

COMPANIES (Amendment) ACT, 2015
(effective from 29th May 2015)

Advocate Arun Saxena
Saxena & Saxena Law Chambers
Advocates & Attorneys
603-604, New Delhi House
27, Barakhamba Road,
New Delhi – 110 001.
Mob.: 9810037364
E-mail : advisor@sslclegal.in

Amendment

2

Section	Principle Section	Subject Matter	Amendment
1	2(68)	Private Company	The word “Rs.1 lac or such higher sum” omitted.
2	2(71)	Limited company	The word “Rs.5 lacs or such higher sum” omitted.
3	9	Effect of Registration	The word “and the common seal” shall be omitted.
4	11	Commencement of business	Section omitted

Amendment

3

Section	Principle Section	Subject Matter	Amendment
5	12	Registered office of the company	Sub-section 3 (b) shall be substituted “have its name engraved in ligible character on its common seal (if any)”.
6	22	Execution of Bill of Exchange etc.	Sub-section 2. The word under its common seal shall be substituted by “under its common seal (if any)” .
			Sub-section 2. If company does not have any common seal, authentication by two directors and company secretary.
			Sub-section 3(ii). The words “and have the effect as if it were made in common

Amendment

4

Section	Principle Section	Subject Matter	Amendment
7	46	Certificate of shares	The word “issued under common seal of company shall be substituted by “issue under common seal if any or signed by two directors or one director and company secretary” ”.
8	76 A (new section)	Acceptance of deposits from public by certain companies	Contravention of section 73 or 76 or rule Or Fails to repay deposit or interest within prescribed time u/s 73 or 76
			a) Company shall pay deposit plus interest and fine or Rs.25 lacs to Rs.10 crores.

Amendment

5

Section	Principle Section	Subject Matter	Amendment
			b) Every officer in default:- Imprisonment upto 7 years or fine Rs.25 lacs to Rs.10 crores or both.
			If knowingly, willfully or with intention to deceive to the company shareholder, depositor, creditors tax authorities, shall also be punishable u/s 447.
9	117	Resolution to be filed (board resolution)	Sub-section 3(i)(g). The word 'and' shall be omitted and following shall be inserted "provided no person shall be entitled u/s 399 to inspect and obtain copies of such resolution" .

Amendment

6

Section	Principle Section	Subject Matter	Amendment
10	123	Declaration of dividend	<p>4th proviso to sub-section 1 shall be inserted</p> <p>“Provided also that no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of current year.”</p>
11	124	Unpaid dividend (transfer of shares where dividend is unclaimed)	<p>Sub-section 6, shares in respect of which (unpaid or unclaimed dividend has been transferred under sub-rule 5 shall also be).</p> <p>The word dividend shall be replaced by “dividend has not been paid or claimed for 7 consecutive years or more”.</p>

Amendment

7

Section	Principle Section	Subject Matter	Amendment
			In case any dividend paid or claimed for any year during the said 7 years, shares shall not be transferred to investors education and protection fund.”
12	134	Directors Report	After sub-clause 3(c), 3ca shall be inserted. The detail in respect of the fraud reported by audit u/s 143(12) other than this which are reportable to Central Govt.

Amendment

8

Section	Principle Section	Subject Matter	Amendment
13	143(12) (not notified yet)	Reporting of the fraud to Central Government	Following shall be substituted. The offence of fraud involving such amount or amount as may be prescribed. The fraud lesser than specified amount shall be reported to audit committee or board within such time and manner as may be prescribed.
			Whether frauds are reported to the board by auditors but not reported to Central Government, the board shall disclose such details in board report.

Amendment

9

Section	Principle Section	Subject Matter	Amendment
14	177	Audit committee (approval of related party transaction)	Sub-section 4(iv) shall be substituted as under:- “provided audit committee may make omnibus approval for related party transaction proposed to be entered into by company subject to condition as may be prescribed.
15	185	Loan to the Directors (exemptions)	Following sub-sections are inserted:- a) 1(c) :- Loan by holding company to wholly owned subsidiary company or guarantee provided by wholly owned company to subsidiary company.

Amendment

10

Section	Principle Section	Subject Matter	Amendment
			<p>b) 1(d):- Guarantee given or security provided by holding company to subsidiary company for loans granted by bankers or financial institutions.</p> <p>Loan be utilised by subsidiary for its principle business activities.</p>
16	188	Related party transaction	<p>Proviso to section 1. The word Special Resolution shall be replaced by Resolution. (if exceeds the threshold limit mentioned in respective rules).</p>

Amendment

11

Section	Principle Section	Subject Matter	Amendment
			<p>After 3rd proviso, 4th proviso shall be inserted.</p> <p>“Requirement for passing resolution under sub-section 1 shall not be applicable for the transactions between HC and WOS whose accounts are consolidated with such HC and placed before the shareholder for approval.</p>
17	212	Investigation	Affairs of the company by SFIO offence covered under section 447 shall be substituted for various sections which attracts punishment for fraud.

Amendment

12

Section	Principle Section	Subject Matter	Amendment
18	223	Inspectors Report (authentication)	The word “common seal (if any) shall be substituted with the word “common seal”.
19	248	Power of ROC to remove the company	Sub-section 1(a) after incorporation “OR” shall be inserted. Sub-section 1(b) shall be omitted (subscription of shares).
20	419	Benches of Tribunal	Constitution of special bench. The word winding up shall be omitted.

Amendment

13

Section	Principle Section	Subject Matter	Amendment
21	435	Special Court	<p>The word “trial offence under act shall be substituted by trial offence punishable act with imprisonment of 2 years or more.</p> <p>(b) All other offence shall be triable by MM or JM of first class.</p>
22	436	Offence triable by special court	<p>The words “all the offences under this act shall be replaced by all the offence u/s 435(1) of the act.”</p>

Amendment

14

Section	Principle Section	Subject Matter	Amendment
23	462	Power of exempt class or classes of the company from provision of this Act.	<p>The proposed notification shall be led before the house of parliament while it is not assessed for continuous 30 days.</p> <p>If dis-approved or require modification, notification shall not be issued.</p>
			<p>Only if modified notification is agreed by both the houses then notification can be issued.</p>



THANK YOU