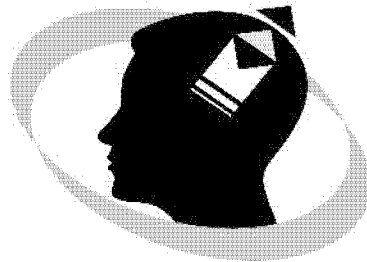


# CA - INTER COURSE MATERIAL

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**AMENDMENTS IN COMPANY LAW AND BUSINESS  
LAWS - APPLICABLE FOR NOV 2018 EXAMS  
(APPLICABLE FOR OLD AND NEW SYLLABUS)**



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**COMPANY LAW (FOR OLD AND NEW SYLLABUS)****I. AMENDMENTS AS PER RTP - NOV 2018**

S. No	Relevant Topic	Before Amendment	After Amendment
1	Financial Statement Definition	The financial statement, with respect to One Person Company, small company and dormant company, may not include the cash flow statement [Sec.2(40)]	The financial statement, with respect to one person company, small company, dormant company and <b>private company (if such private company is a startup)</b> may not include the cash flow statement; "Start-up company" means a private company incorporated under the Companies Act, 2013 or the Companies Act, 1956 and recognised as start-up in accordance with the notification issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.
2	Exempted Deposits (What are not deposits)	Any amount received by a company from Alternate Investment Funds, Domestic Venture Capital Funds and Mutual Funds registered with the Securities and Exchange Board of India in Accordance with regulations made by it. [Rule-2(xviii) of Companies Deposits Rules]	Any amount received by a company from Alternate Investment Funds, Domestic Venture Capital Funds, <b>"INFRASTRUCTURE INVESTMENT TRUSTS"</b> and Mutual Funds registered with the Securities and Exchange Board of India in accordance with regulations made by it."
3	Definition of Cost Accountant	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	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;
4	Definition of Debentures	Newly Inserted	(a) The instruments referred to in Chapter III-D of the Reserve Bank of India Act, 1934; and  (b) Such other instrument, as may be prescribed by the Central Government in consultation with the Reserve Bank of India, issued by a company, shall not be treated as debenture;
5	Definition of Financial Year	On an application made by a company or body corporate, which is a holding company or a subsidiary 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:	on an application made by a 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 <b>Tribunal</b> may, if it is satisfied, allow any period as its financial year, whether or not that period is a year:

6	Definition of Key Managerial personnel	<p>"key managerial personnel", in relation to a company, means—</p> <ul style="list-style-type: none"> <li>i) The Chief Executive Officer or the managing director or the manager;</li> <li>ii) The company secretary;</li> <li>iii) <i>The whole-time director</i>;</li> <li>iv) The Chief Financial Officer; and</li> <li>v) <b>Such other officer as may be prescribed</b></li> </ul>	<p>"key managerial personnel", in relation to a company, means—</p> <ul style="list-style-type: none"> <li>i) The Chief Executive Officer or the managing director or the manager;</li> <li>ii) The company secretary;</li> <li>iii) <i>The whole-time director</i>;</li> <li>iv) The Chief Financial Officer;</li> <li>v) <b>Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and</b></li> <li>vi) such other officer as may be prescribed</li> </ul>
7	Definition of Net Worth	<p>"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, <b>securities premium 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;</p>	<p>"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;</p>
8	Definition of Small Company	<p>"Small company" means a company, other than a public company,—</p> <ul style="list-style-type: none"> <li>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>5 crore rupees</b>; and</li> <li>ii) Turnover of which <b>as per its last profit and loss account</b> does not exceed two crore rupees or such higher amount as may be prescribed which shall not be more than <b>20 crore rupees</b></li> </ul>	<p>"Small company" means a company, other than a public company,—</p> <ul style="list-style-type: none"> <li>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>10 crore rupees</b>; and</li> <li>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 higher amount as may be prescribed which shall not be more than <b>100 crore rupees</b></li> </ul>
9	Definition of Turnover	<p>Turnover means the aggregate value of the realization of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year</p>	<p>"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</p>
10	Section 2(46)	<p>Holding Company in relation to one or more other companies, means a company of which such companies are subsidiary companies</p>	<p>Holding Company in relation to one or more other companies, means a company of which such companies are subsidiary companies</p> <p><b>Explanation: For the purpose of this clause, the expression "company" includes any body corporate.</b></p>

11	Section 2(71)	<b>Public company [Sec. 2(71)]:</b> a company which - a) is not a private Company b) has a <u>minimum paid up share capital</u> as may be prescribed.	<b>Public company [Sec. 2(71)]:</b> a company which - a) is not a private Company <b>AND</b> b) has a <u>minimum paid up share capital</u> as may be prescribed.
12	Section 2(72) - Public Financial Institution	Public Financial Institution has been established or constituted by or under any Central or State Act	Public Financial Institution has been established or constituted by or under any Central or State Act <b>other than this Act or the previous company law.</b>
13	Acceptance of Deposits by private companies	Sec.73(2) (a) to (e) shall not apply to private Companies which accepts from its members monies not exceeding one hundred per cent, of aggregate of the paid up share capital and free reserves, and such company shall file the details of monies so accepted to the Registrar in such manner as may be specified.	Sec.73(2) (a) to (e) shall not apply to private Company: <b>(A)</b> Which accepts from its members monies not exceeding one hundred per cent. Of aggregate of the paid up share capital, free reserves and securities premium account; or <b>(B)</b> Which is a startup, for five years from the date of its incorporation; or <b>(C)</b> Which fulfills all of the following conditions, namely:- a) which is not an associate or a Subsidiary company of any other company; b) If the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is lower; and c) Such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under this section. All the companies covered above shall file the details of monies accepted to the Registrar in such manner as may be specified.
14	Acceptance of Deposits from members	A private company may accept from its members monies not exceeding one hundred per cent of aggregate of the paid up share capital, free reserves and securities premium account and such company shall file the details of monies so accepted to the Registrar in such manner as may be specified.	A Specified IFSC Public company and a private company may accept from its members monies not exceeding one hundred per cent. of aggregate of the paid up share capital, free reserves and securities premium account and such company shall file the details of monies so accepted to the Registrar in Form DPT - 3. A Specified IFSC Public company means an unlisted public company which is licensed to operate by the Reserve Bank of India or the Securities and Exchange Board of India or the Insurance Regulatory and Development Authority of India from the International Financial Services

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			<p>Centre located in an approved multi services Special Economic Zone.</p> <p>The maximum limit in respect of deposits to be accepted from members shall not apply to following classes of private companies, namely:—</p> <p>(i) a private company which is a start-up, for five years from the date of its incorporation;</p> <p>(ii) a private company which fulfill all of the following conditions, namely:—</p> <p>a) which is not an associate or a subsidiary company of any other company;</p> <p>b) the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is less ; and</p> <p>c) Such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under section 73</p> <p>Provided also that all the companies accepting deposits shall file the details of monies so accepted to the Registrar in Form DPT-3.”</p>
15	Contents of Annual Return for Small Companies – Sec.92(1)(g)	“ Remuneration of directors and Key managerial personnel”	Aggregate amount of remuneration drawn by directors.
16	Signing of Annual Return – Sec 92(1)	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.	In relation to One Person Company, small company and <b>private company (if such private company is a start-up)</b> , the Annual return shall be signed by the company secretary, or where there is no company secretary, by the director of the company.”
17	Exemption to Government Companies – Place for Conducting AGM	Registered office of the company or such other Place as the Central Government may approve. [Sec.96(2)]	Registered office of the company or such other place within the city, town or village in which the registered office of the company is situated or such other place as the Central Government may approve in this behalf” shall be substituted
			The exceptions shall be applicable to a Government company which has <b>not committed a default in filing of its financial statements under section 137 of the Companies Act or annual return under section 92 of the said Act with the Registrar. [Sec.96(2)]</b>

18	Signing of Annual return	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.	In relation to One Person Company, small company and private company (if such private company is a startup), the annual return shall be signed by the company secretary, or where there is no company secretary, by the director of the company."
19	Reduction in number of members	Newly Inserted	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 cognizant 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 debts of the company contracted during that time, and may be severally sued therefor."
20	Validity period of reserved name	Upon receipt of an application, the Registrar may, on the basis of information and documents furnished along with the application, reserve the name for a period of sixty days from the date of the application.	An application for reservation of name shall be made through the web service available at <a href="http://www.mca.gov.in">www.mca.gov.in</a> by using form RUN (Reserve Unique Name) along with fee, 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. 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: 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
21	Authentication of Documents	A document or proceeding requiring authentication by a company; or Contracts made by or on behalf of a company, May be signed by any key managerial personnel or <b>an officer of the company</b> duly authorised by the Board in this behalf.	A document or proceeding requiring authentication by a company; or 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.

22	Section 35 - Exceptions from Criminal Liability for Mis-statements in prospectus	Newly inserted point	No person shall be liable for mis-statement in prospectus 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 thereunder.
23	Voting rights of members	Sec.47 is applicable subject to the provisions of section 43, subsection (2) of section 50.	Sec.47 is applicable subject to the provisions of section 43, subsection (2) of section 50 and subsection (1) of section 188
24	Issue of shares at discount	Any share issued by a company at a discounted price shall be void.	Any share issued by a company at a <b>discount price</b> shall be void.
25	Issue of shares at discount	Newly Inserted	<b>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</b>
26	Rights Issue	The notice of offer of shares shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.	The notice of offer of shares shall be dispatched through registered post or speed post or through electronic mode <b><u>or courier or any other mode having proof of delivery</u></b> to all the existing shareholders at least three days before the opening of the issue."
27	Punishment for Contravention of Sec.73 or 76	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 <u>one crore rupees</u> but which may extend to ten crore rupees; and	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 <u>one crore rupees or twice the amount of deposit accepted by the company,</u>



		(b) Every officer of the company who is in default shall be punishable with imprisonment which may extend to <u>seven years or with fine</u> which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees or with both	<b>whichever is lower</b> but which may extend to ten crore rupees; and (b) Every officer of the company who is in default shall be punishable with imprisonment which may extend to <b><u>seven years and with fine</u></b> which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees
28	Sec.100 - Extraordinary General Meeting	Newly inserted	<b>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</b>
29	Sec.101- Notice for General Meeting	Meetings need to be called by giving a notice of 21 clear days. However, they can be called on a shorter notice if, 95 per cent of the members entitled to vote in that meeting give their consent in Writing or by electronic mode.	<b>A general meeting may be called after giving shorter notice if consent, in writing or by electronic mode, is accorded thereto-</b> <b>(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</b> <b>(ii) In the case of any other general meeting, by members of the company-</b> <b>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</b> <b>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:</b> 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.”
30	Sec.110 – Postal Ballot	Newly Inserted	<b>Any item of business 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.</b>

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31	Sec.123 Declaration Dividends	– of	Newly Inserted	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
32	Sec.123 Declaration Dividends	– of	the Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared.	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: 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 immediately preceding three financial years
33	Section 129 Financial Statement	–	Section 129 shall not apply to the Government companies to the extent of application of Accounting Standard 17 (Segment Reporting) to the companies engaged in defense production.	Section 129- Shall not apply to the companies engaged in defense production to the extent of application of relevant Accounting Standard on segment reporting
34	Sec.130 Re-opening Accounts	– Re- opening of	Newly inserted	No order shall be made under in respect of reopening of books of account relating to a period earlier than eight financial years immediately preceding the current financial year: 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
35	Sec.136- Right of Member Copies Audited Financial Statement	– Right to Copies of	Newly Inserted	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—

			<p>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</p> <p>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:</p>
36	Sec.136- Right of Member to Copies of Audited Financial Statement	<p>Every company having a subsidiary or subsidiaries shall,—</p> <p>(a) Place <b>separate audited accounts</b> in respect of each of its subsidiary on its website, if any;</p> <p>(b) Provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it</p>	<p>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")—</p> <p>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;</p> <p>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.</p>
37	Sec.136- Right of Member to Copies of Audited Financial Statement	Newly Inserted	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 its subsidiary to any member of the company who asks for it
38	Section 143 – (Powers and Duties of auditors): <u>Access to record of all its subsidiaries:</u>	The auditor of a company which is a holding company shall also have right to access to the records of all its subsidiaries in so far as it relates to the consolidation of its financial statements with that of its subsidiaries.	The auditor of a company which is a holding company shall also have right to access to the records of all <b>its subsidiaries and associate companies</b> in so far as it relates to the consolidation of its financial statements with that of its subsidiaries.

39	Penalties for non-filing ADT-3 [Sec.140]:	In case of failure, the auditor shall be punishable with fine of i) Minimum: Rs. 50,000 ii) Maximum: Rs. 5,00,000	In case of failure, the auditor shall be punishable with fine of i) Minimum: Rs. 50,000 <u>or the remuneration of auditor whichever is less</u> ii) Maximum: Rs. 5,00,000
40	Sec 141 - Disqualifications	Any person whose subsidiary or associate company or any other form of entity, is engaged in services as provided in section 144	a person who, <u>directly or indirectly</u> , renders any service referred to in section 144 to the company or its holding company or its subsidiary company
41	Auditor Report – Sec.143(3)(i)	143(3)(i) provides that the auditor report shall state whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.	Section 143(3)(i), shall not apply to a private company which is a one person company or a small company; or which has turnover less than Rs. 50 crores as per latest audited financial statement and which has aggregate borrowings from banks or financial institutions or anybody corporate at any point of time during the financial year less than Rs. 25 crores." The aforesaid exceptions, modifications and adaptations shall be applicable to a Private company which has not committed a default in filing of its financial statements under section 137 or annual return under section 92 of the said Act with the Registrar.
42	Audit report contents	Sec.143(3)(i) shall not apply to: (i) Which is a one person company or a small company; or (ii) Which has turnover less than rupees 50 crores as per latest audited financial statement or which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than rupees 25 crores."	Sec.143(3)(i) shall not apply to: i) Which is a one person company or a small company; or ii) Which has turnover less than rupees 50 crores as per latest audited financial statement <u>and</u> which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than rupees 25 crores."
43	Sec 147 – Punishment for Contravention	Newly Inserted	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.
44	Section 147(3)	Where an auditor has been convicted under 147(2) he shall be liable to pay for damages to the company, statutory bodies or authorities or <b>to any other persons</b> for loss arising out of incorrect audit report.	Where an auditor has been convicted under 147(2) he shall be liable to pay for damages to the company, statutory bodies or authorities or <u>to members or creditors of the company</u> for loss arising out of incorrect audit report.
45	Sec 148 – Who can be appointed as cost auditor	The report on the audit of cost records shall be submitted by the <b>Cost accountant in practice</b> to the Board of Directors (BoD) of the company	In sub-section (5), in the proviso, for the words " <u>cost accountant in practice</u> ", the words "cost accountant" shall be substituted <b>Enforcement Date: 9<sup>th</sup> February, 2018</b>

**Applicability of Rotation of Auditors (As amended)**

1. All Listed companies
2. All Unlisted Public companies having
  - a) Paid up share capital of Rs. 10 crore or more (or)
  - b) Borrowings from financial institutions, banks or public deposits of Rs. 50 crores or more.
3. All Private limited companies having Paid up share capital of Rs. 50 crore or more (earlier it was 20 crores) (or)
4. Borrowings from financial institutions, banks or public deposits of Rs. 50 crores or more.

**Section 143(3H1):** Internal Financial Controls (IFC) M auditor of a private company is not required to report on the adequacy and operating effectiveness of IFC in the auditor's report provided such a private company meets either of the given conditions:

- a. It is a one person company or a small company, or
- b. It has a turnover of less than INR 50 crore as per the latest audited financial statements or the borrowings of such a company from banks or financial Institutions or any body corporate at any point of time during the FY is less than INR 25 crore

**II. OTHER AMENDMENTS TILL 31.10.2017**

S. No	Chapter	Additions	Deletions	Modifications
1.	Company Basic Concepts	Nil	Nil	-
2.	Classes of Companies	Nil	Nil	Amendment in Sec.2(87)
3.	Promotion & Incorporation of a Company	Nil	Nil	-
4.	Memorandum & Articles of Association	Nil	Nil	Amendment in Rule-28 & 30 of Companies (Incorporation) Rules, 2014 – These amendments pertain to shifting of registered office within state and from one state to another state.
5.	Prospectus	Nil	Nil	-
6.	Allotment of Securities & Underwriting		Nil	-
7.	Deposits	Nil	Nil	Amendment in Sec.73 & 76
8.	Membership	Nil	Nil	
9.	Share Capital	Nil	Nil	Delegation of powers to RD u/s 66
10.	Calls on shares & Forfeiture	Nil	Nil	-
11.	Transfer & Transmission of shares	Nil	Nil	-
12.	Debentures	Nil	Nil	-
13.	Charges	Nil	Nil	-
14.	General Meetings – I	Nil	Nil	-
15.	General Meetings – II	Nil	Nil	-
16.	Miscellaneous Matters in Company Law	Nil	Nil	-
17.	Company Accounts	Nil	Nil	-
18.	Company Audit	Nil	Nil	-
19.	Dividend	Nil	Nil	Transfer of shares to IEPF is treated as transmission of shares by operation of law.

S.No.	Particulars	Section
<b>A.</b>	<b>CLASSES OF COMPANIES</b>	
1.	Holding Company shall not have more than 2 layers of subsidiaries. This restriction shall not apply to Banking Companies, Non-Banking Financial Companies, Insurance Companies and Government Companies.	Sec.2(87)
<b>B.</b>	<b>MEMORANDUM &amp; ARTICLES OF ASSOCIATION</b>	
1.	An application seeking confirmation from the Regional Director for shifting the registered office within the same State from the jurisdiction of one Registrar of Companies to the jurisdiction of another Registrar of Companies, shall be filed by the company with the Regional Director in Form No.INC.23 along with the prescribed documents such as Board Resolution, Special Resolution, declaration by directors etc.	Sec.12 and Rule-28 of Incorporation rules
2.	An application seeking approval from the Central Government u/s 13(4) for shifting the registered office from one State to another state, shall be filed by the company with the Central Government in Form No.INC.23 along with the prescribed documents such as Copy of altered Memorandum, Board Resolution, Copy of minutes of GM, Details of creditors and debenture holders etc.	Sec.13 and Rule-30 of Incorporation Rules
<b>C.</b>	<b>DEPOSITS</b>	
1.	A private company may accept from its members monies not exceeding 100% of aggregate of the paid up share capital, free reserves and securities premium account and such company shall file the details of monies so accepted to the Registrar in Form DPT-3.	Sec.73 & 76 and Rule-3 of Deposits rules
2.	Companies may accept deposits without deposit insurance contract till the 31 <sup>st</sup> March, 2018 or till the availability of deposit insurance product, whichever is earlier".	Sec.73 & 76 and Rule-2 of Deposits rules
<b>D.</b>	<b>SHARE CAPITAL</b>	
1.	Powers and functions of CG u/s 66(2) is delegated to Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong	Sec.66(2)
<b>E.</b>	<b>DIVIDEND</b>	
1.	Transfer of shares to IEPF u/s 124(6) shall be treated as transmission of shares by operation of law and the company shall follow the procedure applicable to transmission of shares while shares are being transferred to IEPF.	Sec.124

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To **MASTER MINDS**, Guntur

**BUSINESS LAWS (FOR OLD SYLLABUS ONLY)****III. AMENDMENTS IN EPF & MP ACT, 1952**

S. No	Relevant Topic	Before Amendment	After Amendment
1	Sec.2(m) - Tribunal	"Tribunal" means the Employees' Provident Funds Appellate Tribunal constituted under section 7D	"Tribunal" means the Industrial Tribunal referred to in section 7 D
1	Sec-7D	The Central Government may, by notification in the Official Gazette, constitute one or more Appellate Tribunals to be known as the Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such Tribunal by this Act and every such Tribunal shall have jurisdiction in respect of establishments situated in such area as may be specified in the notification constituting the Tribunal. A Tribunal shall consist of one person only to be appointed by the Central Government. A person shall not be qualified for appointment as the Presiding Officer of a Tribunal unless he is, or has been, or is qualified to be a Judge of a High Court; or a District Judge.	The Industrial Tribunal constituted by the Central Government under sub-section (1) of section 7A of the Industrial Disputes Act, 1947 shall, on and from the commencement of Part XIV of Chapter VI of the Finance Act, 2017, be the Tribunal for the purposes of this Act and the said Tribunal shall exercise the jurisdiction, powers and authority conferred on it by or under this Act."
2	Sec.18 A - Public Servants	The Presiding Officer of a Tribunal, its officers and other employees, the Authorities referred to in Section 7-A and every inspector shall be deemed to be public servants within the meaning of Section 21 of the Indian Penal Code.	The authorities referred to in section 7A and every inspector shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code."

**IV. AMENDMENTS IN GRATUITY ACT, 1972**

S. No	Relevant Topic	Before Amendment	After Amendment
1	Sec.2A – Continuous Service	A female employee shall be deemed to be in continuous service, even if she has been on maternity leave. However, the total period of such Maternity leave does not exceed 12 weeks.	A female employee shall be deemed to be in continuous service, even if she has been on maternity leave. However, the total period of such Maternity leave does not exceed "26 weeks"
2	Sec.4	The maximum amount of gratuity payable to an employee shall not exceed rupees ten lakhs.	The maximum amount of gratuity payable to an employee shall not exceed 20 Lakhs.

**THE END**