

Q.6 Describe the salient features of Companies Act, 2013? (200 words).

Ans.6 As Indian economy ~~is~~ is soaring new heights with various economic reforms, Parliament amended & brought a new Companies Act, 2013.

To ease out the working of corporates, it was felt that there is a need to relax certain norms. Some of the features of Companies Act, 2013 are :-

① Formation of NCLT -

A tribunal was formed to look after the insolvency disputes of companies. Earlier, these disputes went to DRT which was time consuming which hampered efficiency.

② Provision of OPC -

OPC i.e. One - Person Company can also be formed which doesn't exceed ~~500~~ ₹ 50 lakh. This enhances entrepreneurial activity in India.

③ Corporate Governance -

For the first time in India, corporate governance was given due importance. Just like good governance is important for able administration, similarly corporate

governance is important for economy.

Some of its features are :-

- interest of shareholders should be taken.
- age limit for becoming an MD/CEO was relaxed to 21 years thus invigorating young talents.
- Chairman & MD to be different persons, as per Uday Kotak Committee

#### ④ CSR Norms :-

Corporates shouldn't be limited to just making profits. They need to ~~concern~~ <sup>return</sup> to society too. Thus, a company having a net profit of ₹ 5 crore has to ~~contribute~~ contribute 2% to CSR (Corporate Social Responsibility) activity.

Companies are engines of the economy.

By enactment of Companies Act, 2013, it has rejuvenated the public & private sector.

Regarding entrepreneurial activity taking place in India, it needs to address ~~these~~ them more.