SUMMARY OF AMENDMENTS CORPORATE LAW
CA-FINAL
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Comparative Statement at a Glance

COMPANIES ACT, 1956		COMPANIES ACT, 2013	
SECTION	**PROVISION**	**SECTION**	**PROVISION**
Sec 211 (3C)	Form and contents of Balance Sheet and Profit and Loss account.	Sec 133	Power of Central Government to Prescribe Accounting Standards
Sec 207	Penalty for failure to distribute dividend within 30 days	Sec 127	Punishment for failure to distribute dividends
Sec 260 Sec 262 Sec 313	Additional Directors Filing of casual vacancy among directors Appointment and term of office of alternate directors	Sec 161	Appointment of additional, alternate and nominee director
Sec 263	Appointment of directors to be voted individually	Sec 162	Appointment of directors to be voted individually
Sec 265	Option to adopt principle of Proportional representation for appointment of directors	Sec 163	Option to adopt principle of Proportional representation for appointment of directors
Sec 290	Validity of acts of directors	Sec 176	Defects in appointment of directors not to invalidate actions taken
Sec 293 (1) (e)	Restrictions on power of Board	Sec 181	Company to contribute bonafide and charitable funds etc.
Sec 295 Sec 296	Loans to Directors etc. Application of Sec 295 to book debts in certain cases	Sec 185	Loans to Directors etc.
Sec 293A	Prohibitions and restrictions regarding Political Contributions	Sec 182	Prohibitions and restrictions regarding Political Contributions
Sec 293B	Power of Board and other persons to make contributions to national defence fund etc.	Sec 183	Power of Board and other persons to make contributions to national defence fund etc.
Sec 318	Compensation for loss of office is not permissible except to Managing or Whole Time Director or Manager	Sec 202	Compensation for loss of office of Managing or Whole Time Director or Manager
Sec 293	Restrictions on power of Board	Sec 180	Restrictions on power of Board
New Provision		Sec 192	Restrictions on non-cash transactions involving directors
New Provision		Sec 194	Prohibition on forward dealing in Securities of Company by Director or KMP

New Provision		Sec 195	Prohibition on insider trading of Securities
Sec 591	Application of Section 592 to 602 to foreign companies	Sec 379	Application of act to foreign Companies
Sec 602	Interpretations of foregoing Sections of Part	Sec 386	Interpretation
Sec 595	Obligation to state name of foreign company, whether limited and company where incorporated	Sec 382	Display of name etc. of foreign Companies
Sec 596	Service on Foreign Company	Sec 383	Service on Foreign Company
Sec 621 Sec 624	Offences against act to be cognizable only on complaint by registrar, shareholder or Government Offences to be Non-cognizable	Sec 439	Offences to be non-cognizable
Sec 626	Application on Fines	Sec 446	Application on Fines
Sec 619A	Annual report on Government Companies	Sec 394	Annual report on Government Companies
Sec 635A	Protection of acts done in good faith	Sec 456	Protection of action taken in good faith
Sec 635AA	Non-disclosure of information in certain cases	Sec 457	Non-disclosure of information in certain cases
Sec 637A	Powers of Central Government or CLB to accord approval etc. subject to conditions and to prescribe fees on aplications	Sec 459	Powers of Central Government or Tribunal to accord approval etc. subject to conditions and to prescribe fees on aplications
Sec 637B	Condonation of delay in certain cases	Sec 460	Condonation of delay in certain cases
Sec 638	Annual report by Central Government	Sec 461	Annual report by Central Government
New Provision		Sec 462	Power to exempt class or classes of companies from Provisions of this act
Sec 633	Power of Court to grant relief in certain cases	Sec 463	Power of Court to grant relief in certain cases
Sec 624A	Power of Central Government to appoint Company Prosecutors	Sec 443	Power of Central Government to appoint Company Prosecutors
Sec 624B	Appeal against Acquittal	Sec 444	Appeal against Acquittal
New Provision		Sec 445	Compensation for accusation without reasonable cause
Sec 641	Power to alter Schedules	Sec 467	Power of Central Government to amend Schedules.
Sec 643	Power of Central Government to make rules relating to Winding Up	Sec 468	Power of Central Government to make rules relating to Winding Up

Sec 642	Power of Central Government to make rules	Sec 469	Power of Central Government to make rules
Sec 637	Delegation by Central government of its functions and powers under Act	Sec 458	Delegation by Central government of its functions and powers
New Provision		Sec 470	Power to remove difficulties
Sec 615	Power of Central Government to direct companies to furnish information or statistics	Sec 405	Power of Central Government to direct companies to furnish information or statistics
New Provision		Sec 447	Punishment for Fraud
Sec 628	Penalty for false statements	Sec 448	Punishment for false statements
Sec 629	Penalty for false evidence	Sec 449	Punishment for false evidence
Sec 629A	Penalty where no specific penalty or punishment is provided	Sec 450	Punishment where no specific penalty or punishment is provided
New Provision		Sec 451	Punishment in case of repeated default
Sec 630	Penalty for wrongful withholding of property	Sec 452	Punishment for wrongful withholding of property
Sec 631	Penalty for improper use of words “limited” or “Private Limited”	Sec 453	Punishment for improper use of words “limited” or “Private Limited”

SUMMARY OF AMENDMENTS

1. The National Advisory Committee on Accounting Standards has been replaced with National Financial Reporting Authority to give consultation to the Central Government on the accounting standards recommended by ICAI.

2. Now, A person, who fails to get appointment as a Director in a general meeting, cannot be appointed as an Additional Director.

3. An Alternate Director to an Independent Director should also satisfy the criteria for Independent Director.

4. The section 161 of the Companies Act, 1956 now provides that Alternate Directors can only be appointed in case a Director leaves India for a period of not less than 3 months contrary to the Companies Act, 1956 where it was provided that Alternate Director can be appointed in place of Director, who is absent from the state for more than 3 months, in which board meeting generally held.

5. Now the section 161 clearly provides that Additional Director will hold office till next Annual meeting or the last date on which such meeting should have held in accordance with law. Under the Companies Act, 1956, only date of next Annual General Meeting was provided.

6. The person to be appointed as the Alternate Directors shall be the person other than person holding any alternate directorship for any other Director in the Company. However, a Director of the Company may act in dual capacity, that is for himself and as an Alternate Director for any other Director of the Company.

7. Now the provisions related to appointment of Directors to be voted individually shall be applicable to all the Companies including the Private Companies

8. Article of Private Company may now provide for appointment of Directors by way of proportional representation.

9. The certain powers which under section 293 of the Companies Act, 1956 can be exercised by Board with the approval of general meeting only, are now applicable to all the Companies instead of only Public Company & its Subsidiary.

10. The certain powers which under section 293 of the Companies Act, 1956 can be exercised by Board with the approval of general meeting only are now to be approved by passing a special resolution instead of resolution as provided in the aforesaid Act

11. Now the approval of general meeting is only required when the Board wants to invest otherwise in trust securities, the compensation received by it as a result or Merger and Amalgamations only and not on compulsory acquisition of any undertaking or property or premises, as provided under the Companies Act, 1956.

12. The limits for political contribution by Company has been changed. Now instead of 5% as provided under the Companies Act, 1956, contribution shall not exceed 7.5%. of the average net profits of the Company during the three immediately preceding financial years.

13. Company can give loan to Managing Director/Whole Time Director without approval of shareholders where the loan is given as a part of the condition service extended by the Company to all its employees or where loan is approval by way of passing the special resolution.

14. Any Company whose business in ordinary course is to provide loan or guarantee or securities for due repayment of such loan, can provide loan or guarantee or securities to its Director provided interest on loan is not less than bank rate declared by Reserve Bank of India.

15. Restrictions are imposed on non-cash transactions involving Directors in Section 192 of the Companies Act, 2013.

16. According to Section Sec 194 of Companies Act, 2013, there is complete Prohibition on forward dealing in securities of Company by Director or Key Managerial Personnel.

17. According to Section 195 of the companies Act, 2013, No person including any director or key managerial personnel of a company shall enter into insider trading.

18. Under the Companies Act 1956, every foreign company shall in every prospectus invite subscriptions in India for its shares or Debentures, state the country in which the company is incorporated. This obligation is dispensed with under the Companies Act, 2013.

19. Under the Companies Act, 2013, service of document on foreign Company can also be served through any electronic mode. This provision was not present under the Companies Act,1956.

20. Under this Act, an exception has been provided that the offences related to investigation into the affairs of the company by Serious Fraud Investigation Office under Section 212, shall be deemed to be cognizable offence and besides this every offence shall be deemed to be non-cognizable under the said code, notwithstanding anything in the code of Criminal Procedure, 1973.

21. The Provisions of Section 619A of the Companies Act, 1956 as they were applied to any other Government Company was also applicable to a Government Company in liquidation, This provision has been deleted in the New Companies Act, 2013.

22. The Power of Supreme Court to make rules relating to Winding Up under the Companies Act, 1956 has been shifted to Central Government under the Companies Act, 2013.

23. Under Section 452 of the Companies Act, 2013, Property also includes cash. It was not provided in the Companies Act, 1956

24. Under Section 452 of the Companies Act, 2013, members can make also make a complaint against any officer or employee of the company for wrongful withholding of the property. This was not allowed under the Companies Act, 1956.

25. Under Section 629A of the Companies Act, 1956, contravention by any company or any other person was only included, whereas in the Companies Act, 2013, contravention by any officer of a company is also included.

26. In case of making any false statement or omitting any material fact in any return, report, certificate, financial statement, prospectus, statement or other document required by, or for, the purposes of any of the provisions of this Act, the person in default shall be liable under Section 447 of the Companies Act, 2013.