Action by affected persons.	A suit may be filed or any other action may be taken under section 34 or section 35 or section 36 by any person, group of persons or any association of persons affected by any misleading statement or the inclusion or omission of any matter in the prospectus.	This section is virtually a class action or representative action section. Enforcement of this section is an important provision.

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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
38	68-A	Punishment for personation for acquisition, etc., of securities.	Liabe under section 447 for making of application under fictitious name, makes multiple applications to company in different name for acquiring or subscribing to securities.	Analogous provisions were there in the 1956 Act. Hence, no effective change.
39 Except sub sec 4	69, 75	Allotment of securities by company.	No allotment to the public for subscription shall be made unless the amount stated in the prospectus as the minimum amount has been subscribed and the sums payable has been received. The amount payable on application on every security shall not be less than 5% of the nominal amount of the security or such other percentage or amount, as may be specified by the SEBI.	The section is restrain on allotment of shares unless minimum subscription is attained. Sub-section (4) is the filing of return of allotment, which has not been enforced. Once again, the intent seems to be that the existing requirements of the 1956 Act remain in force as far as filing of returns is concerned.
40 Except Sub Sec 6	73, 76	Securities to be dealt with in stock exchanges.	Permission of recognized stock exchanges need to be taken. All monies received on application from the public for subscription to be kept in a separate bank account in a scheduled bank.	The section is analogous to existing provisions. Sub-section (6), which is not enforced, pertains to payment of commission – pending the notification of relevant rules. However, existing 1956 Act does authorize payment of commission – hence, effectively, no change.
44	82	Nature of shares or debentures.	The shares or debentures or other interest of any member shall be movable property transferable in the manner provided by the articles of the company.	This is analogous to existing provisions. No effective change.
45	83	Numbering of shares.	Every share in a company having a share capital shall be distinguished by its distinctive	This is analogous to existing provisions. No effective change.



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			number.	
49	91	Calls on shares of same class to be made on uniform basis	Where any calls for further share capital are made on the shares of a class, such calls shall be made on a uniform basis on all shares falling under that class. However shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	This is analogous to existing provisions. No effective change.
50	92	Company to accept unpaid share capital, although not called up.	(1) A company may, if so authorised by its articles, accept from any member, the whole or a part of the amount remaining unpaid on any shares held by him, even if no part of that amount has been called up. (2) A member of the company limited by shares shall not be entitled to any voting rights in respect of the amount paid by him under sub-section (1) until that amount has been called up.	This is analogous to existing provisions. No effective change.
51	93	Payment of dividend in proportion to amount paid up.	A company may, if so authorised by its articles, pay dividends in proportion to the amount paid-up on each share.	This is analogous to existing provisions. No effective change.
57	116	Punishment for personation of shareholder	Imprisonment and fine for persons impersonating as owner and attempting to receive any money due to any such owner	This is analogous to existing provisions. No effective change.
58	111	Refusal of registration and appeal against refusal	Private company to send notice of refusal and give reason for the same within 30 days on which the instrument was delivered to the company	This is analogous to existing provisions. No effective change.



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
59	111, 111-A	Rectification of register of members	Any person aggrieved for entry or omission of name from the register of members, even in respect of foreign members or debenture holders, may appeal to NCLT	This section is new (in fact, very old , as it was there in the 1956 Act long time back). However, the section requires appeal to NCLT. As NCLT is not in force, this seems to be an oversight. We feel the notification will require to be amended.
60	148	Publication of authorised, subscribed and paid-up capital	Any statement regarding the amount of authorized share capital of the company in any notice, advertisement to also mention the paid up capital and subscribed capital	This is analogous to existing provisions. No effective change.
65	98	Unlimited company to provide for reserve share capital on conversion into limited company	Unlimited company may by resolution for registration as a limited company increase the amount of its nominal capital and provide that specific portion of uncalled share capital may be called up in case of winding up	This is analogous to existing provisions. No effective change.
69	77-AA	Transfer of certain sums to capital redemption reserve Account	Where a company buys back out of free reserves or securities premium account, amount equal to nominal value of the shares to be transferred to capital redemption reserve	This is analogous to existing provisions. No effective change.
70 except section (2)	77-B	Prohibition for buy-back in certain circumstances	Company cannot buy back its shares if it has defaulted in repayment of deposits, redemption of debentures etc.	The provisions of sub-section (1), referring to “through its subsidiary, or through investment companies, is new. This is a new provision, and companies will have to observe this requirement.
86	142	Punishment	Imprisonment or fine for persons	It is interesting to see that

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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
		for contravention	contravening Chapter VI relating to “charges”	the substantive provisions relating to charges have not been enforced; however prosecution section pertaining to contravention of the chapter on charges has been enforced. As long as the provisions of the Chapter are not enforced, this section will remain redundant
91	154	Power to close register of members or debenture holders or other security holders.	<ol style="list-style-type: none"> 1. Company may close register of members, debenture holders or of other security holders for any period or periods not exceeding 45 days in each year and not exceeding thirty days at any one time. 2. Previous notice needs to be given, in prescribed manner, of atleast 7 days or such lesser period as SEBI may specify for Listed Companies and other companies intending to get listed. 	This section is analogous to existing provisions. Hence, effectively, no change.
100 Except sub-section (6)	169	Calling of Extraordinary general meeting	<ol style="list-style-type: none"> 1. Board shall call an EOGM of the Company within 21 days from the date of receipt of a valid requisition made by members holding atleast 10% of the paid-up share capital with voting rights or atleast 10% of total voting power, as the case may be. 2. Where the Board fails to call such meeting within 45 days from the date of receipt of requisition, requisitionist may themselves call the 	The obligations of the Board of directors to call an EoGM are the same as in the existing Act. Hence, no change. The provisions of sub-section (6), providing for deduction of the fees/exps for calling the meeting from the managerial remuneration, has not been enforced.



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			meeting within 3 months from the date of requisition.	
102	173	Statement to be annexed to the notice	<ol style="list-style-type: none"> 1. For each item of special business to be transacted at general meeting a statement shall be annexed to the notice specifying the Nature of interest of every director, manager, other KMP and their relatives and any other information that will enable members to take informed decision . 2. Where transacting any special business by a Company is likely to impact another Company and if shareholding interest of Company's every promoter, director, manager, and of every other KMP in that other Company is of 2% and above, the same is to be set out in the statement. 3. Any direct or indirect benefit which accrues to persons mentioned above or their relatives due to non/insufficient disclosure shall be held in trust by Company. 	<p>There are additional disclosure requirements in the explanatory statement. Hence, all companies which are issuing notices of general meetings on or after 12th September need to comply with the requirement for certain additional disclosures.</p> <p>This requires companies to act forthwith.</p>
103	174	Quorum for meetings	<ol style="list-style-type: none"> 1. Specifies quorum for meetings unless articles provide for a larger number. 2. Adjournment of meeting if quorum is not present within half an hour and cancellation of meeting, if called by 	<p>The quorum requirements in the new Act are different from those in the 1956 Act. Hence, all meetings on or after 12th Sept need to meet the new quorum requirements. It is not a</p>



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			requisitionists.	really big change – but still, companies have to observe the new requirement.
104	175	Chairman of meetings	<ol style="list-style-type: none"> 1. Members personally present at the meeting to elect one of themselves as Chairman by show of hands, unless articles otherwise provide. 2. In case poll is demanded, person elected as Chairman by show of hands to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll. 	This is analogous to existing provisions. No effective change.
105 Except the third and fourth proviso to sub-section (1) and sub-section (7)	176	Proxies	<ol style="list-style-type: none"> 1. Members entitled to attend and vote at a meeting shall be entitled to appoint another person as a proxy to attend and vote on his behalf and that the proxy need not be a member. This shall not apply in case company not having share capital unless articles provide otherwise. 2. Instrument appointing proxy is to be deposited atleast 48 hours before a meeting unless articles provide for a longer period. 3. Every officer of a Company who knowingly issues invitation to members specifying name of person or one of persons listed out in invitation as proxy shall be punishable with fine. 	The provisions pertaining to proxy are analogous to existing provisions. No effective change. Provisions which have not been enforced require rule-making or prescription of a form.
106	182, 182, 183	Restriction on Voting Rights	<ol style="list-style-type: none"> 1. Company's articles may restrict a member from 	This is analogous to existing provisions. No effective



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			<p>exercising any voting right for shares held in his name if the calls or other sums are not paid or in regard to which company has exercised any right of lien.</p> <p>2. In case of poll taken at meeting, a member or his proxy entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.</p>	change.
107	177, 178	Voting by Show of hands	<p>1. Voting to be carried out by show of hands at any general meeting unless a poll is demanded under Section 109 or voting is done electronically.</p> <p>2. An entry in minutes book of declaration by Chairman of passing of resolution or otherwise by show of hands to be conclusive evidence.</p>	This is analogous to existing provisions. No effective change.
111	188	Circulation of members resolution	<p>1. On requisition in writing by such number of members as specified in Section 100, a company shall give notice to members of any resolution and circulate any statement with respect to proposed resolution provided it is submitted at the registered office of the Company with prescribed time.</p> <p>2. In case the Central Government, on application made by company or other aggrieved person, declares by order that the rights are being</p>	Circulation of members' resolution is not the same as resolutions requiring special notice. This is analogous to existing provisions. No effective change.



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			abused, the Company need not circulate any statement.	
112	187-A	Representation of President and Governors in meetings	The person appointed as representative by President of India or the Governor of a State on being a member of a Company shall be deemed to be a member of such a company with all powers that a member may exercise.	This is analogous to existing provisions. No effective change.
113 Except clause (b) of sub-section (1)	187	Representation of Corporations at meeting of Companies and of Creditors	<ol style="list-style-type: none"> 1. A body corporate which is a member of a Company can authorize a person to act as its representative at any meeting of company or class of members, by resolution of its Board of Directors or other governing body. 2. Such authorized representative to have same rights as the rights of an individual member. 	This is analogous to existing provisions. The part which is not enforced pertains to representation of creditors – this anyway cannot apply to general meetings. No effective change.
116	191	Resolutions passed at adjourned meeting	Resolution passed at an adjourned meeting of Company, holders of any class of shares in a Company or Board, for all purposes, shall be treated as having been passed on the date on which it was passed and not any earlier date.	This is analogous to existing provisions. No effective change.
127	207	Punishment for failure to distribute dividends	Where a dividend has been declared and not paid within 30 days from the date of declaration, for any reason other than those specified in the Section, every director of the Company who is knowingly a party to default, be punishable with imprisonment and fine.	This is analogous to existing provisions. No effective change. However, a question will remain whether the requirements of transferring all dividends to unpaid dividend account, as in the 1956 Act, still continues.



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			Company liable to pay interest @ 18% p.a for the default period	
133	211(3-C)	Central Government to prescribe accounting standards	The Central Government may prescribe accounting standards or any addendum as recommended by ICAI in consultation with and after examination of the recommendations made by the National Financial Reporting Authority.	Once again, the enforcement of this section is premature, as the NAFRA is yet to be constituted.
161 Except sub-section (2)	260, 262, 313	Appointment of additional director, alternate director and nominee director	<ol style="list-style-type: none"> 1. The Articles may empower Board to appoint an additional director, not being a person whom members did not appoint in general meeting, to hold office till next AGM. 2. Subject to the articles of a Company the Board may appoint nominee director. 3. In case of public company, the Board may appoint a Director to fill casual vacancy at their meeting, subject to any regulations in the articles.⁶³ 	The section pertaining to appointment of additional directors, casual vacancy director, and nominee director has been enforced. The appointment of alternate director, contained in sub-section (2) has not been enforced as yet.
162	263	Appointment of directors to be voted individually.	A motion for appointment of two or more persons as directors by a single resolution can be moved only if such a motion has been first agreed to at the meeting without any vote being cast against it. Otherwise such resolution shall be void.	This is analogous to existing provisions. No effective change.
163	265	Option to adopt principle of proportional representation for	1. The articles of a company may provide for the appointment of atleast $\frac{2}{3}^{\text{rd}}$ of the total number of the	This is analogous to existing provisions. No effective change.

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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
		appointment of directors.	<p>directors of a company in accordance with the principle of proportional representation, whether by the single transferable vote or by a system of cumulative voting or otherwise.</p> <p>2. Appointments may be made once in every three years and casual vacancies to be filled as per Section 161 (4)</p>	
176	290	Defects in appointment of directors not to invalidate actions taken	<p>1. No act done by a person as a director shall be deemed to be invalid, despite that it was subsequently noticed that his appointment was invalid.</p> <p>2. However, this shall not give validity to any act done by director after his appointment has been noticed by the company to be invalid or to have terminated</p>	This is analogous to existing provisions. No effective change.
180	293	Restrictions on Powers of Board	<p>1. Specifies the powers that the Board shall exercise only with the consent of the company by a special resolution.</p> <p>2. Every special resolution in relation to borrowing money shall specify the total amount up to which monies may be borrowed by the Board and that in relation to sale, lease or disposal of undertaking, the special resolution may stipulate conditions as may be specified in resolution.</p>	This is a very important change. The section is a lot different from existing section 293 of the 1956 Act. There is a new definition of “undertaking”, and additionally, the section requires special resolution as against ordinary resolution required by 1956 Act. Hence, in all pending matters in the process of approval, companies will need to comply with the new law.
181	293 (1) (e)	Company to contribute to bona	The Board may require obtaining prior permission of the company	This is analogous to existing provisions. No effective



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
		fide and charitable fund, etc.	in general meeting for any amount in case aggregate of such contribution, in any financial year exceeds 5% of Average net profits for immediately preceding 3 financial years.	change.
182	293A	Prohibitions and restrictions regarding political contributions	A Company, not being a Government Company or a Company in existence for less than 3 financial years, may contribute any amount directly or indirectly to any political party subject to a maximum of 7.5% of average net profit during immediately preceding 3 financial years, in any financial year.	This is analogous to existing provisions but for the percentage. No effective change.
183	293B	Power of Board and other persons to make contributions to national defence fund etc.	The Board of Directors of any company or any person or authority exercising the powers of the Board, or of the company in general meeting notwithstanding anything contained in the provisions of this Act or the memorandum, articles, can contribute such amount as it thinks fit to the National Defence Fund or any other Fund approved by the Central Government for the purpose of national defence, subject to disclosing the total amount contributed during the financial year in the profit and loss account.	This is analogous to existing provisions. No effective change.
185	295, 296	Loans to directors	No company to advance loan or give guarantee to any of its directors or any person in whom the director is interested.	This is analogous to existing provisions. No effective change. However, the big issue is that the exemption to



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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			Loan or guarantee given in the ordinary course of business by a company has been exempted if the interest charged on loans is not less than the bank rate	private companies is yet to be announced. Hence, as the law stands, it applies to all companies.
192	--	Restriction on non-cash Transactions involving directors	Special resolution to be accorded for acquiring assets for consideration other than cash by the company from its directors or by director from holding, subsidiary or associate company. The section also extends to persons connected with the director.	This is a new requirement and companies will need to observe compliance. Once again, since the notification exempting private companies is yet to be issued, enforcement of this section implies it is applicable to all companies.
194	--	Prohibition on forward dealings in securities of company by director or key managerial personnel	Prohibition on directors or KMPs of companies from acquiring any call options or put options. Writing of call or put options by the directors or KMPs is not barred in the section	This is a new requirement and companies will need to observe compliance. Once again, since the notification exempting private companies is yet to be issued, enforcement of this section implies it is applicable to all companies.
195	--	Prohibition on insider trading of securities	Prohibition on persons including directors and KMPs from insider trading. The section is applicable to listed and unlisted companies.	This is a new requirement as far as the Companies Act is concerned. It is surely a huge error to enforce this section without carve out for private companies and for unlisted companies. It seems the MCA might have rushed through the notification.

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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
				Since the notification exempting private companies is yet to be issued, enforcement of this section implies it is applicable to all companies.
202	318	Compensation for loss of office of managing or whole-time director or manager	Payment can be paid to manager/ MD/ WTD, by way compensation for loss of office.	This is analogous to existing provisions. No effective change.
379	591	Application of Act to foreign companies	Every foreign company in which 50% of the paid up capital is held by any Indian citizen and/or companies incorporated in India shall comply with additional provisions as may be prescribed	The implementation of this section is premature as the relevant rules are yet to be enforced
382	595	Display of name, etc., of foreign company	The name of the foreign company is to be exhibited on the outside of every office or place where it carries on business in India, in English as well as in the local language.	This is analogous to existing provisions. No effective change.
383	596	Service on foreign company	This section allows servicing of any document on a foreign company either by post or by electronic mode at the address registered with the Registrar	This is analogous to existing provisions. No effective change.
386 except clause (a)	602	Interpretation	Only meaning of Director and Place of Business has been enforced.	This is analogous to existing provisions. No effective change.
394	619-A	Annual reports on Government companies	Annual report on the working and affairs of the company to be prepared within 3 months of the AGM whereat the audit report	This section brings in some changes in case of government companies.



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			has been placed.	
405	615	Power of Central Government to direct companies to furnish information or statistics	Central Government may by order require companies or certain class of companies to furnish information or statistics with regard to constitution or working of such companies	This is analogous to existing provisions. No effective change.
407 to 414	10-FD, explanation, 10 FC, 10 FB, 10 FD, 10 FR, 10 FX, 10 FE, 10 FT, 10 FG, 10 FW.	Sections to constitution, qualification, selection of members, terms of office and salary of members	The sections touch on a variety of topic relating to NCLT and NCLAT	This section only empowers the Central Govt to proceed with formation of NCLT and NCLAT.
439	621, 624	Offences to be noncognizable	A few cognizable offences are providing false information at the time of incorporation of company (sec. 7(6)), mis-statement in prospectus (sec. 34) fraudulent act by auditor (sec. 140(5)), fraudulent conduct of business (sec. 339)	This is a very serious section and the enforcement of this section provides cognizability to several offences.
443	624-A	Power of Central Government to appoint Company prosecutors	The company prosecutors shall conduct prosecutions arising out of the Act and shall have the same powers and privileges as in section 24 of Code on Civil Prosecutors	This section empowers to the Central Government to proceed with the appointment of company prosecutors.
444	624-B	Appeal against acquittal	The Company prosecutor or such other person can present appeal from order of acquittal from a court to the appellate court	The section is consequential to sec. 443.
445	--	Compensation for accusation without reasonable cause	The provisions of section 250 of Code of Criminal Procedure, 1973 shall apply <i>mutatis mutandis</i>	The section pertains to special courts, and special courts are yet to be constituted. Hence, implementation of the

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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
				section may be premature
446	626	Application of fines	The fine imposed may be directed towards payment of costs of proceedings or towards payment of persons on whose intimation the proceedings are initiated	The section merely allows appropriation of fines.
447	--	Punishment for fraud	Any fraud done with an intention to deceive or gain undue advantage shall be with imprisonment and fine.	Section 447 has been referred to in several sections. Enforcement of this section brings a very important and rigorous prosecution machinery into force.
448	628	Punishment for false statement	Punishment for making false statement or omitting any material fact in return, report. This shall be taken as fraud.	This section is a part of the series of prosecution sections already enforced.
449	629	Punishment for false evidence	Punishment for giving false statement upon examination on oath or in any affidavit	This section is a part of the series of prosecution sections already enforced.
450	629-A	Punishment where no specific penalty or punishment is provided	Similar to section 629A only difference being in the amount of fine prescribed.	This section is a part of the series of prosecution sections already enforced.
451	--	Punishment in case of repeated default	If same punishment is committed more than once within 3 years then punishable with twice the amount and imprisonment	This section is a part of the series of prosecution sections already enforced.
452	630	Punishment for wrongful withholding of property	Punishment for employee or officer who wrongfully obtains possession of any property including cash	This section is a part of the series of prosecution sections already enforced.
453	631	Punishment for improper use of "Limited" or	Similar to section 631 of the 1956 Act	This section is a part of the series of prosecution sections already enforced.

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Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
		“Private Limited”		
456	635-A	Protection of action taken in good faith	Similar to section 635A of the 1956 Act	This is analogous to existing provisions. No effective change.
457	635-AA	Nondisclosure of Information in certain cases	Registrar, any officer of Government shall not disclose source of information that has led to an investigation	This section is a part of the series of prosecution sections already enforced.
458	637	Delegation by Central Government of its powers and functions	Powers can be delegated including SEBI for listed companies	This is an administrative section.
459	637-A	Powers of Central Government or Tribunal to accord approval, etc., subject to conditions and to prescribe fees on applications	Similar to section 637A of 1956 Act	This is analogous to existing provisions. No effective change.
460	637-B	Condonation of delay in certain cases	The section pertains to condonation of delay in case of delay in filing document or delay in making application, within the stipulated time.	This is analogous to existing provisions. No effective change.
461	638	Annual report by Central Government	Annual report on working and administration of the Act to be placed before each House of Parliament	This is analogous to existing provisions. No effective change.
462	--	Power to exempt class or classes of companies from provisions of	Not just government companies, but certain other class of companies can also be exempt from certain provisions of the Act	Yes, the section has been enforced, but the Central Government has to immediately come up with the exempting notification



Update

Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
		this Act		as well. Till the notification comes, all companies are subject to all provisions. There are some provisions which are certainly not applicable to private companies – say insider trading, or loans to directors.
463	633	Power of court to grant relief in certain cases	The power of the court under this section to grant relief in case of negligence, default, etc. extends to both offences punishable with penalties, or fine and/or imprisonment	This is analogous to existing provisions. No effective change.
467	641	Power of Central Government to amend Schedules	Central Government may alter regulations, rules, tables after notification.	This is analogous to existing provisions. No effective change.
468	643	Powers of Central Government to make rules relating to winding up	Such rules can relate to voluntary winding up, meeting of creditors to name a few	This is analogous to existing provisions. No effective change.
469	642	Power of Central Government to make rules	With occurrence of the word “prescribed” 416 times, a major part of the Act is to be enforced by way of rules, of which some have already been issued for public comments	This is analogous to existing provisions. No effective change.
470	--	Power to remove difficulties	Central Government may make consistent orders to remove difficulties for removing the	This is analogous to existing provisions. No effective change.



Update

Section No.	Corresponding section of Companies Act, 1956	Particulars	Brief on the Section	Comments
			difficulty	

Also see our other related write-ups on Companies Act, 2013 at : <https://india-financing.com/component/content/article/281.html>