

# COMPANIES ACT, 2013

Sl No	Section	Amendment
	2(6)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In clause (6) of Section 2 of the Companies Act, 2013, for the Explanation, the following Explanation shall be substituted, namely:—</i></p> <p><i>Explanation .— For the purpose of this clause, —</i></p> <p><i>(a) the expression "significant influence" means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;</i></p> <p><i>(b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;"</i></p>
	2(28)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>For clause (28) of Section 2 of the Companies Act, 2013, the following clause shall be substituted, namely:—</i></p> <p><i>(28) "Cost Accountant" means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 and who holds a valid certificate of practice under sub-section (1) of section 6 of that Act;"</i></p>
	2(30)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In clause (30) of Section 2 of the Companies Act, 2013, the following proviso shall be inserted, namely:—</i></p> <p><i>Provided that—</i></p> <p><i>(a) the instruments referred to in Chapter III-D of the Reserve Bank of India Act, 1934; and</i></p> <p><i>(b) such other instrument, as may be prescribed by the Central Government in consultation with the Reserve Bank of India, issued by a company,</i></p> <p><i>shall not be treated as debenture;</i></p>

	2(41)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In clause (41) of Section 2 of the Companies Act, 2013, in the first proviso, after the word "subsidiary", the words "or associate company" shall be inserted;</i></p> <p><i>Hence the revised Proviso would read as:</i></p> <p><i>Provided that on an application made by the company or body corporate, which is a holding company or a subsidiary <b>or associate company</b> of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Tribunal may, if it is satisfied, allow any period as its financial year, whether or not that period is a year:</i></p>
	2(46)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In clause (46) of Section 2 of the Companies Act, 2013, the following Explanation shall be inserted, namely:—</i></p> <p><i>'Explanation. — For the purposes of this clause, the expression "company" includes any body corporate;</i></p>
	2(49)	<p><b>**Omitted** by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018</b></p>
	2(51)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>Hence the revised Clause would read as:</i></p> <p><i>(51) "key managerial person", in relation to a company means –</i></p> <ul style="list-style-type: none"> <li><i>(i) the Chief Executive Officer or the managing director or the manager;</i></li> <li><i>(ii) the company secretary;</i></li> <li><i>(iii) the whole-time director;</i></li> <li><i>(iv) <del>the Chief Financial Officer</del> <b>**Omitted**</b></i></li> <li><i>(v) <b>such other officer, not more than one level below the directors who is in whole-time employment, designated as key</b></i></li> </ul>

		<p><b>managerial personnel by the Board; and</b>  (vi) <b>such other officer as may be prescribed;</b></p>
	2(57)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In clause (57) of Section 2 of the Companies Act, 2013, for the words "and securities premium account", the words "securities premium account and debit or credit balance of profit and loss account," shall be substituted;</i></p> <p><i>Hence the revised Clause would read as:</i></p> <p><i>(57) "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits , <b>securities premium account and debit or credit balance of profit and loss account</b>, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;</i></p>
	2(71)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In clause (71), in sub-clause (a) of Section 2 of the Companies Act, 2013, after the word "company;", the word "and" shall be inserted;</i></p> <p><i>Hence the revised Clause would read as:</i></p> <p><i>(71) "public company" means a company which—</i>  <i>(a) is not a private company <b>[and];</b></i>  <i>(b) has a minimum paid-up share capital [Omitted], as may be prescribed];</i></p> <p><i>Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles ;</i></p>
	2(72)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In clause (72), in the proviso, in clause (A) of Section 2 of the Companies</i></p>

		Act, 2013, after the words "State Act", the words "other than this Act or the previous company law" shall be inserted;
	2(76)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>In clause (76) for sub-clause (viii), in the proviso, in clause (A) of Section 2 of the Companies Act, 2013 the following sub-clause shall be substituted, namely:—</p> <p>"(viii) any body corporate which is—</p> <p>(A) a holding, subsidiary or an associate company of such company;</p> <p>(B) a subsidiary of a holding company to which it is also a subsidiary; or</p> <p>(C) an investing company or the venturer of the company;"</p> <p>Explanation.—</p> <p>For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.</p>
	2(85)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>In clause (85) of Section 2 of the Companies Act, 2013,—</p> <p>(a) in sub-clause (i), for the words "five crore rupees", the words "ten crore rupees" shall be substituted;</p> <p>(b) in sub-clause (ii),—</p> <p>(A) for the words "as per its last profit and loss account", the words "as per profit and loss account for the immediately preceding financial year" shall be substituted;</p> <p>(B) for the words "twenty crore rupees", the words "one hundred crore rupees" shall be substituted;</p> <p>Hence the revised Clause would read as:</p> <p>(85) "small company" means a company, other than a public company,—</p> <p>(i) paid-up share capital of which does not exceed fifty lakh rupees or such higher amount as may be prescribed which shall not be more than <b>ten crore rupees; and</b></p> <p>(ii) turnover of which <b>as per profit and loss account for the immediately preceding financial year</b> does not exceed two crore rupees or such</p>

		<p>higher amount as may be prescribed which shall not be more than <b>one hundred crore rupees</b>:</p> <p><i>Provided that nothing in this clause shall apply to—</i></p> <p>(A) a holding company or a subsidiary company;</p> <p>(B) a company registered under section 8; or</p> <p>(C) a company or body corporate governed by any special Act;</p>
	2(87)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In clause (87) of Section 2 of the Companies Act, 2013, in sub-clause (ii), for the words "total share capital", the words "total voting power" shall be substituted.</i></p>
	2(91)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>For clause (91) of Section 2 of the Companies Act, 2013, the following clause shall be substituted, namely:—</i></p> <p><i>(91) "turnover" means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year;'</i></p>
	3A	<p><b>Insertion by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>After section 3 of the Companies Act, 2013, the following section shall be inserted, namely:—</i></p> <p><b>Members severally liable in certain cases [Section 3A]:</b></p> <p><i>If at any time the number of members of a company is reduced, in the case of a public company, below seven, in the case of a private company, below two, and the company carries on business for more than six months while the number of members is so reduced, every person who is a member of the company during the time that it so carries on business after those six months and is cognisant of the fact that it is carrying on business with less than seven members or two members, as the case may be, shall be severally liable for the payment of the whole</i></p>

		debts of the company contracted during that time, and may be severally sued therefor.
	4(5)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 351(E) dated 23.01.2018 w.e.f 26.01.2018:</b></p> <p>In Section 4 of the Companies Act, 2013, in sub-section (5), for clause (i), the following shall be substituted, namely:—</p> <p><i>(i) Upon receipt of an application under sub-section (4), the Registrar may, on the basis of information and documents furnished along with the application, reserve the name for a period of twenty days from the date of approval or such other period as may be prescribed:</i></p> <p><i>Provided that in case of an application for reservation of name or for change of its name by an existing company, the Registrar may reserve the name for a period of sixty days from the date of approval.</i></p>
	21	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 21 of the Companies Act, 2013, for the words "an officer of the company", the words "an officer or employee of the company" shall be substituted -</i></p> <p><i>Hence the revised Section would read as:</i></p> <p><i>Save as otherwise provided in this Act,—</i></p> <p><i>(a) a document or proceeding requiring authentication by a company;</i>  <i>or</i>  <i>(b) contracts made by or on behalf of a company, may be signed by any key managerial personnel or <b>an officer or employee of the company</b> duly authorised by the Board in this behalf.</i></p>
	26 (1)	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>The revised sub - Section would read as:</i></p> <p><i>(1) Every prospectus issued by or on behalf of a public company either with reference to its formation or subsequently, or by or on behalf of any person who is or has been engaged or interested in the</i></p>

		<p>formation of a public company, shall be dated and signed and shall <b>state such information and set out such reports on financial information as may be specified by the Securities and Exchange Board in consultation with the Central Government:</b></p> <p><b>Provided that until the Securities and Exchange Board specifies the information and reports on financial information under this sub-section, the regulations made by the Securities and Exchange Board under the Securities and Exchange Board of India Act, 1992, in respect of such financial information or reports on financial information shall apply.</b></p> <p><b>(a) [**Omitted**]</b></p> <p><b>(b) [**Omitted**]</b></p> <p>(c) make a declaration about the compliance of the provisions of this Act and a statement to the effect that nothing in the prospectus is contrary to the provisions of this Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules and regulations made there under; and</p> <p><b>(d) [**Omitted**]</b></p>
	35	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 35 of the Companies Act, 2013, in sub-section (2), after clause (b), the following clause shall be inserted, namely:—</i></p> <p>(c) <i>that, as regards every misleading statement purported to be made by an expert or contained in what purports to be a copy of or an extract from a report or valuation of an expert, it was a correct and fair representation of the statement, or a correct copy of, or a correct and fair extract from, the report or valuation; and he had reasonable ground to believe and did up to the time of the issue of the prospectus believe, that the person making the statement was competent to make it and that the said person had given the consent required by sub-section (5) of section 26 to the issue of the prospectus and had not withdrawn that consent before delivery of a copy of the prospectus for registration or, to the defendant's knowledge, before allotment there under.</i></p>
	47	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p>

		<p><i>In section 47 of the Companies Act, 2013, in sub-section (1), for the words, figures and brackets "provisions of section 43 and sub-section (2) of section 50", the words, figures and brackets "provisions of section 43, sub-section (2) of section 50 and sub-section (1) of section 188" shall be substituted.</i></p>
	53	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 53 of the Companies Act, 2013,—</i></p> <p><i>(i) in sub-section (2), for the words "discounted price", the word "discount" shall be substituted;</i></p> <p><i>(ii) after sub-section (2), the following sub-section shall be inserted, namely:—</i></p> <p><i>(2A) Notwithstanding anything contained in sub-sections (1) and (2), a company may issue shares at a discount to its creditors when its debt is converted into shares in pursuance of any statutory resolution plan or debt restructuring scheme in accordance with any guidelines or directions or regulations specified by the Reserve Bank of India under the Reserve Bank of India Act, 1934 or the Banking (Regulation) Act, 1949.</i></p>
	54	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 54 of the Companies Act, 2013, in sub-section (1), clause (c) shall be omitted</i></p>
	62	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 62 of the Companies Act, 2013,—</i></p> <p><i>(i) in sub-section (1), in clause (c), for the words "of a registered valuer subject to such conditions as may be prescribed", the words and figures "of a registered valuer, subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed" shall be substituted;</i></p> <p><i>(ii) for sub-section (2), the following sub-section shall be substituted, namely:—</i></p>



		<p>"(2) The notice referred to in sub-clause (i) of clause (a) of sub-section (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue."</p>
76A		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>In section 76A of the Companies Act, 2013,—</p> <p>(a) in clause (a), for the words, "one crore rupees", the words "one crore rupees or twice the amount of deposit accepted by the company, whichever is lower" shall be substituted;</p> <p>(b) in clause (b),—</p> <p>(i) for the words "seven years or with fine", the words "seven years and with fine" shall be substituted;</p> <p>(ii) the words "or with both" shall be omitted.</p> <p>Hence the revised Section would read as:</p> <p>76A. Where a company accepts or invites or allows or causes any other person to accept or invite on its behalf any deposit in contravention of the manner or the conditions prescribed under section 73 or section 76 or rules made there under or if a company fails to repay the deposit or part thereof or any interest due thereon within the time specified under section 73 or section 76 or rules made there under or such further time as may be allowed by the Tribunal under section 73,—</p> <p>(a) the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than <b>one crore rupees or twice the amount of deposit accepted by the company, whichever is lower</b> rupees but which may extend to ten crore rupees; and</p> <p>(b) every officer of the company who is in default shall be punishable with imprisonment which may extend to <b>seven years and with fine</b> which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees; <del>or with both</del> <b>[**Omitted**]</b>;</p> <p>Provided that if it is proved that the officer of the company who is in default, has contravened such provisions knowingly or wilfully with the intention to deceive the company or its shareholders or depositors or creditors or tax authorities, he shall be liable for action under section 447.</p>

	77	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 77 of the Companies Act, 2013, in sub-section (1), after the third proviso, the following proviso shall be inserted, namely:—</i></p> <p><i>Provided also that this section shall not apply to such charges as may be prescribed in consultation with the Reserve Bank of India.</i></p>
	78	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 78 of the Companies Act, 2013, for the words and figures "register the charge within the period specified in section 77", the words, brackets and figures "register the charge within the period of thirty days referred to in sub-section (1) of section 77" shall be substituted."</i></p>
	89	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 89 of the Companies Act, 2013,—</i></p> <p><i>(i) in sub-section (6), the words and figures, "within the time specified under section 403" shall be omitted;</i></p> <p><i>(ii) in sub-section (7), for the words and figures, "under the first proviso to sub-section (1) of section 403", the word "therein", shall be substituted;</i></p>
	92	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 92 of the Companies Act, 2013,—</i></p> <p><i>(i) in sub-section (4), the words and figures, "within the time as specified, under section 403" shall be omitted;</i></p> <p><i>(ii) in sub-section (5), for the words and figures, "under section 403 with additional fees" the word "therein" shall be substituted.</i></p>

100		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 100 of the Companies Act, 2013, in sub-section (1), the following proviso shall be inserted, namely:—</i></p> <p><i>Provided that an extraordinary general meeting of the company, other than of the wholly owned subsidiary of a company incorporated outside India, shall be held at a place within India.</i></p>
101		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 101 of the Companies Act, 2013, in sub-section (1), for the proviso, the following proviso shall be substituted, namely:—</i></p> <p><i>Provided that a general meeting may be called after giving shorter notice than that specified in this sub-section if consent, in writing or by electronic mode, is accorded thereto—</i></p> <ul style="list-style-type: none"> <li><i>(i) in the case of an annual general meeting, by not less than ninety-five per cent. of the members entitled to vote thereat; and</i></li> <li><i>(ii) in the case of any other general meeting, by members of the company—</i> <ul style="list-style-type: none"> <li><i>(a) holding, if the company has a share capital, majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or</i></li> <li><i>(b) having, if the company has no share capital, not less than ninety-five per cent. of the total voting power exercisable at that meeting:</i></li> </ul> </li> </ul> <p><i>Provided further that where any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this sub-section in respect of the former resolution or resolutions and not in respect of the latter.</i></p>
110		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 110 of the Companies Act, 2013, in sub-section (1), the following proviso shall be inserted, namely:—</i></p>

		<p>Provided that any item of business required to be transacted by means of postal ballot under clause (a), may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section.</p>
117		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>The revised Section would be read as under:</p> <p>(1) A copy of every resolution or any agreement, in respect of matters specified in sub-section (3) together with the explanatory statement under section 102, if any, annexed to the notice calling the meeting in which the resolution is proposed, shall be filed with the Registrar within thirty days of the passing or making thereof in such manner and with such fees as may be prescribed <del>within the time specified under section 403</del> <b>***Omitted**</b>:</p> <p>Provided that the copy of every resolution which has the effect of altering the articles and the copy of every agreement referred to in sub-section (3) shall be embodied in or annexed to every copy of the articles issued after passing of the resolution or making of the agreement.</p> <p>(2) If a company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified <b>therein</b>, the company shall be punishable with fine which shall <b>not be less than one lakh rupees</b> but which may extend to twenty-five lakh rupees and every officer of the company who is in default, including liquidator of the company, if any, shall be punishable with fine which shall not be less than <b>fifty thousand rupees</b> but which may extend to five lakh rupees.</p> <p>(3) The provisions of this section shall apply to—</p> <p>(i) special resolutions;</p> <p>(ii) resolutions which have been agreed to by all the members of a company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;</p> <p>(iii) any resolution of the Board of Directors of a company or agreement executed by a company, relating to the</p>

		<p>appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director;</p> <p>(iv) resolutions or agreements which have been agreed to by any class of members but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by a specified majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind such class of members though not agreed to by all those members;</p> <p>(v) <b>【**Omitted**】</b></p> <p>(vi) resolutions requiring a company to be wound up voluntarily passed in pursuance of Section 59 of the Insolvency and Bankruptcy Code, 2016</p> <p>(vii) resolutions passed in pursuance of sub-section (3) of section 179;</p> <p><b>Provided</b> that no person shall be entitled under section 399 to inspect or obtain copies of such resolutions;</p> <p><b>Provided further that nothing contained in this clause shall apply to a banking company in respect of a resolution passed to grant loans, or give guarantee or provide security in respect of loans under clause (f) of sub-section (3) of section 179 in the ordinary course of its business; and</b></p> <p>(viii) any other resolution or agreement as may be prescribed and placed in the public domain.</p>
	121	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 121 of the Companies Act, 2013,—</i></p> <p>(i) in sub-section (2), the words and figures “within the time as specified, under section 403” shall be omitted;</p> <p>(ii) in sub-section (3), for the words and figures “under section 403 with additional fees”, the word “therein” shall be substituted.</p>
	123	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p>

The revised Section would read as:

(1) No dividend shall be declared or paid by a company for any financial year except—

(a) out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of sub-section (2), or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of **both**:

**Provided that in computing profits any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded; or**

(b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:

*Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:*

*Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and **transferred by the company to the free reserves**, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf:*

*Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.*

*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 the company for the current year.]*

(2) For the purposes of clause (a) of sub-section (1), depreciation shall be provided in accordance with the provisions of Schedule II.

		<p><b>(3) The Board of Directors of a company may declare interim dividend during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting out of the surplus in the profit and loss account or out of profits of the financial year for which such interim dividend is sought to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend:</b></p> <p><b>Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.</b></p> <p>(4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.]</p> <p>(5) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:</p> <p>Provided that nothing in this sub-section shall be deemed to prohibit the capitalisation of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:</p> <p>Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.</p> <p>(6) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.</p>
	129	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>In section 129 of the Companies Act, 2013, for sub-section (3), the following sub-section shall be substituted, namely:—</p> <p>(3) Where a company has one or more subsidiaries or associate</p>

		<p>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):</p> <p>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:</p> <p>Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed.</p>
	129(6)	<p><b>Additional Exclusion vide Notification no S.O. 529(E) dated 05.02.2018:</b></p> <p>In exercise of the powers conferred by sub-section (6) of Section 129 of the Companies Act, 2013 (18 of 2013), the Central Government, in the interest of public, hereby directs that the provisions of Accounting Standard 22 or Indian Accounting Standard 12 relating to deferred tax asset or deferred tax liability shall not apply, [<b>**omitted**</b> (as per notification no S.O. 1465(E) dated 02.04.2018 ) with effect from the 1<sup>st</sup> April, 2017, to a Government company which:—</p> <p>(a) is a public financial institution under sub-clause (iv) of clause (72) of section 2 of the Companies Act, 2013;</p> <p>(b) is a Non-Banking Financial Company registered with the Reserve Bank of India under section 45-IA of the Reserve bank of India Act, 1934; and</p> <p>(c) is engaged in the business of infrastructure finance leasing with not less than seventy five per cent. of its total revenue being generated from such business with Government companies or other entities owned or controlled by Government .</p>
	130	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p>



		<p>The revised Section would read as:</p> <p>(1) A company shall not re-open its books of account and not recast its financial statements, unless an application in this regard is made by the Central Government, the Income-tax authorities, the Securities and Exchange Board, any other statutory regulatory body or authority or any person concerned and an order is made by a court of competent jurisdiction or the Tribunal to the effect that—</p> <p>(i) the relevant earlier accounts were prepared in a fraudulent manner; or</p> <p>(ii) the affairs of the company were mismanaged during the relevant period, casting a doubt on the reliability of financial statements:</p> <p>Provided that the court or the Tribunal, as the case may be, shall give notice to the Central Government, the Income-tax authorities, the Securities and Exchange Board or any other statutory regulatory body or authority concerned <b>or any other person concerned</b> and shall take into consideration the representations, if any, made by that Government or the authorities, Securities and Exchange Board or the body or authority concerned <b>or the other person concerned</b> before passing any order under this section.</p> <p>(2) Without prejudice to the provisions contained in this Act the accounts so revised or re-cast under sub-section (1) shall be final.</p> <p><b>(3) No order shall be made under sub-section (1) in respect of re-opening of books of account relating to a period earlier than eight financial years immediately preceding the current financial year:</b></p> <p><b>Provided that where a direction has been issued by the Central Government under the proviso to sub-section (5) of section 128 for keeping of books of account for a period longer than eight years, the books of account may be ordered to be re-opened within such longer period.</b></p>
	132	<p><u>THIS SECTION IS NOT YET ENFORCED</u></p> <p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>In section 132 of the Companies Act, 2013,—</p> <p>(i) in sub-section (4), in clause (c), in sub-clause (A), in item (II), for the</p>

		<p>words "ten lakh rupees", the words "five lakh rupees" shall be substituted;</p> <p>(ii) in sub-section (5), for the words, brackets and figure "the Appellate Authority constituted under sub-section (6) in such manner as may be prescribed", the words "the Appellate Tribunal in such manner and on payment of such fee as may be prescribed" shall be substituted;</p> <p>(iii) sub-sections (6), (7), (8) and (9) shall be omitted.</p>
136		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>The revised Section would read as:</p> <p>(1) <del>Without prejudice to the provisions of section 101</del> <b>Without prejudice to the provisions of section 101</b> <del> [**Omitted**]</del>, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting:</p> <p><b>Provided that if the copies of the documents are sent less than twenty-one days before the date of the meeting, they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by members—</b></p> <p><b>(a) holding, if the company has a share capital, majority in number entitled to vote and who represent not less than ninety-five per cent. Of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or</b></p> <p><b>(b) having, if the company has no share capital, not less than ninety five per cent. of the total voting power exercisable at the meeting;</b></p> <p><b>Provided further that</b> in the case of a listed company, the provisions of this sub-section shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office</p>

during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements:

**Provided also** the Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be prescribed:

Provided also that a listed company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company:

**Provided also that every listed company having a subsidiary or subsidiaries shall place separate audited accounts in respect of each of subsidiary on its website, if any: Provided also that a listed company which has a subsidiary incorporated outside India (herein referred to as "foreign subsidiary")—**

**(a) where such foreign subsidiary is statutorily required to prepare consolidated financial statement under any law of the country of its incorporation, the requirement of this proviso shall be met if consolidated financial statement of such foreign subsidiary is placed on the website of the listed company;**

**(b) where such foreign subsidiary is not required to get its financial statement audited under any law of the country of its incorporation and which does not get such financial statement audited, the holding Indian listed company may place such unaudited financial statement on its website and where such financial statement is in a language other than English, a translated copy of the financial statement in English shall also be placed on the website.**

(2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-section (1) at its registered office during business hours.

**Provided that every company having a subsidiary or subsidiaries shall provide a copy of separate audited or unaudited financial statements, as the case may be, as prepared in respect of each of**

		<p><b>its subsidiary to any member of the company who asks for it.</b></p> <p>(3) If any default is made in complying with the provisions of this section, the company shall be liable to a penalty of twenty-five thousand rupees and every officer of the company who is in default shall be liable to a penalty of five thousand rupees.</p>
	137	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>In section 137 of the Companies Act, 2013,—</p> <p>(ix) in sub-section (1),—</p> <p>(a) the words and figures "within the time specified under section 403" shall be omitted;</p> <p>(b) in the second proviso, the words and figures "within the time specified under section 403" shall be omitted;</p> <p>(c) after the fourth proviso, the following proviso shall be inserted, namely:—</p> <p>Provided also that in the case of a subsidiary which has been incorporated outside India (herein referred to as "foreign subsidiary"), which is not required to get its financial statement audited under any law of the country of its incorporation and which does not get such financial statement audited, the requirements of the fourth proviso shall be met if the holding Indian company files such unaudited financial statement along with a declaration to this effect and where such financial statement is in a language other than English, along with a translated copy of the financial statement in English.'</p> <p>(ii) in sub-section (2), the words and figures "within the time specified, under section 403" shall be omitted;</p> <p>(iii) in sub-section (3), for the words and figures "in section 403", the word "therein" shall be substituted</p>
	139	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>In section 139 of the Companies Act, 2013, in sub-section (1), the first proviso shall be omitted.</p>

	140	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 140 of the Companies Act, 2013, in sub-section (3), for the words "fifty thousand rupees", the words "fifty thousand rupees or the remuneration of the auditor, whichever is less," shall be substituted.</i></p>
	141	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 141 of the Companies Act, 2013, in sub-section (3), for clause (i), the following clause shall be substituted, namely:—</i></p> <p><i>(i) a person who, directly or indirectly, renders any service referred to in section 144 to the company or its holding company or its subsidiary company.</i></p> <p><i>Explanation.—For the purposes of this clause, the term "directly or indirectly" shall have the meaning assigned to it in the Explanation to section 144.</i></p>
	143	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 143 of the Companies Act, 2013,—</i></p> <p><i>(i) in sub-section (1), in the proviso, for the words "its subsidiaries", at both the places, the words "its subsidiaries and associate companies" shall be substituted;</i></p> <p><i>(ii) in sub-section (3), in clause (i), for the words "internal financial controls system", the words "internal financial controls with reference to financial statements" shall be substituted;</i></p> <p><i>(iii) in sub-section (14), in clause (a), for the words "cost accountant in practice", the words "cost accountant" shall be substituted.</i></p>
	147	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 147 of the Companies Act, 2013,—</i></p> <p><i>(i) in sub-section (2),—</i></p>

		<p>(a) after the words "five lakh rupees", the words "or four times the remuneration of the auditor, whichever is less" shall be inserted;</p> <p>(b) in the proviso, for the words "and with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees", the words "and with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees or eight times the remuneration of the auditor, whichever is less" shall be substituted;</p> <p>(ii) in sub-section (3), in clause (ii), for the words "or to any other persons", the words "or to members or creditors of the company" shall be substituted;</p> <p>(iii) in sub-section (5), the following proviso shall be inserted, namely:—</p> <p style="padding-left: 40px;"><i>Provided that in case of criminal liability of an audit firm, in respect of liability other than fine, the concerned partner or partners, who acted in a fraudulent manner or abetted or, as the case may be, colluded in any fraud shall only be liable.</i></p>
	148	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 148 of the Companies Act, 2013,—</i></p> <p>(i) in sub-section (3),—</p> <p>(a) for the words "Cost Accountant in practice", the words "cost accountant" shall be substituted;</p> <p>(b) in the Explanation, for the words "Institute of Cost and Works Accountants of India", the words "Institute of Cost Accountants of India" shall be substituted;</p> <p>(ii) in sub-section (5), in the proviso, for the words "cost accountant in practice", the words "cost accountant" shall be substituted.</p>
	149	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>The revised section would be read as under:</i></p> <p>(1) Every company shall have a Board of Directors consisting of individuals as directors and shall have —</p> <p>(a) a minimum number of three directors in the case of a public company, two directors in the case of a private company, and</p>

		<p>one director in the case of a One Person Company; and  (b) a maximum of fifteen directors:</p> <p><i>Provided that a company may appoint more than fifteen directors after passing a special resolution:</i></p> <p><i>Provided further that such class or classes of companies as may be prescribed, shall have at least one woman director.</i></p> <p>(2) Every company existing on or before the date of commencement of this Act shall within one year from such commencement comply with the requirements of the provisions of sub-section (1).</p> <p><b>(3) Every company shall have at least one director who stays in India for a total period of not less than one hundred and eighty-two days during the financial year:</b></p> <p><b><i>Provided that in case of a newly incorporated company the requirement under this sub-section shall apply proportionately at the end of the financial year in which it is incorporated.</i></b></p> <p>(4) Every listed public company shall have at least one-third of the total number of directors as independent directors and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies.  Explanation.—For the purposes of this sub-section, any fraction contained in such one-third number shall be rounded off as one.</p> <p>(5) Every company existing on or before the date of commencement of this Act shall, within one year from such commencement or from the date of notification of the rules in this regard as may be applicable, comply with the requirements of the provisions of sub-section (4).</p> <p>(6) An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—</p> <p>(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;</p> <p>(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;</p> <p>(c) who has or had <b>no pecuniary relationship, other than</b></p>
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**remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;**

**(d) none of whose relatives—**

**(i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:**

**Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;**

**(ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;**

**(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or**

**(iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);**

**(e) who, neither himself nor any of his relatives—**

**(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he**



is proposed to be appointed;

**Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.**

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(f) who possesses such other qualifications as may be prescribed.

(7) Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6).

*Explanation.—For the purposes of this section, “nominee director” means a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests.*

(8) The company and independent directors shall abide by the provisions specified in Schedule IV.

		<p>(9) Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.</p> <p>(10) Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.</p> <p>(11) Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:</p> <p>Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.</p> <p>Explanation.—For the purposes of sub-sections (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under those sub-sections.</p> <p>(12) Notwithstanding anything contained in this Act,—</p> <ul style="list-style-type: none"> <li>(i) an independent director;&amp;</li> <li>(ii) a non-executive director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.</li> </ul> <p>(13) The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.</p>
	152	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>In section 152 of the Companies Act, 2013,—</p>

		<p>(a) in sub-section (3), after the word and figures "section 154", the words and figures "or any other number as may be prescribed under section 153" shall be inserted;</p> <p>(b) in sub-section (4), after the word "Number", the words and figures "or such other number as may be prescribed under section 153" shall be inserted.</p>
	153	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 153 of the Companies Act, 2013, the following proviso shall be inserted, namely :—</i></p> <p><i>Provided that the Central Government may prescribe any identification number which shall be treated as Director Identification Number for the purposes of this Act and in case any individual holds or acquires such identification number, the requirement of this section shall not apply or apply in such manner as may be prescribed.</i></p>
	157	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 157 of the Companies Act, 2013,—</i></p> <p>(i) <i>in sub-section (1), the words and figures, "within the time specified under section 403" shall be omitted;</i></p> <p>(ii) <i>in sub-section (2), the words and figures, "before the expiry of the period specified under section 403 with additional fee", shall be omitted.</i></p>
	160	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 160 of the Companies Act, 2013, in sub-section (1), the following proviso shall be inserted, namely:—</i></p> <p><i>Provided that requirements of deposit of amount shall not apply in case of appointment of an independent director or a director recommended by the Nomination and Remuneration Committee, if any, constituted</i></p>

		<i>under sub-section (1) of section 178 or a director recommended by the Board of Directors of the Company, in the case of a company not required to constitute Nomination and Remuneration Committee.</i>
	161	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 161 of the Companies Act, 2013,—</i></p> <p>(i) <i>in sub-section (2), after the words "alternate directorship for any other director in the company", the words "or holding directorship in the same company" shall be inserted;</i></p> <p>(ii) <i>in sub-section (4),—</i></p> <p>(a) <i>the words "In the case of a public company," shall be omitted;</i></p> <p>(b) <i>after the words "meeting of the Board", the words "which shall be subsequently approved by members in the immediate next general meeting" shall be inserted.</i></p>
	164	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 164 of the Companies Act, 2013,—</i></p> <p>(i) <i>in sub-section (2), the following proviso shall be inserted, namely:—</i>  <i>Provided that where a person is appointed as a director of a company which is in default of clause (a) or clause (b), he shall not incur the disqualification for a period of six months from the date of his appointment.</i></p> <p>(ii) <i>in sub-section (3), for the proviso, the following proviso shall be substituted, namely:—</i>  <i>"Provided that the disqualifications referred to in clauses (d), (e) and (g) of sub-section (1) shall continue to apply even if the appeal or petition has been filed against the order of conviction or disqualification</i></p>
	165	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 165 of the Companies Act, 2013, in sub-section (1), the Explanation shall be renumbered as Explanation I and after Explanation I</i></p>

		<p>as so numbered, the following Explanation shall be inserted, namely:—</p> <p>"Explanation II.—For reckoning the limit of directorships of twenty companies, the directorship in a dormant company shall not be included."</p>
	167	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>In section 167 of Companies Act, 2013, in sub-section (1),—</p> <p>(i) in clause (a), the following proviso shall be inserted, namely:—  <i>Provided that where he incurs disqualification under sub-section (2) of section 164, the office of the director shall become vacant in all the companies, other than the company which is in default under that sub-section.</i></p> <p>(ii) in clause (f), for the proviso the following proviso shall be substituted, namely,—</p> <p><i>Provided that the office shall not be vacated by the director in case of orders referred to in clauses (e) and (f)—</i></p> <p>(i) <i>for thirty days from the date of conviction or order of disqualification;</i></p> <p>(ii) <i>where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or</i></p> <p>(iii) <i>where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of."</i></p>
	168	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>In section 168 of the Companies Act, 2013, in sub-section (1), in the proviso, for the words, "director shall also forward", the words "director may also forward" shall be substituted.</p>
	173	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p>

		<p><i>In section 173 of the Companies Act, 2013, in sub-section (2), after the first proviso, the following proviso shall be inserted, namely:—</i></p> <p><i>Provided further that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means in such meeting on any matter specified under the first proviso.</i></p>
	177	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 177 of the Companies Act, 2013,—</i></p> <p>(i) <i>in sub-section (1), for the words "every listed company", the words "every listed public company" shall be substituted;</i></p> <p>(ii) <i>in sub-section (4), in clause (iv), after the proviso, the following provisos shall be inserted, namely:—</i></p> <p><i>Provided further that in case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board:</i></p> <p><i>Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it:</i></p> <p><i>Provided also that the provisions of this clause shall not apply to a transaction, other than a transaction referred to in section 188, between a holding company and its wholly owned subsidiary company.</i></p>
	178	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 178 of the Companies Act, 2013,—</i></p>

		<p>(i) in sub-section (1), for the words "every listed company", the words "every listed public company" shall be substituted;</p> <p>(ii) in sub-section (2), for the words "shall carry out evaluation of every director's performance", the words "shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance" shall be substituted</p> <p>(iii) in sub-section (4), in clause (c), for the proviso, the following proviso shall be substituted, namely:—</p> <p style="padding-left: 40px;"><i>Provided that such policy shall be placed on the website of the company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.</i></p> <p>(iv) in sub-section (8), in the proviso, for the words "non-consideration of resolution of any grievance", the words "inability to resolve or consider any grievance" shall be substituted.</p>
	180	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 180 of the Companies Act, 2013, in sub-section (1), in clause (c), for the words "paid-up share capital and free reserves", the words "paid-up share capital, free reserves and securities premium" shall be substituted.</i></p>
	184	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 184 of the Companies Act, 2013,—</i></p> <p>(i) in sub-section (4), the words "shall not be less than fifty thousand rupees but which" shall be omitted;</p> <p>(ii) in sub-section (5), for clause (b), the following clause shall be substituted, namely:—</p>

		<p>(b) shall apply to any contract or arrangement entered into or to be entered into between two companies or between one or more companies and one or more bodies corporate where any of the directors of the one company or body corporate or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company or the body corporate.</p>
185		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>For section 185 of the Companies Act, 2013, the following section shall be substituted, namely:—</p> <p>(1) No company shall, directly or indirectly, advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by,—</p> <p>(a) any director of company, or of a company which is its holding company or any partner or relative of any such director; or</p> <p>(b) any firm in which any such director or relative is a partner.</p> <p>(2) A company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that—</p> <p>(a) a special resolution is passed by the company in general meeting:</p> <p>Provided that the explanatory statement to the notice for the relevant general meeting shall disclose the full particulars of the loans given, or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security and any other relevant fact; and</p> <p>(b) the loans are utilised by the borrowing company for its principal business activities.</p> <p>Explanation. — For the purposes of this sub-section, the expression "any person in whom any of the director of the company is interested" means—</p> <p>(a) any private company of which any such director is a director or member;</p> <p>(b) any body corporate at a general meeting of which not less than</p>



		<p>twenty-five per cent. of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together; or</p> <p>(c) any body corporate, the Board of directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company.</p> <p>(3) Nothing contained in sub-sections (1) and (2) shall apply to—</p> <p>(a) the giving of any loan to a managing or whole-time director—</p> <p>(i) as a part of the conditions of service extended by the company to all its employees; or</p> <p>(ii) pursuant to any scheme approved by the members by a special resolution; or</p> <p>(b) a company which in the ordinary course of its business provides loans or gives guarantees or securities for the due repayment of any loan and in respect of such loans an interest is charged at a rate not less than the rate of prevailing yield of one year, three years, five years or ten years Government security closest to the tenor of the loan; or</p> <p>(c) any loan made by a holding company to its wholly owned subsidiary company or any guarantee given or security provided by a holding company in respect of any loan made to its wholly owned subsidiary company; or</p> <p>(d) any guarantee given or security provided by a holding company in respect of loan made by any bank or financial institution to its subsidiary company:</p> <p>Provided that the loans made under clauses (c) and (d) are utilised by the subsidiary company for its principal business activities.</p> <p>(4) If any loan is advanced or a guarantee or security is given or provided or utilised in contravention of the provisions of this section,—</p> <p>(i) the company shall be punishable with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees;</p> <p>(ii) every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than five lakh rupees</p>
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		<p>but which may extend to twenty-five lakh rupees; and</p> <p>(iii) the director or the other person to whom any loan is advanced or guarantee or security is given or provided in connection with any loan taken by him or the other person, shall be punishable with imprisonment which may extend to six months or with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees, or with both.</p>
186		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>In section 186 of the Companies Act, 2013,—</p> <p>(i) in sub-section (2), the following Explanation shall be inserted, namely:— Explanation.—For the purposes of this sub-section, the word "person" does not include any individual who is in the employment of the company.</p> <p>(ii) for sub-section (3), the following sub-section shall be substituted, namely:— (3) Where the aggregate of the loans and investment so far made, the amount for which guarantee or security so far provided to or in all other bodies corporate along with the investment, loan, guarantee or security proposed to be made or given by the Board, exceed the limits specified under sub-section (2), no investment or loan shall be made or guarantee shall be given or security shall be provided unless previously authorised by a special resolution passed in a general meeting:</p> <p>Provided that where a loan or guarantee is given or where a security has been provided by a company to its wholly owned subsidiary company or a joint venture company, or acquisition is made by a holding company, by way of subscription, purchase or otherwise of, the securities of its wholly owned subsidiary company, the requirement of this sub-section shall not apply:</p> <p>Provided further that the company shall disclose the details of such loans or guarantee or security or acquisition in the financial statement as provided under sub-section (4).</p> <p>(iii) for sub-section (11), the following sub-section shall be substituted, namely:— (11) Nothing contained in this section, except sub-section (1), shall</p>

		<p>apply—</p> <p>(a) to any loan made, any guarantee given or any security provided or any investment made by a banking company, or an insurance company, or a housing finance company in the ordinary course of its business, or a company established with the object of and engaged in the business of financing industrial enterprises, or of providing infrastructural facilities;</p> <p>(b) to any investment—</p> <p>(i) made by an investment company;</p> <p>(ii) made in shares allotted in pursuance of clause (a) of sub-section (1) of section 62 or in shares allotted in pursuance of rights issues made by a body corporate;</p> <p>(iii) made, in respect of investment or lending activities, by a non-banking financial company registered under Chapter III-B of the Reserve Bank of India Act, 1934 and whose principal business is acquisition of securities.</p> <p>(iv) in the Explanation, in clause (a), after the words "other securities" the following shall be inserted, namely:—</p> <p>and a company will be deemed to be principally engaged in the business of acquisition of shares, debentures or other securities, if its assets in the form of investment in shares, debentures or other securities constitute not less than fifty per cent. of its total assets, or if its income derived from investment business constitutes not less than fifty per cent. as a proportion of its gross income.</p>
	188	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>In section 188 of the Companies Act, 2013,—</p> <p>(i) in sub-section (1), after the second proviso, the following proviso shall be inserted, namely:—</p> <p>Provided also that nothing contained in the second proviso shall apply to a company in which ninety per cent. or more members, in number, are relatives of promoters or are related parties:</p> <p>(ii) in sub-section (3), for the words "shall be voidable at the option of the Board", the words "shall be voidable at the option of the Board or, as the case may be, of the shareholders" shall be substituted.</p>

194		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>Section 194 of the Companies Act, 2013 shall be <b>omitted</b>.</i></p>
195		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>Section 195 of the Companies Act, 2013 shall be <b>omitted</b>.</i></p>
223		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 223 of the Companies Act, 2013, in sub-section (3), after the words "may be obtained", the words "by members, creditors or any other person whose interest is likely to be affected" shall be inserted</i></p>
236		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 236 of the Companies Act, 2013, in sub-sections (4), (5) and (6), for the words, "transferor company", wherever they occur, the words "company whose shares are being transferred" shall be substituted.</i></p>
247		<p><u>THIS SECTION IS NOT YET ENFORCED</u></p> <p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 247 of the Companies Act, 2013, in sub-section (2), in clause (d), for the words "during or after the valuation of assets", the words "during a period of three years prior to his appointment as valuer or three years after the valuation of assets was conducted by him" shall be substituted.</i></p>
379		<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>Section 379 of the Companies Act, 2013 shall be renumbered as sub-section (2) thereof and before sub-section (2) as so renumbered, the</i></p>

		<p>following sub-section shall be inserted, namely:—</p> <p>(5) Sections 380 to 386 (both inclusive) and sections 392 and 393 shall apply to all foreign companies:</p> <p>Provided that the Central Government may, by Order published in the Official Gazette, exempt any class of foreign companies, specified in the Order, from any of the provisions of sections 380 to 386 and sections 392 and 393 and a copy of every such Order shall, as soon as may be after it is made, be laid before both Houses of Parliament.</p>
	384	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>In section 384 of the Companies Act, 2013, in sub-section (2), after the word and figures "section 92", the words and figures "and section 135" shall be inserted.</p>
	391	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>In section 391 of the Companies Act, 2013, for sub-section (2), the following sub-section shall be substituted, namely:—</p> <p>(6) Subject to the provisions of section 376, the provisions of Chapter XX shall apply mutatis mutandis for closure of the place of business of a foreign company in India as if it were a company incorporated in India in case such foreign company has raised monies through offer or issue of securities under this Chapter which have not been repaid or redeemed.</p>
	403	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>In section 403 of the Companies Act, 2013 -</p> <p>(i) in sub-section (1), for the first and second provisos, the following provisos shall be substituted, namely:—</p> <p>Provided that where any document, fact or information required to be submitted, filed, registered or recorded, as the case may be, under section 92 or 137 is not submitted, filed, registered or recorded,</p>

		<p>as the case may be, within the period provided in those sections, without prejudice to any other legal action or liability under this Act, it may be submitted, filed, registered or recorded, as the case may be, after expiry of the period so provided in those sections, on payment of such additional fee as may be prescribed, which shall not be less than one hundred rupees per day and different amounts may be prescribed for different classes of companies:</p> <p>(ii) for sub-section (2), the following sub-section shall be substituted, namely:—</p> <p>(2) Where a company fails or commits any default to submit, file, register or record any document, fact or information under sub-section (1) before the expiry of the period specified in the relevant section, the company and the officers of the company who are in default, shall, without prejudice to the liability for the payment of fee and additional fee, be liable for the penalty or punishment provided under this Act for such failure or default</p>
	409	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p>In section 409 of the Companies Act, 2013, in sub-section (3),—</p> <p>(i) in clause (a), for the words "out of which at least three years shall be in the pay scale of Joint Secretary to the Government of India or equivalent or above in that service", the words "and has been holding the rank of Secretary or Additional Secretary to the Government of India" shall be substituted;</p> <p>(ii) for clause (e), the following clause shall be substituted, namely:—</p> <p>(e) is a person of proven ability, integrity and standing having special knowledge and professional experience of not less than fifteen years in industrial finance, industrial management, industrial reconstruction, investment and accountancy.</p>
	410	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p>In section 410 of the principal Act, for the words "orders of the Tribunal", the words "orders of the Tribunal or of the National Financial Reporting Authority" shall be substituted.</p>

	411	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 411 of the Companies Act, 2013, for sub-section (3), the following sub-section shall be substituted, namely:—</i></p> <p>(7) <i>A technical member shall be a person of proven ability, integrity and standing having special knowledge and professional experience of not less than twenty-five years in industrial finance, industrial management, industrial reconstruction, investment and accountancy.</i></p>
	412	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 412 of the Companies Act 2013, for sub-section (2), the following sub-sections shall be substituted, namely:—</i></p> <p>(2) <i>The Members of the Tribunal and the Technical Members of the Appellate Tribunal shall be appointed on the recommendation of a Selection Committee consisting of—</i></p> <p style="margin-left: 40px;">(a) <i>Chief Justice of India or his nominee—Chairperson;</i></p> <p style="margin-left: 40px;">(b) <i>a senior Judge of the Supreme Court or Chief Justice of High Court — Member;</i></p> <p style="margin-left: 40px;">(c) <i>Secretary in the Ministry of Corporate Affairs—Member; and</i></p> <p style="margin-left: 40px;">(d) <i>Secretary in the Ministry of Law and Justice—Member.</i></p> <p>(2A) <i>Where in a meeting of the Selection Committee, there is equality of votes on any matter, the Chairperson shall have a casting vote.</i></p>
	435	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>For section 435 of the Companies Act 2013, the following shall be substituted, namely:—</i></p> <p>(1) <i>The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary.</i></p> <p>(2) <i>A Special Court shall consist of—</i></p> <p style="margin-left: 40px;">(a) <i>a single judge holding office as Session Judge or Additional</i></p>

		<p><i>Session Judge, in case of offences punishable under this Act with imprisonment of two years or more; and</i></p> <p><i>(b) a Metropolitan Magistrate or a Judicial Magistrate of the First Class, in the case of other offences,</i></p> <p><i>who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.</i></p>
	438	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 438 of the Companies Act 2013, for the words "deemed to be a Court of Session", the words "deemed to be a Court of Session or the court of Metropolitan Magistrate or a Judicial Magistrate of the First Class, as the case may be," shall be substituted.</i></p>
	439	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 439 of the principal Act, in sub-section (2), after the words "a shareholder", the words "or a member" shall be inserted</i></p>
	440	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 1833 (E) dated 07.05.2018 w.e.f 07.05.2018:</b></p> <p><i>In section 440 of the principal Act, for the words "Court of Session", at both the places, the words "Court of Session or the Court of Metropolitan Magistrate or a Judicial Magistrate of the First Class, as the case may be" shall be substituted.</i></p>
	441	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 441 of the Companies Act 2013, in sub-section (1), for the words "with fine only", the words "not being an offence punishable with imprisonment only, or punishable with imprisonment and also with fine" shall be substituted."</i></p>



	446A	<p><b>Inserted by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><b>Factors for determining level of punishment [Section 446A]</b></p> <p><i>The court or the Special Court, while deciding the amount of fine or imprisonment under this Act, shall have due regard to the following factors, namely:—</i></p> <p>(c) <i>size of the company;</i></p> <p>(d) <i>nature of business carried on by the company;</i></p> <p>(e) <i>injury to public interest;</i></p> <p>(f) <i>nature of the default; and</i></p> <p>(g) <i>repetition of the default.</i></p>
	446B	<p><b>Inserted by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><b>Lesser penalties for One Person Companies or small companies [Section 446B]</b></p> <p><i>Notwithstanding anything contained in this Act, if a One Person Company or a small company fails to comply with the provisions of sub-section (5) of section 92, sub-section (2) of section 117 or sub-section (3) of section 137, such company and officer in default of such company shall be punishable with fine or imprisonment or fine and imprisonment, as the case may be, which shall not be more than one-half of the fine or imprisonment or fine and imprisonment, as the case may be, of the minimum or maximum fine or imprisonment or fine and imprisonment, as the case may be, specified in such sections.</i></p>
	447	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 447 of the Companies Act,—</i></p> <p>(i) <i>after the words "guilty of fraud", the words "involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower" shall be inserted;</i></p> <p>(ii) <i>after the proviso, the following proviso shall be inserted, namely:—</i></p> <p><i>Provided further that where the fraud involves an amount less than</i></p>

		<p><i>ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.</i></p>
	458	<p><b>Amended by Companies Act, 2017 vide Notification no S.O. 630 (E) dated 09.02.2018 w.e.f 09.02.2018:</b></p> <p><i>In section 458 of the principal Act, in sub-section (1), the proviso shall be omitted.</i></p>