



BRIEF ON COMPANIES AMENDMENT ACT, 2017

Most awaited amendment



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2018

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 - January 26, 2018
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Background

2016

- **February 1, 2016**
 - Recommendation of changes in CA'13 by Companies Law Committee (CLC)
- **March 16, 2016**
 - Companies (Amendment) Bill, 2016 Proposed

2017

- **July 27, 2017**
 - Lok Sabha passed Companies (Amendment) Bill, 2017
- **December 19, 2017**
 - Rajya Sabha passed Companies (Amendment) Bill, 2017

2018

- **January 3, 2018**
 - Assent of President on Companies (Amendment) Act, 2017
- **Effective Notifications**
 - January 26, 2018
 - February 9, 2018
 - May 7, 2018
 - June 13, 2018
 - July 5, 2018
 - July 27, 2018
 - July 31, 2018
 - August 7, 2018
 - August 15, 2018
 - September 12, 2018
 - September 19, 2018
 - Remaining sections yet to be enforced-2

Purpose

- Facilitating ease of doing business
- Better Corporate Governance
- Enforcement of stringent panel provisions for defaulting companies
- Removal of difficulties in implementation owing to stringent compliance requirements
- Harmonization with accounting standards, the SEBI Act, 1992 and RBI Act, 1934



Applicability

The Central Government can appoint **different dates for enforcing different provisions** of Companies (Amendment) Act 2017.

As on date, **11 notifications dated January 26, 2018, February 9, 2018, May 7, 2018, June 13, 2018, July 5, 2018, July 27, 2018, July 31, 2018, August 7, 2018, August 15, 2018, September 12, 2018 and September 19, 2018** has been issued by the Ministry for enforcing prescribed sections of the 2017 Act.

However, all the sections of 2017 Act has not been come into force till date.





NOTIFICATION DATED JANUARY 26, 2018

Section reference	Amendment	Impact of the Amendment
1 of CA'17	The provisions of shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.	The Central Government can appoint different dates for enforcing different provisions of Companies (Amendment) Act 2017.
4 Memorandum	Upon receipt of an application under sub-section (4), the Registrar may, reserve the name for a period of twenty days from the date of approval or such other period as may be prescribed: In case of an application for reservation of name or for change of its name by an existing company, the Registrar may reserve the name for a period of sixty days from the date of approval.	In case of newly incorporated company, name shall be reserved for 20 days from the date of approval. In case of existing company, name shall be reserved for 60 days from the date of approval.



NOTIFICATION DATED FEBRUARY 9, 2018

Section reference	Amendment	Impact of the Amendment
3A Member severally liable in certain cases	New section has been inserted providing liability of members of company in case of company carries on business for more than six months while the number of members is reduced below the prescribed limit	If at any time the number of members of a company is reduced below the minimum prescribed and the company carries on business more than six months members shall be severally liable for the payment of debts of the company
21 Authentication of Documents, Proceedings & Contracts	An employee of the company duly authorised by the Board may also sign a document or proceeding requiring authentication by a company on behalf of a company	On-going compliance matter An employee of the company can sign the document, once authorized
53 Prohibition on issue of shares at discount	A company may issue shares at a discount to its creditors when its debt is converted into shares in pursuance of any statutory resolution plan or debt restructuring scheme in accordance with any guidelines or directions or regulations specified by the Reserve Bank of India under the Reserve Bank of India Act, 1934 or the Banking (Regulation) Act, 1949	A Company can issue shares at discount to its creditors when its debt is converted into shares as per scheme approved by RBI
62(2) Further issue of share capital	The offer letter for right issue of securities shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.	The offer letter for right issue of securities can now also be dispatched through courier or any other mode having proof of delivery.
76A Punishment in contravention of acceptance of deposits	The company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine not be less than one crore rupees or twice the amount of deposit accepted by the company, whichever is lower but may extend to ten crore rupees; and Every officer in default punishable with imprisonment which may extend to seven years and with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees.	The amount of fine has been revised to one crore rupees or twice the amount of deposit accepted by the company, whichever is lower on the company. The offence of officer in default has been made non-compoundable with imprisonment of seven years.

Section reference	Amendment	Impact of the Amendment
100 Calling of Extra-Ordinary General Meeting	An extraordinary general meeting of the company, other than of the wholly owned subsidiary of a company incorporated outside India, shall be held at a place within India	It has been clarified that a wholly owned subsidiary company of a company incorporated outside India can hold its EGM outside India. For other Companies, it shall be held within India only.
101 Notice of Meeting	A general meeting may be called at shorter notice: in the case of AGM, if consent (in writing or by electronic mode)of not less than 95% of the members entitled to vote received; and in the case of any other general meeting, by members of the company— (a) majority in number of members entitled to vote and who hold not less than 95% of voting power (if the company has a share capital,) or (b) having, not less than 95% of the total voting power exercisable at that meeting (if the company has no share capital) Also if any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting, those members consent shall be taken into account for such resolutions only	A general meeting may be called at shorter notice after according of consent (in writing or by electronic mode): 1. in the case of AGM, consent of not less than 95% of the members entitled to vote 2. in the case of any other general meeting, a. In case of company having share capital, consent of majority in numbers of members and hold not less than 95% of voting power b. In case of company having no share capital, consent of not less than 95% of the total voting power Also if any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting, those members consent shall be taken into account for such resolutions only
110 Postal Ballot	Any item of business required to be transacted by means of postal ballot under clause (a), may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section.	Businesses required to be transacted by means of postal ballot may now be transacted at a general meeting subject to availability of facility to vote by electronic means.

Section reference	Amendment	Impact of the Amendment
123 Declaration of Dividend	<p>Now for computation of profits, any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded.</p> <p>Further, the Board of Directors of a company may declare interim dividend:</p> <p>(i) out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared; or</p> <p>(ii) out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend</p>	<ol style="list-style-type: none"> 1. For computation of profits in case of declaration of dividend, certain amount shall be excluded 2. Any company proposes to declare dividend out of the accumulated profits earned by it in previous years required to transfer the amount to the free reserves 3. Interim dividend can also be declared during the period from closure of financial year till holding of the annual general meeting: <ol style="list-style-type: none"> a. out of the surplus in the profit and loss account; OR b. out of profits of the financial year for which such interim dividend is sought to be declared; OR c. out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend
136 Right of member to copies of audited financial statement	<p>If the copies of the documents can be sent less than 21 days before the date of the meeting,</p> <p>(i) if majority in number entitled to vote agreed and who represent not less than 95% of voting power (if the company has a share capital); or</p> <p>(ii) not less than 95% of the total voting power exercisable at the meeting (if the company has no share capital).</p> <p>Further, Now only listed companies having a subsidiary or subsidiaries are required to place separate audited accounts in respect of each of subsidiary on its website, if any.</p> <p>And a listed company which has a subsidiary incorporated outside India (herein referred to as "foreign subsidiary")—</p> <p>(i) the requirement of this proviso shall be met if consolidated financial statement of such foreign subsidiary is placed on the website of the listed company;</p> <p>(ii) where such foreign subsidiary is not required to get its financial statement, then the holding Indian listed company may place such unaudited financial statement on its website and where such financial statement is in a language other than English, a translated copy of the financial statement in English shall also be placed on the website.</p>	<ol style="list-style-type: none"> 1. Amendment to sub-section (1) of section 136 to provide that copies of audited financial statements and other documents may be sent at shorter notice if 95% of members entitled to vote at the meeting agree for the same 2. Every listed company(Earlier it was every company) having a subsidiary or subsidiaries shall place separate audited accounts w.r.t each subsidiary on its website, if any: And if a subsidiary is incorporated outside India, then <ol style="list-style-type: none"> a. In case such subsidiary is statutorily required to prepare consolidated financial statement under any law of the country of its incorporation, the financials are required to be placed on the website. b. In case such subsidiary is not statutorily required to audit its financial statement under any law of the country of its incorporation, it is optional to place such unaudited financial statement on its website <p>If such financial statement is in a language other than English, a translated copy of the financial statement in English shall also be placed on the website.</p>

Section reference	Amendment	Impact of the Amendment
140 Removal, resignation of auditor and giving of special notice	The lower limit of fine levied under section 140 for non-filing of resignation has been revised to Rs. 50,000/- or the remuneration of the auditor, whichever is less.	Amendment has reduced the quantum of fine in a move towards rationalizing the severe penalty provided under the Act
141 Eligibility, qualifications and disqualifications of auditors	A person who, directly or indirectly, renders any service under section 144 to the company or its holding company or its subsidiary company shall also not be eligible for appointment as an auditor of a company	
143 Powers and duties of auditors and auditing standards	The auditor of a company which is a holding company shall also have the right of access to the records of all its subsidiaries and associate companies in so far as it relates to the consolidation of its financial statements with that of its subsidiaries and associate companies	The auditor of a holding company shall now also have the right of access to the records of all its associate companies w.r.t consolidation of its financial statements
147 Punishment on contravention of provisions relating to appointment of auditors (Section 139 to Section 146)	The fine for the contravention of section 139, section 143, section 144 or section 145, has been revised & shall not be less than Rs. 25,000/- but which may extend to Rs. 5,00,000/- or four times the remuneration of the auditor, whichever is less. However, If the contravention is knowingly or wilful, the lower limit of fine has been reduced to Rs. 50,000/- but which may extend to Rs.25,00,000/- or eight times the remuneration of the auditor, whichever is less along with imprisonment up to 1 year.	Amendment has reduced the quantum of fine in a move towards rationalizing the severe penalty provided under the Act

Section reference	Amendment	Impact of the Amendment
152 Appointment of directors	No person shall be appointed as a director of a company unless he has been allotted the Director Identification Number under section 154 or any other number as may be prescribed under section 153	Any identification number prescribed by CG shall be treated as equivalent to DIN under this Act and will suffice requirement of section 152 and shall be applied in such manner as may be prescribed.
153 Application for allotment of DIN	CG may prescribe any identification number which shall be treated as Director Identification Number for the purposes of this Act and in case any individual holds or acquires such identification number, the requirement of this section shall not apply or apply in such manner as may be prescribed	
160 Right of persons other than retiring directors to stand for directorship	The requirements for deposit of amount of Rs. 1,00,000/-now shall not apply in case of appointment of an independent director or a director recommended by the NRC, or a director recommended by the Board of Directors of the Company, in the case of a company not required to constitute NRC	The requirement of deposit of Rs. 1 Lakh w.r.t nomination of directors shall not be applicable in case of appointment of independent directors or directors nominated by NRC, or a director recommended by BoD
161 Appointment of Additional Directors, alternate & nominee directors	If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board 5[which shall be subsequently approved by members in the immediate next general meeting	Clarification has been provided that every company needs subsequent approval of the shareholders in the immediate next general meeting for the directors appointed by board in casual vacancy (Earlier this sub section was prescribed for public companies)
165 No. of directorships	For reckoning the limit of directorships of twenty companies, the directorship in a dormant company shall not be included	Dormant co. shall now not to be included for reckoning the limit of directorship

Section reference	Amendment	Impact of the Amendment
180 Restrictions on powers of Board	The Board of Directors of a company shall borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its 3[paid-up share capital, free reserves and securities premium], apart from temporary loans obtained from the company's bankers in the ordinary course of business only with the consent of the company by a special resolution	The limit for money borrowed by company under section 180(1)(c) has been revised to aggregate of its paid-up share capital, free reserves and securities premium.
188 Related party transactions	No member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party However, this shall not apply to a company in which ninety per cent. or more members, in number, are relatives of promoters or are related parties	A company in which 90% or more members, in number, are relatives of promoters or are related parties, in that company member who is a related party can now vote on resolution to approve any contract or arrangement
247 Valuation by registered Valuers	The valuer appointed under this section is not allowed to undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time during a period of three years prior to his appointment as valuer or three years after the valuation of assets was conducted by him	



NOTIFICATION DATED MAY 7, 2018

Section reference	Amendment	Impact of the Amendment
2(6) Associate Company	<ul style="list-style-type: none"> Amendment in the definition of “significant influence” by substituting total share capital with total voting power and including control or participation in business decisions in an agreement; Inserting definition of “joint venture” which is as follows: “the expression “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement” 	<p>Need to evaluate requirement of consolidated financial statements based on the revised list of associate company(ies)/ subsidiary(ies)</p> <p>Subsidiary would be decided based on total voting power rather than based on total share capital</p> <p>Thus, preference shareholding will be considered only if payment of dividend is outstanding for more than two years.(Section 47)</p>
2(87) Subsidiary company	Amendment in the definition by substituting total share capital with total voting power	
26 Matters to be stated in Prospectus	Information and reports to be stated in the Prospectus for issue of securities have been removed	<p>Now companies have to disclose such information and reports in Prospectus as may be prescribed by SEBI</p> <p>However, it has been notified that until such time, SEBI specifies the norms, section 26 has to be complied in case of issue of debt securities and non-convertible redeemable preference shares</p>
54 Issue of sweat equity shares	The mandatory requirement of completion of one year of commencement of business of the company for issue of sweat equity shares has been omitted	This option is now available to newly incorporated company

Section reference	Amendment	Impact of the Amendment
77 Duty to register charge	Any charge created by company as per the requirement of RBI will not be governed by the provision of this Section of the Act	If the Company has to create charge on its property(ies) as per direction of the RBI, Section 77 shall not be applicable
78 Application for registration of charge	The provision of Section 77 and 78 of the Act has been aligned with regard to filing of e-form CHG-1 within 30 days of creation of charge	On-going compliance matter
89 Declaration in respect of beneficial interest in any share	<p>The fee for late filing of e-form MGT-6 will be as per the revised fee table prescribed by the Ministry. The additional time limit of 270 days will not be available.</p> <p>For the purposes of this section and section 90, beneficial interest in a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to— (i) exercise or cause to be exercised any or all of the rights attached to such share; or (ii) receive or participate in any dividend or other distribution in respect of such share.</p>	<p>The Company is required to file any declaration of beneficial ownership on its shares (i.e. File e-form MGT 6) within 30 days of date of the receipt of the declaration.</p> <p>Section 89(10) inserted providing details of beneficial interest</p>
92 Annual Return	Additional fee for late filing of e-form MGT 7 will be as per the revised fee table prescribed by the Ministry. The additional time limit of 270 days will not be available.	The Company is required to file e-form MGT 7 within 60 days of date of AGM
117 Resolutions and agreements to be filed	<ul style="list-style-type: none"> • The fee for late filing of e-form MGT-14 will be as per the revised fee table prescribed by the Ministry. The additional time limit of 270 days will not be available; • The minimum penalty amount for late filing of MGT-14 has been reduced from Rs. 5 lakh to Rs. 1 lakh for defaulting company and from Rs. 1 lakh to Rs. 50 thousand for officer in default; • Nothing contained in this clause shall apply to a banking company in respect of a resolution passed to grant loans, or give guarantee or provide security in respect of loans under clause (f) of sub-section (3) of section 179 in the ordinary course of its business 	<ul style="list-style-type: none"> • The Company is required to file e-form MGT 14 within 30 days of passing the prescribed resolution. • Banking companies need not file e-form MGT-14 in relation to resolution for granting loans, or give guarantee or provide security in respect of loans, in ordinary course of business. • Minimum penalty amount for late filing of MGT-14 has been reduced from Rs. 5 lakh to Rs. 1 lakh for defaulting company and from Rs. 1 lakh to Rs. 50 thousand for officer in default

Section reference	Amendment	Impact of the Amendment
121 Report on Annual General meeting	The fee for late filing of e-form MGT-15 will be as per the revised fee table prescribed by the Ministry. The additional time limit of 270 days will not be available	The Company is required to file e-form MGT 15 within prescribed 30 days of the conclusion of the AGM
129 Financial statement	<ul style="list-style-type: none"> • A company has one or more subsidiaries or associate companies, it shall, in addition to financial statements provided under sub-section (2), prepare a consolidated financial statement of the company and of all the subsidiaries and associate companies in the same form and manner as that of its own and in accordance with applicable accounting standards, which shall also be laid before the annual general meeting of the company under sub-section (2) • Provided that the company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries and associate company or companies in such form as may be prescribed • Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed 	<ul style="list-style-type: none"> • Amendment provide for consolidation of accounts of associate companies in addition to subsidiaries in the same form and in accordance with applicable accounting standards. • Explanation to the effect that associate company includes Joint Venture has been deleted as the definition of associate company now include joint ventures • The company shall also attach along with its financial statement, a separate statement containing salient features of the subsidiary and associate company
137 Copy of financial statement to be filed with Registrar	<p>The fee for late filing of e-form AOC-4/AOC-4 XBRL will be as per the revised fee table prescribed by the Ministry. The additional time limit of 270 days will not be available.</p> <p>In the case of a subsidiary which has been incorporated outside India (herein referred to as "foreign subsidiary"), which is not required to get its financial statement audited under any law of the country of its incorporation and which does not get such financial statement audited, the holding Indian company files such unaudited financial statement along with a declaration to this effect</p>	<p>The Company is required to file e-form AOC-4/ AOC-4 XBRL within prescribed 30 days of the conclusion of the AGM</p> <p>If the audit is not required for foreign subsidiary as per law of that country, filing of unaudited financial statement (translated in English) of such foreign subsidiary is sufficient along with the declaration in this regard.</p>
139 Appointment of Auditor	Mandatory requirement of ratification of statutory auditors in every AGM, till the expiry of their term of appointment, has been done away with	It is optional

Section reference	Amendment	Impact of the Amendment
149 Company to have Board of Directors	<ul style="list-style-type: none"> The reference of “calendar year” has been substituted with “financial year” for assessing resident director status in a company; Relaxation of pecuniary relationship provided by stating that remuneration as such director or having transaction not exceeding 10% of his total income will not be considered under the ambit of pecuniary relationship; Revision in the eligibility criteria for Independent Director with regard to relationship of his relative with the company, its holding, subsidiary or associate company; Relaxation provided to circumstances where relative is/ was an employee of the company, its holding, subsidiary or associate company during preceding three financial years. 	<p>In case of newly incorporated company, the requirement of 182 days shall apply proportionately at the end of financial year.</p> <p>The Company is required to consider eligibility criteria for Independent Director as and when the Company decides to appoint another individual as an Independent Director on its Board</p>
164 Disqualification for appointment of director	<ul style="list-style-type: none"> Where a person has been appointed as director in a company which has defaulted in filing its financial statements or annual returns with RoC for any 3 continuous FY or repayment of deposits, such person will not incur disqualification for a period of 6 months from the date of his appointment Disqualification arising due to clause (d), (e) and (g) shall not apply if the appeal has been filed against the disqualification within 30 days 	<ul style="list-style-type: none"> The person will not be disqualified for first six months after joining. No disqualification if appeal is filed in case disqualification occurs on account of conviction of offences of moral turpitude, by court or Tribunal and offences relating to related party transactions prohibited under section 188.
167 Vacation of office of director	<ul style="list-style-type: none"> It has been clarified that where a company has defaulted in filing its financial statements or annual returns with RoC for any 3 continuous FY or repayment of deposits, the office of Directors of that company will stand vacated in all other companies in which they hold directorship, except in the defaulting company. The office of director shall not be vacated in case appeal has been filed against offences of clauses (e) and (f) within 30 days from the date of disqualification. 	<ul style="list-style-type: none"> A disqualified person shall vacate his office from all companies except the company in which default has been made. The office of director shall be vacated in case appeal has been filed against offences of clauses (g) related to prohibited RPT within 30 days from the date of disqualification.
168 Resignation of Director	Requirement of filing DIR 11 by resigning Director has now be made optional	The amendment provision will be communicated to the resigning director when such event arises Advisable to file the form

Section reference	Amendment	Impact of the Amendment
173 Meetings of Board	Directors have now been permitted to participate through electronic mode on restricted items, where there is proper quorum through physical presence	If the quorum is physically present, any other director can present through electronic mode even in restricted matters
177 Audit Committee	<ul style="list-style-type: none"> The requirement of forming Audit committee has been revised from "every listed company to "every listed public company"; The Audit Committee shall now recommend to the Board, any related party transactions, other than those mentioned in Section 188 of the Act, not approved by them; Power granted to Audit Committee to ratify any transaction for an amount not exceeding Rs. 1 crore if such transaction is not ratified within 3 months, it will become voidable at the option of the Audit Committee; Requirement of Audit Committee approval will not be applicable on transactions, other than transactions mentioned in Section 188 of the Act, between a holding WoS company. 	<p>Not applicable to private listed companies</p> <p>Related Party transaction not ratified by audit committee are voidable. If such transaction is with a related party to any director or authorised by director, such director shall indemnify the company against any loss incurred.</p> <p>Approval of committee w.r.t transaction between holding company and its WOS company will only be required, if the transactions fall under section 188.</p>
178 Nomination and Remuneration Committee and Stakeholder Relationship Committee	<ul style="list-style-type: none"> The requirement of forming NRC has been revised from "every listed company to "every listed public company"; Role of NRC has been revamped. As per the amendment NRC will specify the manner of effective evaluation of the Board, its Committees and individual directors, however NRC need not carry out the performance evaluation by itself. Performance evaluation can now be carried out by NRC or Board or through an external independent agency; NRC Policy will have to be placed on the website of the Company and the salient features of the Policy with the changes, if any, along with the web address will be required to be disclosed in the Board's Report; The term 'non-consideration of resolution of any grievance' have been substituted with 'inability to resolve or consider any grievances' in Stakeholders Relationship Committee's role in resolving investor grievances. 	<p>Not applicable to private listed companies</p> <p>NRC Policy needs to be revised to give effects to the amendments and placed on the website</p> <p>Necessary changes also incorporated in the Board's Report for the FY 2017-18</p>

Section reference	Amendment	Impact of the Amendment
185 Loans to Director	Blanket restriction on inter-corporate loans has been removed. As per the amendment, a company, by passing a special resolution, can now advance loan or give guarantee to any other company in whom any of the director is interested. Further, condition attached to this loan is that the loans will have to be utilized by the borrowing company for its principal business activities	Entire section has been re-written Loan can be given only to another company, not to director or his relative or any person Meaning of any other person in whom director is interested has been changed and excludes directors and firm
186 Loan and investment by company	<ul style="list-style-type: none"> Employees of the company has been excluded from the term 'person to whom a company cannot directly or indirectly give loan exceeding the prescribed threshold; Requirement of special resolution has been exempted where loan or guarantee is given by the company to its WoS or Joint Venture company or where acquisition is made by holding company by way of subscription, purchase or otherwise of the securities of its WoS; Exemption from complying with the provision of the Section has been extended to a right issue made by a body corporate to specifically include foreign company 	Not applicable to loan to employees. Further, Company needs to review the section prior of providing loan or guarantee to its employee or to any body corporate in excess of the prescribed limit
403 Fee for filing	The protection available to company to file e-forms within 270 days has been done away with. As per amendment, where annual filing documents, i.e. AOC-4 XBRL and MGT-7 are not filled within the prescribed time period, the e-forms could be submitted with additional fees of Rs. 100 per day In addition to payment of additional fee, the company filling e-form beyond the time prescribed in respective section will have to undergo condonation of delay	Ongoing compliance matter Company is required to file e-forms within the time period specified in relevant Section

Other notified provisions are:

- i) Section 410 – Constitution of Appellate Tribunal;
- ii) Section 435 – Establishment of Special Courts;
- iii) Section 438 – Application of Code to proceeding before Special Court;
- iv) Section 439 – Offences to be non-cognizable;
- v) Section 440 – Transitional provision



NOTIFICATION DATED JUNE 13, 2018

S. No.	Section	Reference	Amendment
1	90	Investigation of Beneficial Ownership of Shares in Certain Cases	New Provision has been inserted
2	89(10)	Declaration of Beneficial Interest	<ul style="list-style-type: none"> • Beneficial interest in a share includes, directly or indirectly, through any contract, arrangement or otherwise, the right or entitlement of a person alone or together with any other person to— • (i) exercise or cause to be exercised any or all of the rights attached to such share; or • (ii) receive or participate in any dividend or other distribution in respect of such share
3	93	Return to be Filed with Registrar in Case Promoters' Stake Changes	No requirement of filing Form MGT-10 with ROC for change in no. of shares held by promoters
4	94	Place of Keeping and inspection of Registers, Returns	<ul style="list-style-type: none"> • Particulars of prescribed registers, indexes, or returns shall not be made available for inspection. • No advance intimation to roc of resolution regarding change in place, which is to be approved by SR.
5	96	Annual General Meeting	AGM of an unlisted company may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance
6	216	Investigation of ownership of a Company	CG can appoint inspectors to investigate and report matters relating to company and its membership for purpose of determining the owners



NOTIFICATION DATED JULY 5, 2018

S. No.	Section	Reference	Amendment
1	82	Company to report Satisfaction of charge	No provision for granting extension in filing satisfaction of charge. However, ROC can allow such filing within 300 days on payment of additional fees.



NOTIFICATION DATED JULY 27, 2018

S. No.	Section	Reference	Amendment
1	7 (1)(c)	Incorporation of the Company	Declaration from each subscriber is sufficient that he is not guilty of any fraud or misfeasance under CA'13 and all documents filed are correct. Affidavit is not required.
2	12(1) & (4)	Registered Office of the Company	Intimation of RO or change in RO should be filed within 30 days [Presently its 15 days]



NOTIFICATION DATED JULY 31, 2018

S. No.	Section	Reference	Amendment
1	134	Financial Statement & Board Report	<ul style="list-style-type: none"> • FS, including consolidated FS, is also required to be signed by CEO(Whether hold directorship or not) • BR should contain link of web address, if any, where AR is placed • Annual evaluation of Board, Committees and individual directors could be made by third agency • If disclosures referred to in 134(3) have been included in the FS, such disclosures shall be referred to instead of being repeated in the BR • Salient features of the policy and any change therein are specified in brief in the BR is enough and the web-address to be indicated therein at which the complete policy is available • CG can prescribe abridge BR for OPC, small companies • Corresponding rules (Rule 8 of Chapter IX) has also been revised.



NOTIFICATION DATED AUGUST 7, 2018

S. No.	Section	Reference	Amendment
1	42	Private Placement	<p>The Broad changes are as follows:</p> <ul style="list-style-type: none"> • Requirement of identification of persons by Board has been introduced to whom private placement shall be made. • Deletion of requirement w.r.t. value of offer or invitation per person of Rs. 20,000/- of face value of the securities has been done away with. • Restriction on use of Share Application Money until the allotment is made and the return of allotment, in e-form PAS – 3, is filed with the Registrar of Companies. • E-form PAS-3 is required to be filed within 15 days of allotment instead of 30 days. • Separate penal provisions for non-filing of e-form PAS – 3 has been introduced and the company, its promoters and directors shall be liable with a penalty Rs. 1,000/- per day but not exceeding Rs. 25 Lakh. • Common private placement offer cum application form, i.e. PAS-4 has been revised and has a small section of application letter that needs to be filed in by the applicant. This application needs to be submitted by the applicant along with subscription money paid either by cheque, demand draft or other banking channel but not by cash. • PAS-4 shall be issued post filing of special resolution or Board Resolution with ROC (also applicable for private companies) • Earlier there was a restriction that no fresh offer or invitation can be made unless the allotment w.r.t. any earlier offer has been completed or the offer has been withdrawn or abandoned. Now a carve out has been provided that where the number of persons to whom the offer is made does not exceed 200, the company may, at any time, make more than one issue of securities to such class of identified persons. • Restriction on rights of renunciation of the private placement offer has been made by the issuer company. The earlier section and rules did not have the said restriction. • Revision of penalty amount has been made from ‘the amount involved in the offer or invitation or Rupees Two Crore, whichever is higher’ to ‘the amount involved in the offer or invitation or Rupees Two Crore, whichever is lower’. • Requirement to file PAS-5 along with offer letter, PAS-4 has been done away with. • Detailed information required to be mentioned in explanatory statement annexed to notice of general meeting has been provided. • Corresponding rules (Rule 14 of Chapter III) has also been revised



NOTIFICATION DATED AUGUST 15, 2018

S. No.	Section	Reference	Amendment
1	73	Acceptance of deposits from public	<ul style="list-style-type: none"> Maintenance of Deposit Repayment Reserve for Public Deposits is proposed to be changed to 20% of the amounts maturing during the next year in place of 15% of two years. In case of defaulting co.-Permanent ban. Condition of deposit insurance for public deposits is removed
2	74	Repayment of Public deposit accepted before 01.04.2014	It can be repaid within 3 years or the period for which deposits were accepted, whichever is earlier.
3	366	Companies Capable of Being Registered	The company formed under another act having atleast 2 or more members, can register as a company under this act
4	374	Obligations of Companies Registering Under this Part	Once LLP converted into company, LLP deemed to have been dissolved under LLP act



NOTIFICATION DATED SEPTEMBER
12, 2018

S. No.	Section	Reference	Amendment
1	196	Appointment of MD. WTD or Manager	If no special resolution is passed for appointment of person who has attained the age of 70 but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the CG is satisfied, on an application made by the Board,, then such appointment can be made
2	197	Overall Maximum Managerial Remuneration and Managerial Remuneration in Case of Absence or Inadequacy of Profits	<ul style="list-style-type: none"> • Approval of CG in case of payment of Managerial remuneration exceeding limits has been removed. • The total remuneration can be increased by special resolution in general meeting. • However, if the company has defaulted in payment of dues to any bank or PFI or non-convertible debenture holders or any other secured creditor, the prior approval of the concerned, as the case may be, to be obtained by the company before obtaining the approval in the general meeting • Other provisions has also been amended
3	198	Calculations of Profit	If company is an investment company, credit shall be given of profits by way of premium on shares or debentures of the company, which are issued or sold by the company Credit for any amount representing unrealised gains, notional gains or revaluation of assets shall not be given
4	200	Company can fix remuneration within limits	Approval of CG is required only if a person above age of 70 has to be appointed as MD/WTD but SR has not been passed, though majority have agreed to such appointment
5	201	Procedures relating to approval of MD/WTD if age exceeds 70	



NOTIFICATION DATED SEPTEMBER
19, 2018

S. No.	Section	Reference	Amendment
1	135	CSR	<ul style="list-style-type: none">• A company which is not required to appoint an independent director under act, it shall have in its Corporate Social Responsibility Committee two or more directors• Liability to spend will be based on net worth or net worth of immediately preceding financial years• net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198



LIST OF UNNOTIFIED SECTIONS

S. No.	Section	Reference	Amendment
1	92	Annual Return	Indebtedness of company is not required to be disclosed Name, address, country, etc. of FII need not be submitted CG can prescribe abridged return for OPC, small companies and other class of companies Return required to be placed on website of company with link. The link instead of extract shall be part of BR.
2	406	Power to Modify Act in its Application to Nidhis	Relaxation applicable to Nidhi Companies are extended to Mutual Benefit Society

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