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Comparison of Definition under Companies Act, 2013 and Proposed definitions under "Report of the Company Law Committee)

Definition	Original definition under CA-2013	Definition after proposed amendment, if approved.
Associate Company 2(26)	"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. *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;	"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. *Explanation*.—For the purposes of this clause, "significant influence" means control of at least twenty per cent of total ~~share capital~~voting power or control of or participation in taking ~~, or of~~ business decisions under an agreement; Joint venture to be assigned the same meaning as under Indian Accounting Standard (Ind AS) 28, as part of the Explanation to Section 2(6) itself.
Cost Accountant 2(29)	"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);	"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);

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		This definition coverd only a cost accountant in employment and not to cost accountant in practice. It was pointed out that as the tem of cost accountant in practice should also add.
Debenture 2(30)	"debenture" includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;	"debenture" includes debenture stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not; a. Exception for instruments covered under Chapter III D of the RBI act. ~~a.~~b. Exception for deposit accepted by banking Companies, and flexibility to be given to the Central Government, in consultation with RBI and SEBI, as applicable, to carve out other instruments from thedefinition, as may be required.
Financial Year 2(41)	"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:	"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:

	Provided that on an application made by a company or body corporate, which is a holding company or a subsidiary 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: **Provided further** 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;	**Provided** that on an application made by a company or body corporate, which is a holding company or a subsidiary or associate or joint venture 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: **Provided further** 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;
Holding Company 2(46)	holding company", in relation to one or more other companies, means a company of which such companies are subsidiary companies;	holding company", in relation to one or more other companies, means a company of which such companies are subsidiary companies; Explanation: the expression "company" includes any body corporate;
Interested Director 2(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	To omit section 2(49) ~~"interested director" means a director who is in any way, whether by himself or through any of his relatives or firm, body~~

	individuals in which 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;	~~corporate or other association of individuals in which 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~~;
KeyManagarial Personnel 2(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; and (*v*) such other officer as may be prescribed;	"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; and (v) such other person as may be appoint by Board as KMP (*vi*) such other officer as may be prescribed;
Net Worth 2(57)	"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium 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	"net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits ~~and~~ ,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

	include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;	per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;
Nominee Director 2(57A)	Not defined here	Nominee Director" means a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests.
Related Party 2(76)	(*76*) "related party", with reference to a company, means— (*i*) a director or his relative; (*ii*) a key managerial personnel or his relative; (*iii*) a firm, in which a director, manager or his relative is a partner; (*iv*) a private company in which a director or manager is a member or director; (*v*) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital; (*vi*) any body corporate whose	(*76*) "related party", with reference to a company, means— (*i*) a director or his relative; (*ii*) a key managerial personnel or his relative; (*iii*) a firm, in which a director, manager or his relative is a partner; (*iv*) a private company in which a director or manager is a member or director; (*v*) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital; (*vi*) any body corporate whose

	Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (*vii*) any person on whose advice, directions or instructions a director or manager is accustomed to act: **Provided** that nothing in sub-clauses (*vi*) and (*vii*) shall apply to the advice, directions or instructions given in a professional capacity; (*viii*) any company which is— (*A*) a holding, subsidiary or an associate company of such company; or (*B*) a subsidiary of a holding company to which it is also a subsidiary; (*ix*) such other person as may be prescribed;	Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (*vii*) any person on whose advice, directions or instructions a director or manager is accustomed to act: **Provided** that nothing in sub-clauses (*vi*) and (*vii*) shall apply to the advice, directions or instructions given in a professional capacity; (*viii*) any ~~company~~ body corporate (including investing Company or venture of a Company)which is— (*A*) a holding, subsidiary or an associate company of such company; or (*B*) a subsidiary of a holding company to which it is also a subsidiary; (*ix*) such other person as may be prescribed;
Small Company 2(85)	(*85*) "small company" means a company, other than a public company,— (*i*) paid-up share capital of which does not exceed fifty lakh rupees or such higher amount as may be prescribed which	(*85*) "small company" means a company, other than a public company,— (*i*) paid-up share capital of which does not exceed fifty lakh rupees or such higher amount as may be prescribed which

	shall not be more than five crore rupees; or (*ii*) turnover of which as per its last profit and loss account does not exceed two crore rupees or such higher amount as may be prescribed which shall not be more than twenty crore rupees: **Provided** that nothing in this clause shall apply to— (*A*) a holding company or a subsidiary company; (*B*) a company registered under section 8; or (*C*) a company or body corporate governed by any special Act;	shall not be more than five crore rupees; or (*ii*) turnover of which as per its last audited profit and loss account does not exceed two crore rupees or such higher amount as may be prescribed which shall not be more than twenty crore rupees: **Provided** that nothing in this clause shall apply to— (*A*) a holding company or a subsidiary company; (*B*) a company registered under section 8; or (*C*) a company or body corporate governed by any special Act;
Subsidiary Company 2(87)	(*87*) "subsidiary company" or "subsidiary", in relation to any other company (that is to say the holding company), means a company in which the holding company— (*i*) controls the composition of the Board of Directors; or (*ii*) exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies: **Provided** that such class or	(*87*) "subsidiary company" or "subsidiary", in relation to any other company (that is to say the holding company), means a company in which the holding company— (*i*) controls the composition of the Board of Directors; or (*ii*) exercises or controls more than one-half of the ~~total share capital~~total voting power either at its own or together with one or more of its subsidiary companies:

	classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed. *Explanation.*—For the purposes of this clause,— (*a*) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (*i*) or sub-clause (*ii*) is of another subsidiary company of the holding company; (*b*) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors; (*c*) the expression "company" includes any body corporate; (*d*) "layer" in relation to a holding company means its subsidiary or subsidiaries;	~~Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.~~ *Explanation.*—For the purposes of this clause,— (*a*) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (*i*) or sub-clause (*ii*) is of another subsidiary company of the holding company; (*b*) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors; (*c*) the expression "company" includes any body corporate; (*d*) "layer" in relation to a holding company means its subsidiary or subsidiaries;
Turnover 2(91)	"turnover" means the aggregate value of the realisation of amount made from the sale,	The gross amount of revenue recognized in the Profit and loss account from the sale, supply, or

	supply or distribution of goods or on account of services rendered, or both, by the company during a financial year;	distribution of goods or on account of services rendered, or both, by the Company during a financial year.