

CMA FINAL COMPANY LAW CHANGES

Changes in Companies Act, 2013 which were not updated in Raghav Sir's handwritten notes presently circulated to students

Chapter 1A BASICS & INCORPORATION

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| 1. | Page Number 20-21 Section 16 Point Number/Name 4 Name change must be done within 3 months whether Central Government order has come Suo motu or after a complaint. <i>There is no more 6 months rule now.</i> |
| 2. | Page Number 35-36 Section NA Point Number/Name OPC under TYPES OF COMPANIES It can be converted into any other kind of company without any restrictions regarding number of years of operation, paid up share capital and turnover. Moreover, Member and Nominee of OPC must be Indian Citizen but May or May not be Indian Resident. Resident means Stay of 120 days of more. |
| 3. | Page Number 54 Section Rule 23A Point Number/Name Nidhi Company (Compliance with Rule 3A) Instead of 6 months, there will be 9 months. |
| 4. | Page Number 55 Section Rule 23B Point Number/Name Nidhi Company (Companies declared as Nidhi....) Instead of 6 months, there will be 9 months. |
| 5. | Page Number 55-64 Section 378A TO 378ZU (New Series) 581A TO 581ZT (Old series) Point Number/Name PRODUCER COMPANY An entire new series of sections has been added in the new company law. Separate Notes are to be read. Notes from 55 to 64 in the existing file should be ignored. New Notes on Producer Company can be downloaded from the below link: |

Chapter 1B DEPOSITS

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| 6. | Page Number 6 Section NA Point Number/Name 17 (Receipts not to be considered Deposit) In case of start-up company, it should be 10 years instead of 5 years. |
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Chapter 1C DIVIDEND

NO CHANGE

Chapter 1D ACCOUNTS & AUDIT

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| 7. | Page Number 5-6 Section 128 Point Number/Name Books of Accounts in Electronic Mode A point is to be added after all points in this heading. From the Financial Year 2022-23, Every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. |
| 8. | Page Number 7 Section 128 Point Number/Name Person liable for non-compliance and punishment Point 2(c) regarding Imprisonment is to be deleted. This means there will be only monetary fine, and no imprisonment apply. |
| 9. | Page Number 10 Section 129A Point Number/Name Periodical financial results. Before Section 130, a new section is to be added, which is Section 129A. 129A. Periodical financial results. The Central Government may, require such class or classes of unlisted companies, as may be prescribed, — (a) to prepare the financial results of the company on such periodical basis and in such form as may be prescribed. (b) to obtain approval of the Board of Directors and complete audit or limited review of such periodical financial results in such manner as may be prescribed; and (c) file a copy with the Registrar within a period of thirty days of completion of the relevant period with such fees as may be prescribed. |
| 10. | Page Number 17-18 |

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| | <p>Section 134 Point Number/Name Point Number 8 regarding punishment</p> <p>The entire point 8 should be replaced with the following point:</p> <p>If a company is in default in complying with the provisions of this section, the company shall be liable to a penalty of three lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.</p> |
| 11. | <p>Page Number 20 Section 134 Point Number/Name Point Number 18 regarding contents of Board's Report</p> <p>Addition of 2 more points after Point 18:</p> <p>19. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year.</p> <p>20. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.</p> |
| 12. | <p>Page Number 23 Section 135 Point Number/Name Point Number 12 regarding excess CSR Expenditure.</p> <p>Point 12 should be replaced with the following NEW Point 12:</p> <p>If the company spends an amount in excess of the required 2%, such company may set off such excess amount against the requirement to spend for next 3 financial years.</p> |
| 13. | <p>Page Number 24 Section 135 Point Number/Name Point Number 23 regarding punishment</p> <p>Point 23 should be replaced with the following NEW Point 23:</p> <p>If a company is in default in complying with the provisions this section, the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.</p> |
| 14. | <p>Page Number 24 Section 135 Point Number/Name Addition of New Point after Point 23</p> <p>Point 24.</p> |

The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

“Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

Point 25.

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of 180 days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than 90 days with the approval of the Board based on reasonable justification.

Point 26.

Where the amount to be spent by a company under CSR Provisions does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall be discharged by the Board of Directors of such company.

Point 27.

“Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in Schedule VII to the Act;
- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;

- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

(iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

(v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

Point 28.

“CSR Policy” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

Point 29

“Net Profit” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-

(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of section 381.

Point 30

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 3 years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Point 31

“International Organisation” means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

Point 32. CSR Implementation

(1) The Board shall ensure that the CSR activities are undertaken by the company itself or through -

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

(2) (a) Every entity, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021:

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.

(b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.

(c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.

(3) A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

(4) A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

(5) The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

(6) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and yearwise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

Point 33.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

(b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;

(c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(d) monitoring and reporting mechanism for the projects or programmes; and

(e) details of need and impact assessment, if any, for the projects undertaken by the company:

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| | <p>Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.</p> <p>Point 34. Every company having average CSR obligation of ten crore rupees or more in pursuance of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.</p> <p>Point 35. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.</p> |
| 15. | <p>Page Number 29 Section 137 Point Number/Name Point Number 8 regarding Punishment.</p> <p>Change in Punishment is described below:</p> <p>8a- Company will pay penalty of Rs. 10,000 and in case of continuing failure, further penalty of Rs. 100 per day, subject to a maximum of Rs. 2 Lakhs.</p> <p>8b- MD, CFO, WTD-Finance, will pay penalty of Rs. 10,000 each.</p> <p>8c- These people will pay Rs. 100 per day in case of continuing default, upto maximum of Rs. 50,000.</p> <p>8d- No Change.</p> |
| 16. | <p>Page Number 39 Section 147 Point Number/Name Point Number 1 regarding Punishment.</p> <p>Change in Punishment is described below: Point 1c is to be deleted, which means there will be no more imprisonment.</p> |
| 17. | <p>Page Number 48 Section 143 Point Number/Name Point Number a to m regarding Contents of Audit Report</p> <p>Following are the changes:</p> <ol style="list-style-type: none"> Existing Point 'm' is deleted. New Points are to be added which are as follows: |

New Point m.

(i) Whether the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) Whether the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

New Point n

Whether the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

New Point o

Whether the company, in respect of financial years commencing on or after the 1st April, 2022, has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

Chapter 1EF DIRECTORS, BOARD MEETING & KMP**18. Page Number 8****Section 173****Point Number/Name 4** regarding participation in the Board Meeting

Point number 4 is to be deleted. Now, all the matters can be discussed through video conferencing including those 5 which were prohibited earlier.

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| 19. | <p>Page Number 22 Section 165 Point Number/Name 8 regarding punishment.</p> <p>Existing Point 8 shall be replaced with the following new point 8:</p> <p>If a person accepts an appointment as a director in violation of this section, he shall be liable to a penalty of two thousand rupees for each day after the first during which such violation continues, subject to a maximum of two lakh rupees.</p> |
| 20. | <p>Page Number 32 Section 172 Point Number/Name Entire Paragraph</p> <p>Paragraph of Section 172 is to be replaced with the following new paragraph:</p> <p>If a company is in default in complying with any of the provisions of this Chapter and for which no specific penalty or punishment is provided therein, the company and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees, and in case of continuing failure, with a further penalty of five hundred rupees for each day during which such failure continues, subject to a maximum of three lakh rupees in case of a company and one lakh rupees in case of an officer who is in default.</p> |
| 21. | <p>Page Number 49 Section 184 Point Number/Name Last Point on this Page.</p> <p>Last line regarding Imprisonment is to be deleted. There will be no more imprisonment.</p> |
| 22. | <p>Page Number 63 Section 188 Point Number/Name Point 5</p> <p>Existing Point 5 is to be replaced with New Point 5 which is as follows:</p> <p>Any director or any other employee of a company, who had entered into or authorized the contract or arrangement in violation of the provisions of this section shall, —</p> <ul style="list-style-type: none"> (i) in case of listed company, be liable to a penalty of twenty-five lakh rupees and (ii) in case of any other company, be liable to a penalty of five lakh rupees. |
| 23. | <p>Page Number 66 Section 204 Point Number/Name Point 2 regarding applicability of Secretarial Audit</p> <p>After the point 2(c), a new point 2(d) is to be added which is as follows:</p> <p>2(d) every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more.</p> |

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| 24. | <p>Page Number 66 Section 204 Point Number/Name Point 7 regarding Punishment</p> <p>Existing Point 7 is to be replaced with the following New Point 7</p> <p>If a company or any officer of the company or the company secretary in practice, contravenes the provisions of this section, the company, every officer of the company or the company secretary in practice, who is in default, shall be liable to a penalty of two lakh rupees.</p> |
| 25. | <p>Page Number 78 Section 107 Point Number/Name Point 1 of Managerial Remuneration payable by companies having no profit or inadequate profit</p> <p>Existing Point 1 is to be replaced with the following New Point 1</p> <p>If the company has lack of profits or no profits at all, remuneration can still be paid as per Schedule V to all directors including Independent Director.</p> |
| 26. | <p>Page Number 81 Section 163 Point Number/Name Option to Adopt Principle of Proportional Representation for Appointment of Directors. A SECTION TO BE INSERTED</p> <p>This section was inadvertently missed in the original set of notes. Following is the text of the said section:</p> <p>Notwithstanding anything contained in this Act, the articles of a company may provide for the appointment of not less than two-thirds of the total number of the 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 and such appointments may be made once in every three years and casual vacancies of such Directors shall be filled as provided in sub-section (4) of section 161.</p> |
| 27. | <p>Page Number 81 Section 201 Point Number/Name Forms of, and Procedure in Relation to, Certain Applications A SECTION TO BE INSERTED</p> <p>This section was inadvertently missed in the original set of notes. Following is the text of the said section:</p> <p>Every application made to the Central Government under Section 196, shall be in MR-2 Form. Every such application seeking approval shall be made to the Central Government within a period of ninety days from the date of such appointment. Before any application is made by a company to the Central Government under Section 196, there shall be issued by or on behalf of the company a general notice to the members thereof, indicating the nature of the application proposed to be made.</p> |

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| | <p>(b) Such notice shall be published at least once in a newspaper in the principal language of the district in which the registered office of the company is situate and circulating in that district, and at least once in English in an English newspaper circulating in that district.</p> <p>(c) The copies of the notices, together with a certificate by the company as to the due publication thereof, shall be attached to the application.</p> |
| 28. | <p>Page Number 81 Section 202 Point Number/Name Compensation for Loss of Office of Managing or Whole-time Director or Manager. A SECTION TO BE INSERTED</p> <p>This section was inadvertently missed in the original set of notes. Following is the text of the said section:</p> <p>(1) A company may make payment to a managing or whole-time director or manager, but not to any other director, by way of compensation for loss of office, or as consideration for retirement from office or in connection with such loss or retirement.</p> <p>(2) No payment shall be made under sub-section (1) in the following cases, namely:—</p> <p>(a) where the director resigns from his office as a result of the reconstruction of the company, or of its amalgamation with any other body corporate or bodies corporate, and is appointed as the managing or whole-time director, manager or other officer of the reconstructed company or of the body corporate resulting from the amalgamation;</p> <p>(b) where the director resigns from his office otherwise than on the reconstruction of the company or its amalgamation as aforesaid;</p> <p>(c) where the office of the director is vacated under sub-section (1) of section 167;</p> <p>(d) where the company is being wound up, whether by an order of the Tribunal or voluntarily, provided the winding up was due to the negligence or default of the director;</p> <p>(e) where the director has been guilty of fraud or breach of trust in relation to, or of gross negligence in or gross mismanagement of, the conduct of the affairs of the company or any subsidiary company or holding company thereof; and</p> <p>(f) where the director has instigated, or has taken part directly or indirectly in bringing about, the termination of his office.</p> <p>(3) Any payment made to a managing or whole-time director or manager in pursuance of sub-section (1) shall not exceed the remuneration which he would have earned if he had been in office for the remainder of his term or for three years, whichever is shorter, calculated on the basis of the average remuneration actually earned by him during a period of three years immediately preceding the date on which he ceased to hold office, or where he held the office for a lesser period than three years, during such period:</p> <p>Provided that no such payment shall be made to the director in the event of the commencement of the winding up of the company, whether before or at any time within twelve months after, the date on which he ceased to hold office, if the assets of the company</p> |

on the winding up, after deducting the expenses thereof, are not sufficient to repay to the shareholders the share capital, including the premiums, if any, contributed by them.

(4) Nothing in this section shall be deemed to prohibit the payment to a managing or whole-time director, or manager, of any remuneration for services rendered by him to the company in any other capacity.

Chapter 1G INQUIRY INSPECTION & INVESTIGATION

NO CHANGE

Chapter 1H COMPROMISE ARRANGEMENT AMALGAMATION

29. Page Number 6

Section 233

Point Number/Name Amalgamation of Certain Companies (Point 3 is to be removed and more points are to be added.

Merger or Amalgamation of certain companies:-

(1) The notice of the proposed scheme , under clause (a) of section 233 of the Act, to invite objections or suggestions from the Registrar and official liquidator or persons affected by the scheme shall be in Form No.CAA.9.

(1A) A scheme of merger or amalgamation under section 233 of the Act may be entered into between any of the following class of companies, namely:-

(i) two or more start-up companies; or

(ii) one or more start-up company with one or more small company.

Explanation.- For the purposes of this sub-rule, “start-up company” means a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognised as such in accordance with notification number G.S.R. 127 (E), dated the 19th February, 2019 issued by the Department for Promotion of Industry and Internal Trade.]

(2) For the purposes of clause (c) of sub section (1) of section 233 of the act the declaration of solvency shall be filed by each of the companies involved in the scheme of merger or amalgamation in Form No.CAA.10 along with the fee as provided in the companies (Registration offices and fees) Rules, 2014, before convening the meeting of members and creditors for approval of the scheme.

(3) For the purpose of clause (b) and (d) of sub-section (1) of section 233 of the Act, the notice of the meeting to the members and creditors shall be accompanied by-

(a) a statement , as far as applicable, referred to in sub section (3) of section 230 of the act read with sub rule (3) of rule 6 hereof ;

(b) The declaration of solvency made in pursuance of clause (c) of sub-section (1) of section 233 of the Act in Form No.CAA.10;

(c) A copy of the scheme.

(4) (a) For the purposes of sub-section (2) of section 233 of the Act, the transferee company shall, within seven days after the conclusion of the meeting of members or class of members or creditors, file a copy of the scheme as agreed to by the members and creditors, along with a report of the result of each of the meetings in Form no. CAA.11 with the central government, along with the fees as provided under the companies (Registration offices and fees) rules, 2014.

(b) Copy of the scheme shall also be filed, along with Form No. CAA.11 with-

(i) the registrar of companies in form no. GNL-1 along with fees provided under the companies (Registration offices and fees) rules, 2014; and

(ii) the official liquidator through hand delivery or by registered post or speed post.

(5) Where no objection or suggestion is received to the scheme from the Registrar of companies and official Liquidator or where the objection or suggestion of registrar and official liquidator is deemed to be not sustainable and the central government shall issue a confirmation order of such scheme of merger or amalgamation in Form No. CAA.12.

(6) Where objections or suggestions are received from the registrar of companies or official liquidator and the central government is of the opinion, whether on the basis of such objections or otherwise, that the scheme is not in the public interest of creditors, it may file an application before the tribunal in Form No. CAA.13 within sixty days of the receipt of the scheme stating its objections or opinion and requesting that tribunal may consider the scheme under section 232 of the act.

(7) The confirmation order of the scheme issued by the central government or tribunal under sub section (7) of section 233 of the Act, shall be filed, within thirty days of the receipt of the order of confirmation, in Form INC-28 along with the fees as provided under companies (registration offices and fees) rules 2014 with the Registrar of companies respectively.

(8) For the purpose of this rule, it is clarified that with respect to schemes of arrangement or compromise falling within the purview of section 233 of the act, the concerned companies may, at their discretion, opt to undertake such schemes under sections 230 to 232 of the Act, including where the condition prescribed in clause (d) of sub-section (1) of section 233 of the act has not been met.

Chapter 1I OPPRESSION MISMANAGEMENT

NO CHANGE

Chapter 1J SICK COMPANIES

30. Entire set of provisions are deleted.

Chapter 1K WINDING UP

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| 31. | <p>Page Number 5 Section 284 Point Number/Name Promoters Directors to co-operate</p> <p>New Point is to be added after the existing paragraph:</p> <p>If any person required to assist or cooperate with the Company Liquidator does not assist or cooperate, the Company Liquidator may make an application to the Tribunal for necessary directions. On receiving an application, the Tribunal shall, by an order, direct the person required to assist or cooperate with the Company Liquidator to comply with the instructions of the Company Liquidator and to cooperate with him in discharging his functions and duties.</p> |
| 32. | <p>Page Number 9 Section 302 Point Number/Name Dissolution of Company by Tribunal</p> <p>Existing Paragraph is to be replaced with following set of provisions:</p> <p>(1) When the affairs of a company have been completely wound up, the Company Liquidator shall make an application to the Tribunal for dissolution of such company.</p> <p>(2) The Tribunal shall on an application filed by the Company Liquidator or when the Tribunal is of the opinion that it is just and reasonable in the circumstances of the case that an order for the dissolution of the company should be made, make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.</p> <p>(3) The Tribunal shall, within a period of thirty days from the date of the order, —</p> <p>(a) forward a copy of the order to the Registrar who shall record in the register relating to the company a minute of the dissolution of the company; and</p> <p>(b) direct the Company Liquidator to forward a copy of the order to the Registrar who shall record in the register relating to the company a minute of the dissolution of the company.</p> |
| 33. | <p>Page Number 15 Section 356 Point Number/Name Powers of Tribunal to Declare Dissolution of Company Void.</p> <p>Existing Paragraph is to be replaced with following set of provisions:</p> <p>(1) Where a company has been dissolved, whether in pursuance of this Chapter or of section 232 or otherwise, the Tribunal may at any time within two years of the date of the dissolution, on application by the Company Liquidator of the company or by any other person who appears to the Tribunal to be interested, make an order, upon such terms as the Tribunal thinks fit, declaring the dissolution to be void, and thereupon such proceedings may be taken as if the company had not been dissolved.</p> <p>(2) The Tribunal shall—</p> |

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| | <p>(a) forward a copy of the order, within thirty days from the date thereof, to the Registrar who shall record the same; and</p> <p>(b) direct the Company Liquidator or the person on whose application the order was made, to file a certified copy of the order, within thirty days from the date thereof or such further period as allowed by the Tribunal, with the Registrar who shall record the same.</p> |
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Chapter 1L FOREIGN COMPANIES

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| 34. | <p>Page Number 3</p> <p>Section 379</p> <p>Point Number/Name Point 2 and 3 regarding Exemptions</p> <p>Point No. 2 and 3 are to be deleted.</p> |
| 35. | <p>Page Number 15</p> <p>Section 392</p> <p>Point Number/Name Point 1(c)</p> <p>Pomint 1(c) is to be deleted regarding Imprisonment. There will be no more imprisonment.</p> |
| 36. | <p>Page Number 16</p> <p>Section 393A</p> <p>Point Number/Name New Section after Section 393</p> <p>Following new section is to be inserted:</p> <p>Section 393A. Exemptions under this Chapter</p> <p>The Central Government may, by notification, exempt any class of-</p> <p>(a) foreign companies.</p> <p>(b) companies incorporated or to be incorporated outside India, whether the company has or has not established, or when formed may or may not establish, a place of business in India, as may be specified in the notification, from any of the provisions of this Chapter and a copy of every such notification shall, as soon as may be after it is made, be laid before both Houses of Parliament.</p> |

Chapter 1M OFFENCES & PENALTIES

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| 37. | <p>Page Number 9</p> <p>Section 446B</p> <p>Point Number/Name LESSER PENALTIES FOR CERTAIN COMPANIES</p> <p>The entire text of the section is to be replaced with the following text:</p> <p>Notwithstanding anything contained in this Act, if penalty is payable for non-compliance of any of the provisions of this Act by a One Person Company, small company, start-up company or Producer Company, or by any of its officer in default, or any other person in respect of such</p> |
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| | <p>company, then such company, its officer in default or any other person, as the case may be, shall be liable to a penalty which shall not be more than one-half of the penalty specified in such provisions subject to a maximum of two lakh rupees in case of a company and one lakh rupees in case of an officer who is in default or any other person, as the case may be.</p> <p>Explanation. —For the purposes of this section-</p> <p>(a) "Producer Company" means a company as defined in clause (l) of section 378A;</p> <p>(b) "start-up company" means a private company incorporated under this Act or under the Companies Act, 1956 and recognised as start-up in accordance with the notification issued by the Central Government in the Department for Promotion of Industry and Internal Trade.</p> |
| 38. | <p>Page Number 13 Section 450 Point Number/Name PUNISHMENT WHERE NO SPECIFIC PENALTY OR PUNISHMENT IS PROVIDED</p> <p>The entire text of the section is to be replaced with the following text:</p> <p>If a company or any officer of a company or any other person contravenes any of the provisions of this Act or the rules made thereunder, or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, and for which no penalty or punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be liable to a penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one thousand rupees for each day after the first during which the contravention continues, subject to a maximum of two lakh rupees in case of a company and fifty thousand rupees in case of an officer who is in default or any other person</p> |
| 39. | <p>Page Number 14 Section 452 Point Number/Name Punishment for wrongful withholding of property</p> <p>A new point is to be added after Point 5. So, new Point 6 is as follows:</p> <p>Provided that the imprisonment of such officer or employee, as the case may be, shall not be ordered for wrongful possession or withholding of a dwelling unit, if the court is satisfied that the company has not paid to that officer or employee, as the case may be, any amount relating to-</p> <p>(a) provident fund, pension fund, gratuity fund or any other fund for the welfare of its officers or employees, maintained by the company.</p> <p>(b) compensation or liability for compensation under the Workmen's Compensation Act, 1923 in respect of death or disablement.</p> |
| 40. | <p>Page Number 17 Section 454 Point Number/Name Adjudication of penalties.</p> <p>After Point 15, a new point is to be added:</p> |

Provided that in case the default relates to non-compliance of sub-section (4) of section 92 or sub-section (1) or sub-section (2) of section 137 and such default has been rectified either prior to, or within thirty days of, the issue of the notice by the adjudicating officer, no penalty shall be imposed in this regard and all proceedings under this section in respect of such default shall be deemed to be concluded.

Chapter 1N NCLT NCLAT

41. Page Number 2

Section 410

Point Number/Name CONSTITUTION OF NCLAT

Changes are to be made as follows:

1. Point 3 is to be deleted.
2. Existing Point 4 is to be replaced with the following New Point 4

NCLAT will take up appeal against NCLT, NFRA and Competition Commission of India under Section 53A of Competition Act, 2002

42. Page Number 5

Section 418A

Point Number/Name BENCHES OF NCLAT

This is a new section. Its text is as follows:

418A Benches of Appellate Tribunal

(1) The powers of the Appellate Tribunal may be exercised by the Benches thereof to be constituted by the Chairperson:

Provided that a Bench of the Appellate Tribunal shall have at least one Judicial Member and one Technical Member.

(2) The Benches of the Appellate Tribunal shall ordinarily sit at New Delhi or such other places as the Central Government may, in consultation with the Chairperson, notify:

Provided that the Central Government may, by notification, after consultation with the Chairperson, establish such number of Benches of the Appellate Tribunal, as it may consider necessary, to hear appeals against any direction, decision or order referred to in section 53A of the Competition Act, 2002 and under section 61 of the Insolvency and Bankruptcy Code, 2016.