

PROVISIONS OF THE COMPANIES ACT (amended)(Act) 2013 and their impact on the text contents of ENTREPRENEURSHIP for the Academic Session 2015-16 .

Important: The Companies Act, 1956 was amended in 2013. The regulator i.e. the Government in 2014 introduced 'Companies Misc. Rules' where in it has been provided that the Act is to be read along with these rules. Act cannot supersede these Rules.

ENTREPRENEURSHIP XITH

Main Impact on Unit & : Resource Mobilisation.

Particulars	The Companies Act, 2013	Impact/Changes to be incorporated
Definition of Equity Shares	Equity Shares under section 43(a) are defined as follows: Equity shares are those shares which are not preference shares. Equity shares may (i)with voting rights; or (ii)with differential rights as to dividend, voting or otherwise.	Pg. 225. of Entrepreneurship Text Class-XI Definition of Equity Shares to be changed.
Definition of Debentures	Debenture is defined in section 2(30) as follows: Debenture includes debenture, stock, bonds and any other instrument of a company evidencing a debt, whether consisting a charge on the assets of the company or not.	Pg.230. of Entrepreneurship Text Class-XI Definition of Debenture to be changed.

ENTREPRENEURSHIP XIITH

Main Impact on Unit 2: Enterprise Planning (forms of business organization)

Particulars	The Companies Act, 2013	Impact/Changes to be incorporated
Number of partners who can do business.	Number of Maximum Partners restricted up to 50 partners by Rule (10) of Companies (Miscellaneous) Rules Act, 2014.	Section 464 of the Companies Act, 2013 provides that number of persons in any association/Partnership shall not exceed one hundred subject to the limit prescribed in rules. In this regard Rule 10 of the Companies (Miscellaneous) Rules, 2014 provides that no association/partnership shall be formed, consisting of more than 50 persons. Therefore, limit as of now is 50 partners. <u>(For Students maximum number of Partners to be taken as 50.)</u>
Definition of	Change in the Section providing for the	Pg.47 of Entrepreneurship Text Class-XII

Company	definition and no change in the definition	Section 3 to be replaced by Section 2(20)
Definition of Private Company.	<ul style="list-style-type: none"> • Meaning of Private, Public and One Person Company (OPC) • Maximum number of members in Private Company extended to 200. 	<p>Under the New Act a private company is defined u/s. 2(68) as under:</p> <p>“Private Company” means a company which by its articles-</p> <p>(i) Restricts the right to transfer its shares;</p> <p>(ii) Except in One person Company, limits the number of its members to two hundred; (provided that where two or more persons hold one or more shares in a company jointly, they shall, for the purpose of this clause, be treated as a single member:</p> <p>Provided further that</p> <p>[A] persons who are in the employment of the company, and</p> <p>[B] persons who having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased,</p> <p>[C] Shall not be included in the number of members.</p> <p>(iii) Prohibits any invitation to the public to subscribe for any securities of the company.</p>
Maximum number of shareholders in a Private Company.	Maximum number of shareholder in a private company increased to 200’ excluding its past and present employees.	Pg. 48 of Entrepreneurship Text Class-XII Sub point 8 to be replaced