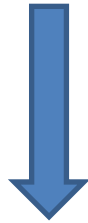


LAW

CA-INTERMEDIATE



AMENDMENTS RELEVANT FOR MAY 2019 EXAMS

By

CA ANKIT OBEROI

Reservation of name [Section 4(4) and (5)]

✚ **Application should be made:**-A person may make an application, in such form and manner and accompanied by such fee, as may be prescribed, to the Registrar for the reservation of a name set out in the application as:-

- the name of the proposed company; or
- the name to which the company proposes to change its name.

An application for reservation of name shall be made through the web service available at www.mca.gov.in by using form RUN (Reserve Unique Name) along with fee as provided in the Companies (Registration offices and fees) Rules, 2014, which may either be approved or rejected, as the case may be, by the Registrar, Central Registration Centre after allowing re-submission of such application within fifteen days for rectification of the defects, if any

Incorporation of Company [Section 7]

✚ **Declaration:**-An affidavit **Declaration in form no. INC-9** from each of the subscribers to the memorandum and from persons named as the first directors, if any, in the articles that

- He is not convicted of any offence in connection with the promotion, formation or management of any company; or
- he has not been found guilty of any fraud or misfeasance or of any breach of duty to any company under this Act or any previous company law during the preceding five years and

All the documents filed with the Registrar for registration of the company contain information that is correct and complete and true to the best of his knowledge and belief;

Registered Office [Section 12]

✚ A company shall, on and ~~from the fifteenth day of its incorporation~~ ***“within 30 days of Incorporation”** and at all times thereafter, have a registered office capable of receiving and acknowledging all communications and notices as may be addressed to it.

Public Offer of Securities in Dematerialized Form (Sec 29)

This section 29 of the Companies Act, 2013 seeks to provide that public company making public offer and such other class or classes of companies, shall issue the securities only through dematerialised form.

The provision says:

- ✚ **Issue of securities in dematerialized form:** According to the provisions
- every company making public offer; and
 - such other class or classes of public companies as may be prescribed,
- Shall issue the securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.
- ✚ **In case of other companies:** Whereas other companies, may convert their securities into dematerialised form or issue its securities in physical form in accordance with the provisions of this Act or in dematerialised form in accordance with the provisions of the Depositories Act, 1996 and the regulations made thereunder.

Rule 9 of The Companies (Prospectus and Allotment of Securities) Rules, 2014

1. The Promoters of every public company making public offer of any convertible securities may hold such securities only in dematerialized form
2. The entire holding of convertible securities of the Company by the promoters held in physical form up to the date of initial public offer shall be converted into dematerialized form before such offer is made and thereafter such promoter shareholding shall be held in dematerialized form.

Rule 9A of The Companies (Prospectus and Allotment of Securities) Rules, 2014:- Issue of securities in dematerialised form by unlisted public companies

- (1) Every unlisted public company shall –
 - (a) issue the securities only in dematerialised form; and
 - (b) facilitate dematerialisation of all its existing securities in accordance with provisions of the Depositories Act, 1996 and regulations made there under.
- (2) Every unlisted public company making any offer for issue of any securities or buyback of securities or issue of bonus shares or rights offer shall ensure that before making such offer, entire holding of securities of its promoters, directors, key managerial personnel has been dematerialised in accordance with provisions of the Depositories Act, 1996 and regulations made there under.
- (3) Every holder of securities of an unlisted public company,-
 - (a) who intends to transfer such securities on or after 2nd October, 2018, shall get such securities dematerialised before the transfer; or
 - (b) who subscribes to any securities of an unlisted public company (whether by way of private placement or bonus shares or rights offer) on or after 2nd October, 2018 shall ensure that all his existing securities are held in dematerialized form before such subscription.
- (4) Every unlisted public company shall facilitate dematerialisation of all its existing securities by making necessary application to a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 and shall secure International Security Identification Number (ISIN) for each type of security and shall inform all its existing security holders about such facility.
- (5) Every unlisted public company shall ensure that -
 - (a) it makes timely payment of fees (admission as well as annual) to the depository and registrar to an issue and share transfer agent in accordance with the agreement executed between the parties;
 - (b) it maintains security deposit, at all times, of not less than two years' fees with the depository and registrar to an issue and share transfer agent, in such form as may be agreed between the parties; and
 - (c) it complies with the regulations or directions or guidelines or circulars, if any, issued by the Securities and Exchange Board or Depository from time to time with respect to dematerialisation of shares of unlisted public companies and matters incidental or related thereto.
- (6) No unlisted public company which has defaulted in sub-rule (5) shall make offer of any securities or buyback its securities or issue any bonus or right shares till the payments to depositories or registrar to an issue and share transfer agent are made.
- (7) Except as provided in sub-rule (8), the provisions of the Depositories Act, 1996, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 shall apply mutatis mutandis to dematerialisation of securities of unlisted public companies.

(8) The audit report provided under regulation 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 shall be submitted by the unlisted public company on a half-yearly basis to the Registrar under whose jurisdiction the registered office of the company is situated.

(9) The grievances, if any, of security holders of unlisted public companies under this rule shall be filed before the Investor Education and Protection Fund Authority.

(10) The Investor Education and Protection Fund Authority shall initiate any action against a depository or participant or registrar to an issue and share transfer agent after prior consultation with the Securities and Exchange Board of India.

Offer or invitation for subscription of securities on Private Placement (sec 42)*

(1) A company may, subject to the provisions of this section, make a private placement of securities.

(2) A private placement shall be made only to a select group of persons who have been identified by the Board (herein referred to as "identified persons"), whose number shall not exceed fifty or such higher number as may be prescribed [excluding the qualified institutional buyers and employees of the company being offered securities under a scheme of employees stock option in terms of provisions of clause (b) of sub-section (1) of section 62], in a financial year subject to such conditions as may be prescribed.

(3) A company making private placement shall issue private placement offer and application in such form and manner as may be prescribed to identified persons, whose names and addresses are recorded by the company in such manner as may be prescribed:

Provided that the private placement offer and application shall not carry any right of renunciation.

Explanation I.—"private placement" means any offer or invitation to subscribe or issue of securities to a select group of persons by a company (other than by way of public offer) through private placement offer-cum-application, which satisfies the conditions specified in this section.

Explanation II.—"qualified institutional buyer" means the qualified institutional buyer as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, made under the Securities and Exchange Board of India Act, 1992.

Explanation III.—If a company, listed or unlisted, makes an offer to allot or invites subscription, or allots, or enters into an agreement to allot, securities to more than the prescribed number of persons, whether the payment for the securities has been received or not or whether the company intends to list its securities or not on any recognised stock exchange in or outside India, the same shall be deemed to be an offer to the public and shall accordingly be governed by the provisions of Part I of this Chapter.

(4) Every identified person willing to subscribe to the private placement issue shall apply in the private placement and application issued to such person alongwith subscription money paid either by cheque or demand draft or other banking channel and not by cash:

Provided that a company shall not utilise monies raised through private placement unless allotment is made and the return of allotment is filed with the Registrar in accordance with sub-section (8).

(5) No fresh offer or invitation under this section shall be made unless the allotments with respect to any offer or invitation made earlier have been completed or that offer or invitation has been withdrawn or abandoned by the company:

Provided that, subject to the maximum number of identified persons under sub-section (2), a company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed.

(6) A company making an offer or invitation under this section shall allot its securities within sixty days from the date of receipt of the application money for such securities and if the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the expiry of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve per cent. per annum from the expiry of the sixtieth day:

Provided that monies received on application under this section shall be kept in a separate bank account in a scheduled bank and shall not be utilised for any purpose other than—

(a) for adjustment against allotment of securities; or

(b) for the repayment of monies where the company is unable to allot securities.

(7) No company issuing securities under this section shall release any public advertisements or utilise any media, marketing or distribution channels or agents to inform the public at large about such an issue.

(8) A company making any allotment of securities under this section, shall file with the Registrar a return of allotment within fifteen days from the date of the allotment in such manner as may be prescribed, including a complete list of all allottees, with their full names, addresses, number of securities allotted and such other relevant information as may be prescribed.

(9) If a company defaults in filing the return of allotment within the period prescribed under sub-section (8), the company, its promoters and directors shall be liable to a penalty for each default of one thousand rupees for each day during which such default continues but not exceeding twenty-five lakh rupees.

(10) Subject to sub-section (11), if a company makes an offer or accepts monies in contravention of this section, the company, its promoters and directors shall be liable for a penalty which may extend to the amount raised through the private placement or two crore rupees, whichever is lower, and the company shall also refund all monies with interest as specified in sub-section (6) to subscribers within a period of thirty days of the order imposing the penalty.

(11) Notwithstanding anything contained in sub-section (9) and sub-section (10), any private placement issue not made in compliance of the provisions of the sub-section (2) shall be deemed to be a public offer and all the provisions of this Act and the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 shall be applicable.’.

***Substituted by Companies (Amendment) Act, 2017**

Rule 14 of The Companies (Prospectus and Allotment of Securities) Rules, 2014
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(1) For the purposes of sub-section (2) and sub-section (3) of section 42, a company shall not make an offer or invitation to subscribe to securities through private placement unless the proposal has

been previously approved by the shareholders of the company, by a special resolution for each of the offers or invitations:

Provided that in the explanatory statement annexed to the notice for shareholders' approval, the following disclosure shall be made:-

- (a) particulars of the offer including date of passing of Board resolution;*
- (b) kinds of securities offered and the price at which security is being offered;*
- (c) basis or justification for the price (including premium, if any) at which the offer or invitation is being made;*
- (d) name and address of valuer who performed valuation;*
- (e) amount which the company intends to raise by way of such securities;*
- (f) material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities:*

Provided further that this sub-rule shall not apply in case of offer or invitation for non-convertible debentures, where the proposed amount to be raised through such offer or invitation does not exceed the limit as specified in clause (c) of subsection (1) of section 180 and in such cases relevant Board resolution under clause (c) of sub-section (3) of section 179 would be adequate:

Provided also that in case of offer or invitation for non-convertible debentures, where the proposed amount to be raised through such offer or invitation exceeds the limit as specified in clause (c) of sub-section (1) of section 180, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such debentures during the year.

(2) For the purpose of sub-section (2) of section 42, an offer or invitation to subscribe securities under private placement shall not be made to persons more than two hundred in the aggregate in a financial year:

Provided that any offer or invitation made to qualified institutional buyers, or to employees of the company under a scheme of employees stock option as per provisions of clause (b) of sub-section (1) of section 62 shall not be considered while calculating the limit of two hundred persons.

Explanation.- For the purposes of this sub-rule, it is hereby clarified that the restrictions aforesaid would be reckoned individually for each kind of security that is equity share, preference share or debenture.

(3) A private placement offer cum application letter shall be in the form of an application in Form PAS-4 serially numbered and addressed specifically to the person to whom the offer is made and shall be sent to him, either in writing or in electronic mode, within thirty days of recording the name of such person pursuant to sub-section (3) of section 42:

Provided that no person other than the person so addressed in the private placement offer cum application letter shall be allowed to apply through such application form and any application not conforming to this condition shall be treated as invalid.

(4) The company shall maintain a complete record of private placement offers in Form PAS-5.

(5) The payment to be made for subscription to securities shall be made from the bank account of the person subscribing to such securities and the company shall keep the record of the bank account from where such payment for subscription has been received:

Provided that monies payable on subscription to securities to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application:

Provided further that the provisions of this sub-rule shall not apply in case of issue of shares for consideration other than cash.

6) A return of allotment of securities under section 42 shall be filed with the Registrar within fifteen days of allotment in Form PAS-3 and with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014 along with a complete list of all the allottees containing-

- (i) the full name, address, Permanent Account Number and E-mail ID of such security holder;
- (ii) the class of security held;
- (iii) the date of allotment of security ;
- (iv) the number of securities held, nominal value and amount paid on such securities; and particulars of consideration received if the securities were issued for consideration other than cash.

(7) The provisions of sub-rule (2) shall not be applicable to -

- (a) non-banking financial companies which are registered with the Reserve Bank of India under the Reserve Bank of India Act, 1934 (2 of 1934); and
- (b) housing finance companies which are registered with the National Housing Bank under the National Housing Bank Act, 1987 (53 of 1987), if they are complying with regulations made by the Reserve Bank of India or the National Housing Bank in respect of offer or invitation to be issued on private placement basis:

Provided that such companies shall comply with sub-rule (2) in case the Reserve Bank of India or the National Housing Bank have not specified similar regulations.

(8) A company shall issue private placement offer cum application letter only after the relevant special resolution or Board resolution has been filed in the Registry:

Provided that private companies shall file with the Registry copy of the Board resolution or special resolution with respect to approval under clause (c) of sub-section (3) of section 179.

Sweat Equity Share (Sec 54)

(i) the expressions "Employee" means-

- (a) a permanent employee of the company who has been working in India or outside India for at least last one year

Acceptance of Deposits (sec 73)

 **Deposit of amount:** ~~depositing such sum which shall not be less than fifteen per cent. of the amount of its deposits maturing during a financial year and the financial year next following, and kept in a scheduled bank in a separate bank account to be called as deposit repayment reserve account.~~

depositing, on or before the thirtieth day of April each year, such sum which shall not be less than twenty per cent. of the amount of its deposits maturing during the following financial year and kept in a scheduled bank in a separate bank account to be called deposit repayment reserve account

- ✚ "Provided further that a certificate of the statutory auditor of the company shall be attached in Form DPT-1, stating that the company has not committed default in the repayment of deposits or in the payment of interest on such deposits accepted either before or after the commencement of the Act and in case a company had committed a default in the repayment of deposits accepted either before or after the commencement of the Act or in the payment of interest on such deposits, a certificate of the statutory auditor of the company shall be attached in Form DPT-1, stating that the company had made good the default and a period of five years has lapsed since the date of making good the default as the case may be.

Repayments of deposits etc., accepted before commencement of this act (Sec 74)

- ✚ **Providing Certification:**-Certifying that the company has not committed any default in the repayment of deposits accepted either before or after the commencement of this Act or payment of interest on such deposits **and where a default had occurred, the company made good the default and a period of five years had lapsed since the date of making good the default; and*
- ✚ **Repayment:**-Company shall ~~repay within one year from such commencement or from the date on which such payments are due, whichever is earlier~~ **repay within three years from such commencement or on or before expiry of the period for which the deposits were accepted, whichever is earlier:*

**Provided that renewal of any such deposits shall be done in accordance with the provisions of Chapter V and the rules made thereunder."*

Application for Registration of Charges (Sec 78)

- ✚ **Registration by ROC:**-Where a company fails to register the charge ~~within the period specified in section 77,~~ **within the period of thirty days referred to in sub-section (1) of section 77,* the person in whose favour the charge is created may apply to the Registrar for registration of the charge along with the instrument created for the charge, in such form and manner as may be prescribed and the Registrar may, on such application, within a period of fourteen days after giving notice to the company, allow such registration on payment of such fees, as may be prescribed unless the company itself registers the charge or shows sufficient cause why such charge should not be registered.

Company to report satisfaction of charge (Sec 82)

- ✚ **Intimation by Company [Sec 82(1)]:**-A company shall give intimation to the Registrar in the prescribed form, of the payment or satisfaction in full of any charge registered under this Chapter within a period of thirty days from the date of such payment or satisfaction ~~and the provisions of sub-section (1) of section 77 shall, as far as may be, apply to an intimation given~~

**"Provided that the Registrar may, on an application by the company or the charge holder, allow such intimation of payment or satisfaction to be made within a period of three hundred days of such payment or satisfaction on payment of such additional fees as may be prescribed."*

Investigation of beneficial ownership of shares in certain cases

(Sec 90)

- ✚ **Declaration of Interest [Sec 90(1)]**:-Every individual, who acting alone or together, or through one or more persons or trust, including a trust and persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed, in shares of a company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (27) of section 2, over the company (herein referred to as "significant beneficial owner"), shall make a declaration to the company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof, as may be prescribed:
Provided that the Central Government may prescribe a class or classes of persons who shall not be required to make declaration under this sub-section.
- ✚ **Maintenance of Register [Sec 90(2)]**:-Every company shall maintain a register of the interest declared by individuals under sub-section (1) and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed.
- ✚ **Inspection of register [Sec 90(3)]**:-The register maintained under sub-section (2) shall be open to inspection by any member of the company on payment of such fees as may be prescribed.
- ✚ **Filing of Return [Sec 90(4)]**:-Every company shall file a return of significant beneficial owners of the company and changes therein with the Registrar containing names, addresses and other details as may be prescribed within such time, in such form and manner as may be prescribed.
- ✚ **Notice by Company [Sec 90(5)]**:-A company shall give notice, in the prescribed manner, to any person (whether or not a member of the company) whom the company knows or has reasonable cause to believe—
 - (a) to be a significant beneficial owner of the company;
 - (b) to be having knowledge of the identity of a significant beneficial owner or another person likely to have such knowledge; or
 - (c) to have been a significant beneficial owner of the company at any time during the three years immediately preceding the date on which the notice is issued, and who is not registered as a significant beneficial owner with the company as required under this section.
- ✚ **Time Period [Sec 90(6)]**:-The information required by the notice under sub-section (5) shall be given by the concerned person within a period not exceeding thirty days of the date of the notice.
- ✚ **Application to Tribunal [Sec 90(7)]**:-The company shall,—
 - (a) where that person fails to give the company the information required by the notice within the time specified therein; or
 - (b) where the information given is not satisfactory,apply to the Tribunal within a period of fifteen days of the expiry of the period specified in the notice, for an order directing that the shares in question be subject to restrictions with regard to transfer of interest, suspension of all rights attached to the shares and such other matters as may be prescribed.
- ✚ **Order by Tribunal [Sec 90(8)]**:-On any application made under sub-section (7), the Tribunal may, after giving an opportunity of being heard to the parties concerned, make such order restricting the

rights attached with the shares within a period of sixty days of receipt of application or such other period as may be prescribed.

- ✚ **Appeal to Tribunal [Sec 90(9)]**:-The company or the person aggrieved by the order of the Tribunal may make an application to the Tribunal for relaxation or lifting of the restrictions placed under sub-section (8).
- ✚ **Penalty on any person for contravention [Sec 90(10)]**:-If any person fails to make a declaration as required under sub-section (1), he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to ten lakh rupees and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the failure continues.
- ✚ **Penalty on Company for contravention [Sec 90(11)]**:-If a company, required to maintain register under sub-section (2) and file the information under sub-section (4), fails to do so or denies inspection as provided therein, the company and every officer of the company who is in default shall be punishable with fine which shall not be less than ten lakh rupees but which may extend to fifty lakh rupees and where the failure is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the failure continues.
- ✚ **Penalty for contravention [Sec 90(12)]**If any person wilfully furnishes any false or incorrect information or suppresses any material information of which he is aware in the declaration made under this section, he shall be liable to action under section 447.'.

Companies (Significant Beneficial Owners) Rules, 2018

Definitions

(c) “registered owner” means a person whose name is entered in the register of members of a company as the holder of shares in that company but who does not hold beneficial interest in such shares;

(e) “significant beneficial owner” means an individual referred to in sub-section (1) of section 90 (holding ultimate beneficial interest of not less than ten per cent.) read with sub-section (10) of section 89, but whose name is not entered in the register of members of a company as the holder of such shares, and the term ‘significant beneficial ownership’ shall be construed accordingly.

Explanation I. - For the purpose of this clause, the significant beneficial ownership, in case of persons other than individuals or natural persons, shall be determined as under—

(i) where the member is a company, the significant beneficial owner is the natural person, who, whether acting alone or together with other natural persons, or through one or more other persons or trusts, holds not less than ten per cent. share capital of the company or who exercises significant influence or control in the company through other means;

(ii) where the member is a partnership firm, the significant beneficial owner is the natural person, who, whether acting alone or together with other natural persons, or through one or more other persons or trusts, holds not less than ten per cent. of capital or has entitlement of not less than ten per cent. of profits of the partnership;

(iii) where no natural person is identified under (i) or (ii), the significant beneficial owner is the relevant natural person who holds the position of senior managing official;

(iv) where the member is a trust (through trustee), the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with not less than ten per cent. interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership;

Explanation II. —It is hereby clarified that instruments in the form of global depository receipts, compulsorily convertible preference shares or compulsorily convertible debentures shall be treated as ‘shares’ for the purpose of this clause;

3. Declaration of significant beneficial ownership in shares under section 90.-

(1) Every significant beneficial owner shall file a declaration in Form No. BEN-1 to the company in which he holds the significant beneficial ownership on the date of commencement of these rules within ninety days from such commencement and within thirty days in case of any change in his significant beneficial ownership.

(2) Every individual, who, after the commencement of these rules, acquires significant beneficial ownership in a company, shall file a declaration in Form No. BEN-1 to the company, within thirty days of acquiring such significant beneficial ownership or in case of any change in such ownership.

4. Return of significant beneficial owners in shares.- Where any declaration under rule 3 is received by the company, it shall file a return in Form No. BEN-2 with the Registrar in respect of such declaration, within a period of thirty days from the date of receipt of declaration by it, along with the fees as prescribed in Companies (Registration offices and fees) Rules, 2014.

5. Register of significant beneficial owners.-

(1) The company shall maintain a register of significant beneficial owners in Form No. BEN-3.

(2) The register shall be open for inspection during business hours, at such reasonable time of not less than two hours, on every working day as the board may decide, by any member of the company on payment of such fee as may be specified by the company but not exceeding fifty rupees for each inspection.

6. Notice seeking information about significant beneficial owners.- A company shall give notice seeking information in accordance with under sub-section (5) of section 90, in Form No. BEN-4.

7. Application to the Tribunal.- The company may apply to the Tribunal in accordance with sub-section (7) of section 90, for order directing that the shares in question be subject to restrictions, including

- (a) restrictions on the transfer of interest attached to the shares in question;
- (b) suspension of the right to receive dividend in relation to the shares in question;
- (c) suspension of voting rights in relation to the shares in question;
- (d) any other restriction on all or any of the rights attached with the shares in question.

8. Non-Applicability.- These rules are not made applicable to the holding of shares of companies/body corporates, in case of pooled investment vehicles/investment funds such as Mutual Funds, Alternative Investment Funds (AIFs), Real Estate Investment Trusts(REITs) and Infrastructure Investment Trusts (InvITs) regulated under SEBI Act.

Annual Return [Section 92]

 **Certification in case of OPC:-** Provided that in relation to One Person Company and small company, the annual return shall be signed by the company secretary, or where there is no company secretary, by the director of the company.

"Provided further that the Central Government may prescribe abridged form of annual return for One Person Company, small company and such other class or classes of companies as may be prescribed."

***Introduced as per Companies (Amendment) Act, 2017**

 **Certification by Company Secretary:-** The annual return, filed by a listed company or, by a company having such paid-up capital and turnover as may be prescribed, shall be certified by a company secretary in practice in the prescribed form, stating that the annual return discloses the facts correctly and adequately and that the company has complied with all the provisions of this Act.

- + **Disclosure in Board's Report*:-** Every company shall place a copy of the annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's report

Return to be filed with registrar in case Promoter's stake changes (Sec 93)

Deleted

Place of keeping and inspection of Registers, Returns etc. (Sec 94)

- + **Kept at Registered Office:-** The registers required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92 shall be kept at the registered office of the company:
- + **Kept at any other Place:-** Registers or copies of return may also be kept at any other place in India if the following conditions are satisfied:-
 - Registers and Copies should be kept at that place in which more than one-tenth of the total number of members entered in the register of members reside,
 - Approved by a special resolution passed at a general meeting of the company and
 - ~~The Registrar has been given a copy of the proposed special resolution in advance*~~

Annual General Meeting (Sec 96)

- + **Time, place and day of AGM**
 - **Time:-** AGM shall be held during business hours i.e. between 9 a.m. and 6 p.m.
 - **Day:-** AGM shall be held on a day that is not a public holiday
 - **Place:-** AGM shall be held at
 - The RO of the company
 - Some other place within the city, town, village in which the RO is situated.

#Provided that annual general meeting 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

Postal Ballot (Sec 110)

"Provided that any aforesaid items of business under this sub-rule, required to be transacted by means of postal ballot, 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:

Provided further that One Person Companies and other companies having members upto two hundred are not required to transact any business through postal ballot" (v) the "Form No.MGT-10" shall be omitted.

Financial Statement (Section 129)

 **Presentment in case of Holding Company:-**Where a company has one or more subsidiaries, it shall, in addition to financial statements, prepare a consolidated financial statement of the company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the company along with the laying of its financial statement.

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 in such form as may be prescribed.

The word "subsidiary" shall include associate company and joint venture.

**Where 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 along with the laying of its financial statement 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."

Financial Statement, Board's Report etc. (Section 134)

 **Approval of Financial statement:-**The financial statement, (including consolidated financial statement, if any) which are prepared for submission to the auditor for his report thereon shall be approved by the Board of Directors before they are signed on behalf of the Board at least by

- the chairperson of the company where he is authorised by the Board; or
- two directors out of which one shall be managing director and the Chief Executive Officer, if he is a director in the company; or
- the Chief Financial Officer and the company secretary of the company, wherever they are appointed, or
- in the case of a One Person Company, only by one director.

**The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board*

- *by the chairperson of the company where he is authorised by the Board or by two directors out of which one shall be managing director, if any, and*
- *the Chief Executive Officer, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, or*
- *in the case of One Person Company, only by one director, for submission to the auditor for his report thereon.";*

Rule 8A of The Companies (Accounts) Rules, 2014:-Content of Board's Report for One Person Company and Small Company
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- ✚ **Content of Board Report:-**The Board's Report of One Person Company and Small Company shall be prepared based on the stand alone financial statement of the company, which shall be in abridged form and contain the following:-
- (a) the web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed;
 - (b) number of meetings of the Board;
 - (c) Directors' Responsibility Statement as referred to in sub-section (5) of section 134;
 - (d) details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government;
 - (e) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report;
 - (f) the state of the company's affairs;
 - (g) the financial summary or highlights;
 - (h) material changes from the date of closure of the financial year in the nature of business and their effect on the financial position of the company;
 - (i) the details of directors who were appointed or have resigned during the year;
 - (j) the details or significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- ✚ **Particulars w.r.t. RPTs:-**The Report of the Board shall contain the particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the Form AOC-2.”.

Corporate Social Responsibility (Sec 135)

- ✚ **Constitution of CSR Committee:-**Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during ~~any financial year~~ ***the immediately preceding financial year** shall constitute a Corporate Social Responsibility Committee of the Board.
- ✚ **Minimum Expenditure in CSR:-**The Board of every company, shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

**For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.'.*

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