

COMPANIES ACT 1956
VS
COMPANIES ACT 2013



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Whats new, whats old

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Whats hot, whats not

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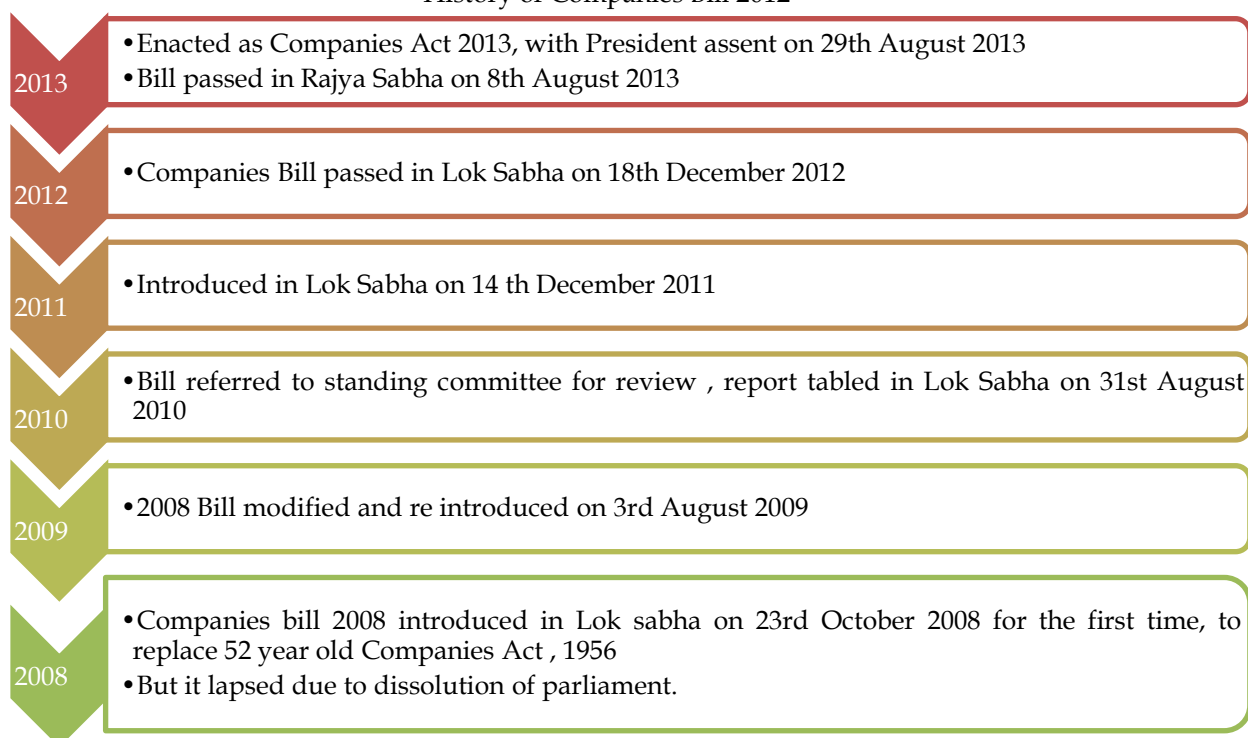
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THE COMPANIES ACT, 2013

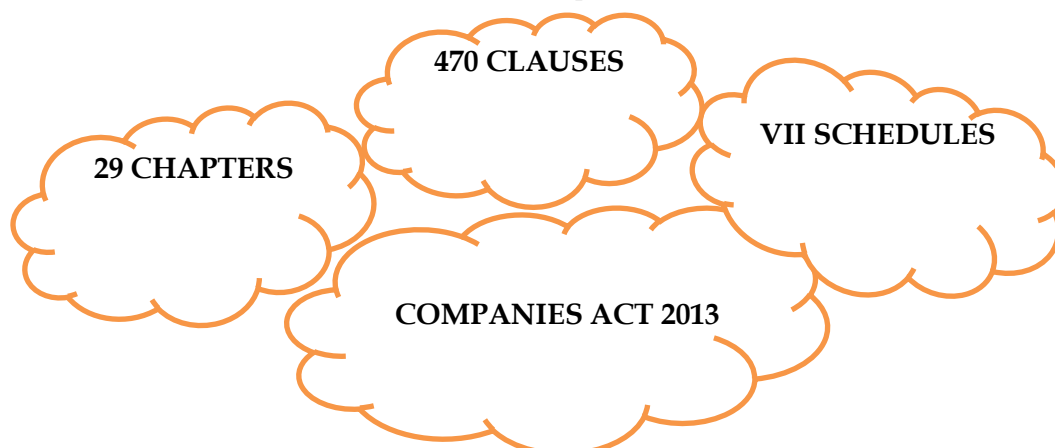
(Passed in both houses of Parliament on 8th August 2013)

We all know that the 57 year old Companies act, 1956 has now got replaced with the new Companies Act, 2013. This write up has been made with an effort to compare some of the major clause / issues in the new Companies Act, 2013 and the Companies Act 1956.

History of Companies Bill 2012



An overview of Companies Act 2013



Comparative study on some of the provisions of Companies Act 1956 and Companies Act 2013

Caption	Companies Act 1956	Companies Act ,2013	New Clauses
I. Significant changes in Definitions and new inclusions			
A) Associate company		<p>In relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.</p> <p>Explanation.–For the purposes of this clause, “significant influence” means control of at least twenty per cent of total share capital, or of business decisions under an agreement</p>	2(6)
B) Control	<p>For the purposes of this Act, a company shall, subject to the provisions of sub- section (3), be deemed to be a subsidiary of another if, but only if,</p> <p style="padding-left: 40px;">a) that other controls the composition of its Board of directors; or</p> <p style="padding-left: 40px;">b) that other-</p> <p style="padding-left: 80px;">i) where the first-mentioned company is an existing company in respect of which the holders of preference shares issued before the commencement of this Act have the same voting rights in all respects as the holders of equity shares, exercises or controls more than half of the total voting power of such company;</p> <p style="padding-left: 80px;">ii) where the first-mentioned company is any other company, holds more than half in nominal value of its equity share capital; or]</p> <p style="padding-left: 40px;">c) The first- mentioned company is a subsidiary of any company which is that other's subsidiary.</p>	<p>“control”, shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner</p>	2 (27)
C) Director	includes any person	Means a director appointed to the Board	2(34)

	occupying the position of director, by whatever name called	of a company.	
D) Financial Statement	<p>i. a balance sheet as at the end of the financial year,</p> <p>ii. a profit and loss account, or in the case of accompany carrying on any activity not for profit, an income and expenditure account for the financial year</p>	<p>In relation to a company includes:</p> <p>i. a balance sheet as at the end of the financial year,</p> <p>ii. a profit and loss account, or in the case of accompany carrying on any activity not for profit, an income and expenditure account for the financial year;</p> <p>iii. cash flow statement for the financial year,</p> <p>iv. a statement of changes in equity; and</p> <p>v. any explanatory note attached to or forming part of any document referred to in sub-clause (i) to sub-clause (iv);</p> <p>provided that the financial statement with respect to One Person Company, small company and dormant company may not include the cash flow statement</p> <p>Issue: Cash Flow Statement becomes mandatory.</p>	2(40)
E. Financial Year	<p>In relation to anybody corporate, the period in respect of which any profit and loss account of the body corporate laid before it in annual general meeting is made up, whether that period is a year or not</p> <p>Provided that, in relation to an insurance company, "financial year" shall mean the calendar year referred to in subsection (1) of section 11 of the Insurance Act, 1938 (4 of 1938)</p>	<p>The Financial can mandatorily end on 31st March</p> <p>Exception-</p> <p>a) Entities which are holding companies or subsidiary companies of foreign companies requiring consolidation outside India with the approval of Tribunal.</p> <p>b) Existing companies to align within 2 years</p>	2(41)
F. Free reserves	"free reserves" means all reserves created out of the profits and share premium account but does not include reserves created out of revaluation of assets, write back of depreciation provisions and amalgamation	<ul style="list-style-type: none"> • Share premium account does not form part. • Credit balance in Statement of Profit & Loss is not free reserve 	2(43)
		•	
		•	
G. Key Management Personnel	No provision exist	<ul style="list-style-type: none"> • the Chief Executive Officer or the managing director or the 	2(51)

		<p>manager;</p> <ul style="list-style-type: none"> the company secretary; the Chief Financial Officer if the Board of Directors appoints him; and such other officer as may be prescribed 	
H. Net Worth	<p>Means the sum total of the paid-up capital and free reserves after deducting the provisions or expenses as may be prescribed.</p> <p>Explanation. - For the purposes of this clause, "free reserves" means all reserves created out of the profits and share premium account but does not include reserves created out of revaluation of assets, write back of depreciation provisions and amalgamation</p>	<ul style="list-style-type: none"> it says that only paid up capital, share premium and reserves created out of profit will be treated as net worth. Credit balance in Statement of Profit & Loss has been left out. 	2(57)
I. Officer	<p>includes any director, manager or secretary or any person in accordance with whose directions or instructions the Board of directors or any one or more of the directors is or are accustomed to act</p>	<p>to include CEO/ CFO or any other officer as may be prescribed</p>	2(59)
J. Officer in default	<p>In relation to any provision referred to in section 5, has the meaning specified in that section ;</p>	<p>Scope broadened</p> <ul style="list-style-type: none"> Directors aware of the default CFO KMP's if knowingly commits default 	2(60)
K. 'relative	<p>A person shall be deemed to be a relative of another, if, and only if,</p> <ol style="list-style-type: none"> they are members of a Hindu undivided family ; or they are husband and wife ; the one is related to the other in the manner indicated in Schedule IA 	<p>with reference to any person, means anyone who is a related to another, if –</p> <ul style="list-style-type: none"> they are members of a Hindu Undivided Family; they are husband and wife; or one person is related to the other in such manner as may be prescribed 	2(77)
L. Related party transactions	<p>Section 297 covered only sale and purchase of goods, rendering of services, underwriting the subscription of any shares or debentures.</p> <p>Where paid up share capital of the company exceeds Rs. 1 crore, prior approval of the Central Govt. required. Not</p>	<p>Also covers</p> <ul style="list-style-type: none"> leasing of property appointment of agent for the sale or purchase, related party's appointment to any office or place of profit in the company, its subsidiary or associate company. <p>Prior CG approval done away it and only Members approval required by</p>	188

	applicable to contracts between two public companies	way of a special resolution. Applicable to contracts between two public companies as well	
M. Small Company	No provision exists.	means a company, other than a public company,- <ul style="list-style-type: none"> • 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 five crores rupees; or • turnover of which as per its last profit and loss account does not exceed Two crore rupees or such higher amount as may be prescribed which shall not be more than twenty crore rupees <p>Provided that nothing in this clause shall apply to :</p> <ol style="list-style-type: none"> a holding company or a subsidiary company; a company registered under section 8; a company or body corporate governed by any special act. <p>subjected to a lesser stringent regulatory framework</p>	2(85)
N. Sick Industrial Companies	Treatment meted out under SICA,1985 coverage limited only to Industrial companies. SICA determines sickness based on negative net worth criteria	Treatment meted out under chapter XIX of the Bill: Covers revival and rehabilitation of all companies irrespective of the industry they are in. Sickness of company to be determined on the basis of whether co is able to pay its debts or not.	
O. Dormant Company	Not defined	Clause 455 defines inactive company as a company which: <ul style="list-style-type: none"> • Has not been carrying on any business or operation or has not made any significant accounting transaction during the last two financial years, or • Has not filed financial statements and annual returns during the last two financial years 	455
P. Nidhi Companies	Section 620A-Necessary for Central Govt. to notify a company as a Nidhi for it to qualify as such	No such notification required. Nidhi defined in this clause.	406
Q. Public Company	Considers a private company which is a subsidiary of a public company as a public company.	Further enhanced to provide that a private subsidiary of a public company deemed to be a public company even though the subsidiary continues to be a	

		private company in the articles	
R. Private Company	Restricts the maximum number of members to 50	To restrict the maximum number of members to 200	
S. One person Company	No provision exists.	<p>Concept of One Person Company has been introduced and the OPC can be formed as private limited company</p> <p>Privileges Provided to OPCs</p> <ul style="list-style-type: none"> • The financial statement may not include the cash flow statement [Proviso to Clause 2(40)] • The annual return to be signed by the company secretary, or where there is no company secretary, by the director of the company. • No requirement of holding an AGM [Clause 96(1)] • Inapplicability of the provisions of Section 98 and Sections 100 to 111 (both inclusive) [Clause 122(1)] • Minimum number of directors: 1 [Clause 149(1)] • Board Meetings- Minimum 1 in each half of a calendar year and the Gap between the two meetings shall not be less than 90 days. Not applicable where there is only one Director. Clause 173 (5) • Quorum for Board Meetings not applicable where there is only 1 director in OPC. (Clause 174) 	3
II. Incorporation			
Incorporation of company	Certificate of Incorporation to be conclusive evidence	Action can be taken even after incorporation, if incorporation is on the basis of false or incorrect incorporation. Thus the certificate is not treated as conclusive evidence	7
Companies that can be formed	Public Limited , private Limited companies, Section 25 companies, Government companies	List includes One person company as a private company	3
Reservation of new name-procedural aspects	Procedural aspects not covered.	On payment of prescribed fees to ROC and by an application the new name/ change of name can be reserved.	4(4), 4(5)
Memorandum of Association	MoA should have Clauses such as Name, state, main objects, other objects, subscription clause	MoA not to have other objects, other things remains the same	4(1)
Formats of AoA	<ul style="list-style-type: none"> • Table - B - Company limited by shares • Table - C - Company limited by guarantee and not having share capital • Table - D- company limited 	<ul style="list-style-type: none"> • Table -F- company limited by shares • Table - G- company limited by guarantee and having share capital • Table - H- Company limited by guarantee and not having share capital • Table - I - Unlimited company having 	

	by guarantee and having share capital • Table - E- Unlimited company	share capital • Table - J- Unlimited company not having share capital	
Formation of companies with charitable objects	Section 25 Company. Did not specifically provide for sports, education, research, social welfare and environment protection. Could be only by way of a public or private company. Max. action that can be taken by Central Government (CG) was revocation of license and that too only for violation of any terms of the license.	Specifically provides for all these words. Could be as a OPC or an Association of Persons (AOP). Action besides revocation can be direction for winding up of the Company or amalgamation with another company registered with same objects. Provides for additional grounds for revocation like affairs being conducted fraudulently or prejudicial to public interest.	8
Commencement of Business	Applicable only to Public Companies. If not complied, no powers to the ROC to initiate action for the removal of the name of the Company from the Register of Companies	Applicable to both Public and Private - ROC is empowered to remove the name of the company from the register of companies if declaration is not filed within 180days from the date of incorporation of the company and ROC has reasonable cause to believe that the company is not carrying on any business.	11
Entrenchment provision in articles	No such provisions existed.	Articles may provide for more stringent or restrictive procedure than passing of special resolution for altering the certain provisions of AoA (a provision can be altered only if agreed by all the members of the company in writing)	5
Name change during the last two years	No such provision existed.	Every company should have its former name printed or affixed outside its office, in its letter head, etc during last two years It is not necessary to have a registered office at the time of incorporation, but it shall have at all times a registered office from the 15 th day of incorporation	12
New restrictions on alteration of objects clause where company has any unutilised proceeds from public issue	Objects clause alteration required only special resolution of members and filing of Form 23 with the ROC.	It cannot alter its clause unless it passes a special resolution and the details as may be prescribed , of the notice, shall be published in two newspapers and shall also be placed on the company's website of the company; Dissenting shareholder shall be given exit opportunity in accordance with SEBI regulations.	13
Change of promoters	No such provision existed.	Company has to file a return with the ROC in case of changes in promoters or top ten shareholders of the company within 15 days of such change	93
Applicability of certain provisions to OPC-clause	Not applicable	<ul style="list-style-type: none"> • Power to call meetings of members, • calling for EOGM, • notice of meeting, • statement to be annexed to notice, • quorum for meetings, • chairman for meetings, 	98 100 101 102 103 104

		<ul style="list-style-type: none"> proxies, restriction on voting rights, voting by show of hands, voting through electronic means, demand for poll, postal ballot, circulation of member's resolution 	105 106 107 108 109 110 111
Contract by OPC	No OPC concept existed	<p>Where OPC limited by shares or by guarantee enters into a contract with its sole member, who is also a Director; the company should preferably enter into a written contract.</p> <p>If not the above, the OPC will have to record the contract in the board minutes book and file a return with the ROC within 15 days of the date of approval by the BOD, with prescribed fees.</p>	193
Conversion of LLPs into Companies	Not permitted under the present regime	Provides for conversion of LLPs into companies	371
Companies incorporated outside India		<ul style="list-style-type: none"> Service of documents on foreign company now can be served through any electronic mode. The foreign offices are also required to comply with the provisions of winding up. 	383 391
E-governance	No such provision	Maintenance and allowing inspection of documents by companies in electronic form	120
Vigil Mechanism	No provision exists.	<p>177(9)- Every listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.</p> <p>177(10)- The vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.</p>	177(10)
III. Directors			
Women Director	No such provision existed	In prescribed class or classes of companies there should be 1 women director	149(1)
Resident Directors	No such provision existed	<p>Every company shall have at least one Director who has stayed in India for a total period of not less than 182 days in the previous calendar year.</p> <p>Panel of ID's to be maintained by a body/institute notified by the CG facilitating appointment of Independent</p>	149(1) 150

		Directors. Listed companies may have one director by small share holder	151
Independent directors	No such provision existed	<ul style="list-style-type: none"> • Tenure of such directors- not exceeding two consecutive term of 5 years • Can be reappointed after a gap of 3 years, however he should not be associated with the company directly or indirectly in this gap • Not liable to retire by rotation • Excluded for the purpose of computing '1/3rd of the retiring directors' 	149
Maximum number of Directors	Section 259 provided for max. 12 and beyond 12 required prior Central Govt. Approval	provides for max 15 and beyond 15 by passing a special resolution	149(1)
Right of the person other than retiring directors to stand for directorship	Section 257 provides that such a person has to deposit Rs. 500 which would be refunded in case he is appointed as Director	Clause 160 has increased this amount to Rs. 100,000 which is refundable when he is appointed or even when he gets more than 25% of the total valid votes cast either on show of hands or on poll on such resolution	160
Alternate Director	Section 313-Absence for 3 months from the 'state where the Board Meetings are ordinarily held', is the criteria	Clause 161-has been modified to include 'India', instead of the 'state where the board meetings are ordinarily held', to be the criteria	161
Duties of Director	Not specifically provided	Provides for the following duties: <ul style="list-style-type: none"> • To act in accordance with co's AoA; • Act in good faith; • Exercise his duties with due care and diligence. • A director shall not involve in any conflicting interest with the company • Achieve or attempt to achieve any undue advantage; • Assign his office. 	166
Resignation of directors	No such provision specifically existed	<p>Provision for director to resign by tendering his resignation letter: which the Board has to note and place before the members in the next general meeting.</p> <p>Date of resignation will be date mentioned in the letter or the date of receipt of the resignation by the company, whichever is later.</p> <p>Director who has resigned shall be liable even after his resignation for offences which occurred during his tenure</p>	168
Loan to Directors	sec 295-not applicable to	CG approval done away with and	185

	private companies and prior approval of the CG required	applicable to private companies as well.	
Remuneration of managerial personnel in case of no profits or inadequate profits.	Governed by Schedule XIII	To be governed by schedule V. IDs not to get stock option but may get payment of fees and profit linked commission subject to limits. CG may prescribe amount of fees under the rules	
Appointment of Whole Time Director	Section 269-every public company having capital of more than Rs 5 cr.-to have a Managing director/ WTD/ Manager	Every company belonging to such class or description of companies as may be prescribed shall have MD or CEO or Manager and in their absence, a WTD and a Company Secretary. Individual not to be the Chairman of the Co. as well as the MD or CEO of the Co. at the same time (AoA can provide for this); Every whole time KMP to be appointed by a resolution at BOD meeting; A WTKMP not to hold office in more than one company at the same time. Any vacancy in the office of any KMP to be filled up by the BOD within 6 m. Provisions relating to separation of office of Chairman and Managing Director (MD) modified to allow, in certain cases, a class of companies having multiple business and separate divisional MDs to appoint same person as 'chairman as well as MD'	203
Number of directorship		20, out of which not more than 10 can be a public companies and includes alternate directorship also	165
IV. Share capital			
Increase in subscribed capital		Apart from existing shareholders, if the company having share capital at any time, proposes to increase its subscribed capital by the issue of further shares, such shares may also be offered to employees by way of ESOP subject to approval of shareholders by way of special resolution. (Clause 62)	62
Issue of bonus shares	No such provisions existed. However rules framed for public unlisted company.	Private limited companies are not permitted to issue bonus shares.	63 and 23
Buy back of shares	[77B. PROHIBITION FOR BUY-BACK IN CERTAIN CIRCUMSTANCES 1. No company shall directly or indirectly purchase its own shares or other specified securities - a) through any subsidiary company including its own subsidiary companies ; or b) through any	A company can make a buy back even if it had at any time defaulted <ul style="list-style-type: none"> • in repayment of deposit or interest thereon, redemption of debentures or preference shares or payment of dividend to any shareholder • Repayment of term loan or interest thereon Provided that default must have been	66(6)

	<p>investment company or group of investment companies ; or</p> <p>c) if a default, by the company, in repayment of deposit or interest payable thereon, redemption of debentures or preference shares or payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank is, subsisting.</p> <p>2. No company shall directly or indirectly purchase its own shares or other specified securities in case, such company has not complied with the provisions of sections 159, 207 and 211.]</p>	remedied and a period of 3 years must have elapsed after such default ceased to subsist.	
Exit option of shareholder	No provision	Shareholders have exit option if the money raised has not been utilised	27
Permissible mode of issuance of securities	Companies could issue securities by way of public issue, private placement, rights issues or bonus issue	Private companies can issue securities only through private placements after complying with Part II of Chapter II . Thus Private companies cannot rights shares or bonus shares.	23, 62,63
Voting rights on preference shares	Section 87- Different criteria for cumulative and non-cumulative preference shares for trigger of voting rights.	No difference between cumulative or non - cumulative, voting rights arise if dividends payable are in arrears for a period of two years or more.	47
Prohibition of issue of shares at discount	Section 79-Issue of shares at discount permissible subject to conditions and Central Government approval	Issue of shares at discount is void and not permissible except for Sweat equity shares	54
Preference shares beyond 20 years	Section 80- Issue of irredeemable preference shares or redeemable beyond 20 yrs is prohibited	Only infrastructure companies can issue preference shares beyond 20 years subject to annual redemption of such percentage of preference shares as may be prescribed on annual basis at the option of such preferential shareholders	55
Redemption of unredeemed preference shares by issue of further shares	No such provision	<ul style="list-style-type: none"> Company may redeem unredeemed preference shares by issuing further redeemable preference shares equal to the amount due, along with the dividend thereon , with the consent of 75% of shareholders (in value) and approval from tribunal on a petition made. Such issue or redemption shall not be deemed to be an increase or as the case may be reduction of share 	55 (3)

		capital of the company.	
Alteration of share capital by consolidation or division of share capital into shares of larger amount	Section 94(1) permitted the same if there was a provision for the same in the AoA treating it as a mere alteration not involving any reduction in the share capital. No approval of the Court or any other authority required.	Can be made only after making application and obtaining approval from Tribunal Approval is required for consolidation and division of share capital only if the voting percentage of shareholders changes consequent on such consolidation	61 (b)
Issue of bonus shares	No provision in the act. However Rules framed for public unlisted Company	Private companies are excluded in this clause for issue of bonus shares, but apparently clause 23 does not permit private companies to issue bonus shares	63 and 23
No reduction of capital if deposits not repaid	No such provision existed.	No reduction of capital shall be made by a company if the company is in arrears in the repayment of any deposits accepted by it or the interest payable thereon irrespective of the deposits being accepted before or after the commencement of this act	66
Issue of debentures with conversion option and other provisions	No such requirement existed.	Needs special resolution of members for the issue of debentures with conversion option wholly or partly	71
Private placements		Qualified Institutional Buyers shall not be covered under the provisions related to Private Placement	
Appointment of Debenture trustee	Section 117B- No such ceiling of 500 existed. Appointment of Debenture trustee compulsory for company issuing prospectus or a letter of offer to the public for subscription of its debentures	Is compulsory for public issue of debenture through prospectus to more than 500 persons	71
V. Acceptance of deposits by Companies			
Acceptance of Deposits by Companies	Private companies are prohibited from inviting or accepting deposits from persons other than its members, directors or their relatives	NBFCs are not covered by the provisions relating to acceptance of deposits and they will be governed under rules issued by Reserve Bank of India.(Clause 73) Company may accept deposit from persons other than its members having net worth and turnover of certain amount as prescribed subject to complying with necessary conditions and after consultation with RBI. (Clause 76)	73 76
VI. Investments			
Investment restriction	No such provision existed in section 372A of the Companies act 1956, which dealt with inter corporate loans and investments.	Provides that investments not to be made through more than 2 layers of investment companies. The rate of interest on inter corporate loans will be the prevailing rate of	186

		interest on dated Government Securities	
VII. Books of Accounts and Financial Year			
Financial Year	In relation to anybody corporate, the period in respect of which any profit and loss account of the body corporate laid before it in annual general meeting is made up, whether that period is a year or not Provided that, in relation to an insurance company, "financial year" shall mean the calendar year referred to in subsection (1) of section 11 of the Insurance Act, 1938 (4 of 1938)	Financial year can only be from April-March, existing companies has to align within 2 years of the commencement of the act	2 (41)
Maintenance of books of account in electronic mode	Not permitted	Provides for electronic maintenance of the same	128(1)
Preservation period of books of account	Section 209- books and vouchers for 8 yrs period	where investigation is ordered, CG may direct books to be preserved for longer period	128(5)
Corporate social responsibility	Did not exist.	Mandatory for companies: <ul style="list-style-type: none"> • Having Net Worth of Rs.500 crore or more; or • Turnover of Rs.1000 crore or more or • A net profit of Rs.5 crore or more during the any financial year Every financial year atleast 2% of the average net profits of last 3 years to be spent on CSR activities, otherwise reason for not spending to be given in Board's Report.	135
Re-opening of accounts in certain cases	No such provision existed	If an order is passed by the court or tribunal to the effect the relevant earlier accounts were prepared in fraudulent manner, re-opening of accounts can be done.	130
Voluntary revision of financial statement or board report with tribunal's consent	No such provision existed	If the Board feels that the financials or the Report do not comply with the applicable provisions of clause 129 or 134, they may revise the aforesaid in respect of any of the three preceding financial years after obtaining approval of the Tribunal.. Cannot be revised for more than once in one financial year. CG may make separate rules for this.	131
Consolidation of accounts	Section 212 provided for attachment of accounts of subsidiaries along with the holding company accounts. No provision for	Compulsory consolidation of accounts of holding and subsidiaries including its associates and joint ventures	129

	consolidation		
VIII. Reports			
Secretarial audit report	Section 383A provided only for secretarial audit by companies having paid up capital between Rs. 10 lakh to Rs. 5crores. Did not specifically provide for attachment of such report to the Directors' report	Every listed company and other prescribed companies shall annex with its Board's Report, a Secretarial Audit Report. Directors shall explain in full in their DR, qualification/ observation/ remarks in the secretarial audit report	204
IX. Prospectus, Raising of funds & Allotment			
Raising capital through Public- offer	No such provision existed	Only public companies can issue securities by making public offer and that too by complying Part I of chapter III	28
Misleading statement in Prospectus	No such provision existed	Any group of persons or AOP affected by this misleading prospectus , may take action against the guilty persons	37
Punishment for fraudulently inducing a person to invest money	Section 68- Any person who, either by knowingly or recklessly making any statement, promise or forecast which is false, deceptive or misleading, or by any dishonest concealment of material facts, induces or attempts to induce another person to enter into, or to offer to enter into - <ul style="list-style-type: none"> • any agreement for, or with a view to, acquiring, disposing of, subscribing for, or underwriting shares or debentures ; or • any agreement the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of shares or debentures, or by reference to fluctuations in the value of shares or debentures ; shall be punishable with imprisonment for a term which may extend to five years, or with fine which may extend to one lakh rupees, or with both.	No change, but in addition to which it includes punishment for falsely inducing a person to enter into any agreement with bank or financial institution, with a view to obtaining credit facilities.	36
Allotment of securities and minimum	Section 69- Minimum subscription	Minimum subscription extended to all securities	39

subscription	applicable only to shares.		
Issue of Global Depository receipts (GDR)	No such provision existed.	Company may after passing a special resolution in its general meeting ,issue GDR's subject to conditions	41
X. Utilising Securities Premium Account			
Utilisation of securities Premium account (SPA)	Section 78-SPA can be utilized for writing off preliminary expenses or for providing premium payable on redemption of preference shares or debentures	Prescribed class of companies whose financial statements comply with Accounting standards prescribed for such class cannot utilize for Sec Premium Account for writing off preliminary expenses and premium on redemption of preference shares or debentures	52(3)
XI. Annual returns and related issues			
Annual return(AR)	<p>Details to be furnished in Annual return</p> <ul style="list-style-type: none"> • its registered office, • the register of its members, • the register of its debenture holders, • its shares and debentures, • its indebtedness, • its members and debenture holders, past and present, and • its directors, managing directors managers and secretaries, past and present 	<p>Following additional details to be mentioned</p> <ul style="list-style-type: none"> • Details of principal business activities, particulars of holding and subsidiary and associate companies • Promoters, directors, key management personnel along with changes since last year • Meetings of members or class thereof, board and its various committees along with the attendance details • Remuneration of directors and Key management personnel(KMP) • Penalties and punishments imposed on the company, its directors, or officers and appeals made against penalties or punishments • Matters related to certification of compliances, disclosures as may be prescribed • Details of shares held on behalf of FII's • Such other matters as may be prescribed 	92
Certification of Annual return (AR)	The copy of the annual return filed with the Registrar under section 159 or 160, as the case may be, shall be signed both by a director and by the manager or secretary of the company, or where there is no manager or secretary, by two directors of the company, one of whom shall be the managing director where there is one.	<p>In case of an OPC and small company, AR to be signed by a Company secretary (CS), where there is no CS, by a practising company secretary</p> <p>For listed companies, having turnover and paid up capital as may be prescribed- By a Director and CS, where there is no CS then by PCS.</p> <p>In addition to this the PCS shall also certify that the AR discloses the facts correctly and adequately and that company has complied with all the provisions of the act.</p>	92

		Other Companies – by a director and a CS, where there is no CS then by a PCS	
Time limit for filing AR	Every company shall, within sixty days from the day on which each of the annual general meetings referred to in section 166 is held, prepare and file with the Registrar a return containing the particulars specified in Part I of Schedule V, as they stood on that day,	Where AGM is held then within 30 days from the date of AGM Where AGM is not held – within 30 days of the due date of the AGM along with reasons for not holding the AGM	92(3)
Consequences for default in filing AR	<ol style="list-style-type: none"> 1. If a company fails to comply with any of the provisions contained in section 159, 160 or 161. The company, and every officer of the company who is in default, shall be punishable with fine which may extend to [five hundred] rupees for every day during which the default continues. 2. For the purposes of this section and sections 159, 160 and 161, the expressions "officer" and "director" shall include any person in accordance with whose directions or instructions the Board of directors of the company is accustomed to act 	<p>Filed between 30 days – 300 days : additional fees as per clause 403</p> <p>Fails to file beyond the above date: the company shall be punishable with fine not less than Rs.50000 but which may extend upto Rs.500000 and every officer of the company who is in default shall be punishable not less than Rs.50000 but which may extend upto Rs.500000 or with both</p>	
Additional disclosures in the Board Report	Section 217 – Disclosures in the boards’ report	<ul style="list-style-type: none"> • Number of meetings of Board; • Statement of declaration by independent directors; • Company’s policy on director appointment /remuneration; • Explanation on every qualification made by PCS in his report; • Particulars of loans, guarantee, investment; • Related party contracts; • Implementation of risk management policy; • Policy developed on Corporate Social Responsibility; • Statement of formal evaluation of the performance of the board and its committees in case of listed and public companies, as may be prescribed 	134
Directors’ responsibility statement	217(2AA) ; Disclosures required on four	Provides for additional disclosures: In case of a listed company:	134(5)

	<p>fronts:</p> <ul style="list-style-type: none"> • Applicable accounting standards followed; • True and fair view of the financials; • Detecting and preventing fraud; • Accounts on a going concern basis 	<p>a) Directors have laid down internal financial controls and they have been complied with;</p> <p>b) Directors have devised proper systems to ensure compliance with the provisions of this Act, rules, and that such systems were adequate and operating effectively.</p>	
Report on AGM required to be submitted by listed company	No provision existed	provides that every listed company shall prepare a report on each AGM and file a copy of the same with the ROC within 30 days from the AGM	121
XII. Notices, Meetings, Quorums, Voting, Resolutions, Minutes			
No. of meetings	In the case of every company, a meeting of its Board of directors shall be held at least once in every three months and at least four such meetings shall be held in every year	<p>Atleast 4 meeting should be held each year.</p> <p>There is no requirement of holding the meeting every quarter; the only requirement is that not more than 120 days shall elapse between two consecutive meetings.</p>	173 (1)
Holding of First AGM	<ul style="list-style-type: none"> • Company may hold its first annual general meeting within a period of not more than eighteen months from the date of its incorporation; and if such general meeting is held within that period, it shall not be necessary for the company to hold any annual general meeting in the year of its incorporation or in the following year • that the Registrar may, for any special reason, extend the time within which any annual general meeting (not being the first annual general meeting) shall be held, by a period not exceeding three months 	To do away with 18 months timeline in case of the 1 st AGM	96
Timing of AGM	166(2)-Every annual general meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate.	During the business hours between 9.00 to 6.00 – defined	
AGM cannot be called on which days	AGM can be called on a day that is not a public holiday, and shall be held either at the	Can be called on a public holiday but cannot be called on national holidays. National holidays means and includes a	

	registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate	day declared as such by the central govt.	
Explanatory statement in respect of material facts	173(2)- Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein, of every director, and the manager, if any.	Defines material facts to be set out in the explanatory statement, namely, the nature of the concern or interest, financial or otherwise, if any, in respect of each item of every director and manager, every other KMP and relatives of all the above and such other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon	102
Quorum	Section 174- Quorum was 5 members personally present unless AoA provides for a bigger quorum.	If Members on the date of meeting is <1000 - 5 members personally present 1000-5000 - 15 members personally present >5000 - 30 members personally present	103
Voting through electronic means	No such provisions existed	Central government may provide for class companies which can provide for voting through electronic means	108
Resolutions requiring Special notice	Section 190-no criteria for voting power or shares	Such a notice can be given by such number of members holding not less than 1% of the total voting power or holding shares on which an aggregate sum of not less than Rs.100000 has been paid up	115
Gap between two board Meetings	Section 285 provided for one meeting to be held in every calendar quarter. So one board meeting could be held in the first month of the quarter and the next could be held in the last month of the next quarter, thereby a gap of almost 6 months	Provides that the gap between any two board meetings should not exceed 120 days. For OPC: If OPC has more than one director, then at least one meeting in each half of the calendar year and gap should not be less than 90 days between such meetings. If OPC has only ONE director, no need to hold any board meetings.	173(1)
Directors' participation by audio-visual means or video conferencing	No such provision specifically existed. Companies used to resort to such mechanism for administrative convenience however the director participating through audio/video conferencing could not be counted for quorum.	Specifically provides for directors attending the meetings even by way of video conferencing/audio-visual conferencing. Such director to be counted for the purpose of quorum. Central Govt. may notify such matters which shall not be dealt with in a meeting through video conferencing or other audio-visual means	173(2) 174(1)

Notice for board meetings (BM)	Section 286 merely provided for notice of BMs to be given to directors in writing but did not specify the length of such notice	Provides for 7 days' notice for BM.(can be electronic also) Shorter consent possible if at least one independent director is present at such meeting	173(3)
Withdrawal of Resolution by circulation	Section 289 provided for passing of board resolutions by circulation with no provision of withdrawal	Clause 175 provides that if a demand is made by not less than 1/3rd of Board of Directors (BOD) that resolution under circulation be decided at a BM the chairman shall circulation and have the question decided at a BM	175
Tampering with minutes	No such provisions exist.	Any person found guilty of tampering any minutes of the proceeding of any meeting shall be punishable with imprisonment which may extend upto two years and with fine which shall not be less than Rs.25000 but which may extend to Rs.100000	118
XIII. Internal Audit			
Compulsory Internal Audit (IA)	No such provision existed.	Prescribed companies to have an Internal Auditor to conduct IA, who can be a CA or ICWA or such other professional as may be decided by the Board. CG may prescribe rules for conduct and report of IA	138
XIV. Cost Audit			
Cost Audit	Where in the opinion of the Central Government it is necessary so to do in relation to any company required under clause (d) of sub-section (1) of section 209 to include in its books of account the particulars referred to therein, the Central Government may, by order, direct that an audit of cost accounts of the company shall be conducted in such manner as may be specified in the order by an auditor who shall be a cost accountant within the meaning of the Cost and Works Accountants Act, 1959 (23 of 1959)	Instead of company pertaining to any class of companies engaged in production, processing, manufacturing or mining activities, the central government can only direct cost audit to be conducted in such class of companies engaged in the production of such goods or providing such services , which have the prescribed networth or turnover and who has been directed to include the particulars relating to the utilization of material or labour or to other items of cost as may be prescribed in their books of account . No approval is required of central government for the appointment of cost auditor to conduct the cost audit.	
XV. Statutory compliance			
Statutory recognition to Secretarial Standards(SS)	SS were recommendatory.	It provides that every company shall follow SS with respect to General and Board Meetings and approved by the Central government	118
XVI. Transfer to reserves			
Transfer of specified % of profits not exceeding	Section - 205 Company could not transfer	Company to use its wisdom to decide % of profits to be transferred	123

10% to Reserves	more than 10% profits except in accordance with the rules.	to reserves. Its no longer mandatory for companies to transfer its profits to Reserves.	
XVII. Dividends			
Restriction on interim Dividend introduced	No such restriction existed.	BOD to declare interim dividend out of the surplus in the P&L a/c as well as the profits for the financial year in which the interim dividend is sought to be declared. In case of loss, interim dividend rate not to exceed average dividends declared during preceding three financial years	123(3)
Transfer of shares to Investor Education & Protection Fund (IEPF)	Only unclaimed dividend to be transferred to IEPF	Along with the unclaimed dividend, the shares on which dividend is unclaimed, also to be transferred to the IEPF	124
Dividends		No dividend shall be paid by a company from its reserves other than free reserves	123
Claim from IEPF after 7 yrs	No claim lied against the Fund or the Company in respect of individual amounts which were unclaimed or unpaid for a period of seven years.	Claim of an investor over a dividend not claimed for more than a period of 7 years not to be extinguished and shall be entitled to refund in accordance with the rules	
XVIII. Auditors			
Rotation of Statutory Auditors	No such provision existed.	Listed and other prescribed companies not to appoint or re-appoint <ul style="list-style-type: none"> • an individual auditor for more than one term of five years and • an audit firm for more than two terms of five consecutive years. Members of a company may resolve to rotate the audit partner every year to resolve to conduct audit by more than one auditor. Provisions relating to voluntary rotation of auditing partner (in case of an audit firm) modified to provide that members may rotate the partner 'at such interval as may be resolved by members' instead of 'every year' proposed in the clause earlier. The limit in respect of maximum number of companies in which a person may be appointed as auditor is twenty companies.	139(2)
Re-appointment of	Board recommended the re-	After the expiry of term mentioned	

statutory auditors	appointment of retiring auditors and retiring auditors could be re-appointed at the AGM.	in previous point, there has to be a gap of 5 yrs for reappointment after every cessation. Further in case of an Audit firm, no other firm which has a common partner to the other audit firm can be appointed as Statutory Auditors. Members can approve rotation of audit partners and also appointment of joint auditors	
5 years tenure for auditors	Sec 224-Auditors could be appointed to hold office only upto the date of the next AGM and could be reappointed thereat.	Audit firm or an individual including an LLP to be appointed for 5 yrs. i.e. to hold office upto the date of the sixth AGM. Appointment of auditors for five years shall be subject to ratification by members at every Annual General Meeting.	139(1)
Automatic reappointment of existing Auditors, when not appointed/ reappointed at the AGM	Section 224(3)- provided that if no Auditor was appointed/reappointed at the AGM, the Central Government could fill up the vacancy	existing auditors continue to be the auditors of the company in such a scenario	139(10)
Time bound filling up of Casual vacancy in the office of Auditors	Section 224(6) - Casual vacancy to be filled up by the Board. If due to resignation, then by the members in their meeting.	Casual vacancy to be filled up by the Board within 30 days. If due to resignation, then by the Company in its meeting within 3 months from the date of recommendation of the Board and such auditor to hold office only upto the date of the next AGM	139(8)
Formation & Recommendations of Audit Committee for appointment of auditors	No such provision Existed	<ul style="list-style-type: none"> • Every Listed Company and such other company as may be prescribed shall form Audit Committee comprised of minimum 3 directors with majority of the Independent Directors and majority of members of committee shall be person with ability to read and understand financial statement. • All the appointment of statutory auditors including in case of casual vacancy shall be made after considering the recommendations of the Audit Committee, where there is one. 	139(1)
Auditor's duties when they resign	No such provision or requirement existed	Retiring auditor to file a statement with the ROC as well as the Company, within 30 days of resignation, indicating reasons and other facts that may be relevant with regard to his resignation	140(2)/(3)
Tribunal may direct company to change its Auditors	Section 224(7) provided for removal of auditors before the expiry of their term, only with the	Provides that the Tribunal may, by order, direct the company to change its auditors on being satisfied that the auditors has acted in a fraudulent	140(5)

	prior approval of the Central Government	manner or abetted or colluded in any fraud	
Duties of auditor/secretarial auditor/cost auditor to report fraud to the CG	No such provision existed	Auditors/CWA/CS to inform the fraud to the CG within prescribed time and manner and the same shall not be construed as breach of duty	143(12)-(14)
Limited Liability Partnership (LLP) can act as an Auditor	Section 226(3) – LLP was not to be treated as a Body Corporate for the limited purpose of this section and hence could be appointed as an Auditor.	Where a firm including an LLP is appointed as an auditor of a company, only the partners who are Chartered accountants shall be authorized to act and sign on behalf of the firm. Multidisciplinary partnership is allowed	141 141(1)
Auditor not to render certain services	No such provision existed	auditor not to render directly or indirectly the following services to the company, its holding company or its subsidiaries, or associate company: <ul style="list-style-type: none"> • Accounting and book keeping service; Internal audit; • Design and implementation of any financial information system; • Actuarial services; • Investment advisory services; • Investment banking services; • Rendering of outsourced financial services; • Management services; and • Any other kind of consultancy services. Provisions relating to restrictions on non-audit services modified to provide that such restrictions shall not apply to associate companies and further to provide for transitional period for complying with such provisions.	144
Auditors' attendance at AGM proposed to be made obligatory	Section 231- Provides for all notices of and other communication relating to general meeting of a company to be forwarded to the Auditor. The Auditor was thus entitled to but not obliged to attend any general meeting	provides that auditor shall, unless otherwise exempted by the Company, attend any general meeting, either by himself or through his Authorized representative who is qualified to be an auditor	146
Increased accountability of auditors	Penalties were provided for violation of section 227 (dealing with powers and duties of auditors) and section 229 (dealing with signature of audit report). Meagre penalties of fine upto Rs. 10000	Penalties significantly enhanced-fine not less than 25000 but extendable to Rs. 5 lakhs. Imprisonment upto one year and fine in case there is an intention to deceive the company, its shareholders or creditors.	147

		<p>Provisions relating to extent of criminal liability of auditors particularly in case of partners of an audit firm reviewed to bring clarity.</p> <p>Further, to ensure that the liability in respect of damages paid by auditor, as per the order of the Court, (in case of conviction under Clause 147) is promptly used for payment to affected parties including tax authorities,</p> <p>Central Government has been empowered to specify any statutory body/authority for such purpose</p>	
XIX. Nomination & Remuneration committee			
Nomination & Remuneration Committee and Stakeholders' Relationship Committee	A mention of Remuneration committee was made only in the Schedule XIII	Provides for mandatory constitution of Nomination and Remuneration Committee and Stakeholders' Relationship Committee for prescribed companies.	178
XX. Prohibitions & Restrictions			
Limit on political contribution by a nongovernment company	Section - 293A upto 5 % of the average net profits for preceding three financial years on authority of a Board Resolution.	Limit enhanced to 7.5% from 5%. Political party defined as political party registered under section 29A of the Representation of the People Act, 1951	182
New restrictions on non-cash transactions by directors	No such provision existed	A company shall NOT, subsidiary or associate, enter into specified non cash transactions with its director or a director of its holding company or person connected with him unless approved by the company in its general meeting. Such transactions to be treated voidable	192 A
Prohibition on forward dealings in securities of company by a Key Managerial Personnel (KMP)	No such provision existed	Prohibits a Director of a Company or a KMP to buy a right to call for delivery at a specified price and within a specified time, of a specified number of relevant shares or debentures, right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or debentures	194
Prohibition on Insider Trading of Securities	No such provision existed	Makes insider trading by a Director or a KMP, a criminal offence. Communication in the ordinary course of business, profession or employment will not be treated as Insider Trading	195
XXI. Company Secretary			
Functions of Company Secretary	No such provision existed	to report to the BOD, compliance with the Act, rules made there under; To ensure that the company complies with the applicable SS; To discharge such other duties, as may be prescribed.	205
XXII. Investigations			
Serious Fraud	No such provision existed	statutory status to SFIO	211

Investigating Office (SFIO)			
Investigation report	No such provision exists.	Investigation report filed by SFIO with the court for framing of charges shall be treated as a Report filed by a Police Officer. SFIO shall have the power to arrest.	212
Penal provisions for misconduct		In the process of the Investigation, Inquiry or inspection if any person: <ul style="list-style-type: none"> • destroy, mutilates or falsifies or conceals or tamper or unauthorized removes or is a party to that or any document relating to the property, assets or affairs of the Company or body corporate or • makes or is a party to the making of any false entry in the document concerning the company or body corporate or • provides any false information which he knows to be false Then he shall be liable to punishment for imprisonment for a term from 6 months to 10 years and shall also be liable to fine which shall not be less than the amount involved in fraud but which may extent upto 3 times of the amount of fraud.	229
Freezing of assets of company on inquiry and investigation	No such provision existed	Clause 221 provides for freezing of assets of company on enquiry and investigation	221
XXIII. Corporate Restructuring			
Certification from Auditor		No compromise or arrangement shall be sanctioned by the Tribunal unless a certificate by the company's auditor has been filed with the Tribunal to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the accounting standards prescribed under Clause 133.	230
Simplified procedure for compromise between small companies or between Holding / subsidiary companies.	No such provision existed	Clause 233 provides simplified procedure for compromise	233
Cross Border Mergers	No such provision existed	Provides for cross border mergers where a foreign company may with prior approval of RBL, merge or amalgamate in to a co. registered under this Act or vice-versa. Payment of consideration to the shareholders of the merged company in cash, or in Depository Receipts or partly by cash and Depository receipts	234

Squeeze out provisions	No such provision existed	Squeeze out provision means provisions which confer the acquirer with a statutory right to squeeze out the minority, i.e. acquire minority shareholders on the same terms when the acquirer's shareholding crosses a certain high percentage of the voting capital of the target company	236
Relief for past concluded acts of oppression	This was not possible under section 397 of the Companies Act, 1956, as the same provided only for the current affairs of the company	Clause 241 uses the phraseology-"affairs of the company have been or are being conducted/". Thus relief for past acts is possible	241
XXIV. Class action Suits			
Class action by member/s, depositor/s or any class of them	No such provision existed	Provided for. Provisions relating to extent of criminal liability of auditors particularly in case of partners of an audit firm reviewed to bring clarity. Further, to ensure that the liability in respect of damages paid by auditor, as per the order of the Court, (in case of conviction under Clause 147) is promptly used for payment to affected parties including tax authorities, Central Government has been empowered to specify any statutory body/authority for such purpose	245
Powers of registrar		Registrar has the power to remove the name of a company from its record under certain circumstances	248(5)
Approval		In case of a company regulated under a Special Act, approval of the regulatory body constituted or established under that Act shall also be obtained.	248(2)
XXV. Valuations			
Registered valuers	No such provision existed	Wherever valuation is to be done of any property, stocks, shares, debentures, securities or goodwill or net worth of a company or of its assets, such valuation shall be done by a person who is a registered valuer under this chapter and appointed by the Audit Committee or in its absence by the BOD	247
XXVI. Winding up			
Power of Registrar to remove name of a company from Register	Section 560 provided for the ROC to suo moto strike off the company as a defunct company if it has reasonable cause to believe that a company is not carrying on its business or in operation.	Section 560 provided for the ROC to suo moto strike off the company as a defunct company if it has reasonable cause to believe that a company is not carrying on its business or in operation.	247
Bar on company making application to the ROC for removal of its name from register	No such provision existed	Provides for situations (in the previous 3 months) where such an applications cannot be made: - Name change/registered office change; - Disposal for value of property;	248(2)

		<ul style="list-style-type: none"> - Engagement in any other activity; - Made an application to the Tribunal for compromise/arrangement; - Is being wound up 	
Fraudulent application by company for removal of name	No such provision existed	Provides for management being responsible, jointly and severally, in such a scenario to any person/s who incurred loss or damage and shall also be liable to penal action. ROC may recommend prosecution of persons responsible for filing of application for removal of name, fraudulently.	248(2)
Modes of winding up	By court, under supervision of court and voluntary winding up Voluntary could be members' or creditors'	By the Tribunal and Voluntary. No such classification exists. Additional grounds for winding up by Tribunal provided.	270-365
Limits for determining inability to pay debts	Section 434-Any creditor indebted for more than Rs. 500/-	Limit raised to Rs. 100,000/-	
XXVII. Other legal provisions			
Special Courts.	No such provision existed	The Bill aims at setting up of special courts to try offences under the Bill	435-446
Punishment for fraud	Fraud not defined. Punishment for fraud not quantified or provided	Fraud has been defined and penalty provided	447
Penalty for obtaining name by providing wrong or incorrect information	No recourse provided.	If company is not incorporated reserved name shall be cancelled after imposing a penalty not exceeding Rs.100,000/-; if the company is incorporated the ROC may give direction to change of name within 3 months by passing ordinary resolution or make an application for winding up of the company	4(4), 4(5)
Power to remove difficulties		Provisions in respect of removal of difficulty modified to provide that the power to remove difficulties may be exercised by the Central Government upto 'five years' (after enactment of the legislation) instead of earlier upto 'three years'. This is considered necessary to avoid serious hardship and dislocation since many provisions of the Bill involve transition from pre-existing arrangements to new systems.	
XXVIII. National Financial reporting Authority			
NACAAS - Constitution	Section-210A. Constitution of National Advisory Committee on Accounting standards. The Central Government may, by notification in the Official Gazette, constitute an Advisory Committee to be called the National Advisory Committee on Accounting	The name of NACAAS has been changed to National Financial Reporting Authority (NFRA) and authority is to advise on matters related to auditing standard in addition to accounting standards The CG may prescribe the standards of accounting or any addendum thereto, as recommended by the ICAI in consultation with and after examination	132

	<p>Standards (hereafter in this section referred to as the "Advisory Committee") to advise the Central Government on the formulation and laying down of accounting policies and accounting standards for adoption by companies or class of companies under this Act.</p>	<p>of the recommendations made by the NFRA</p> <p>Powers:</p> <ul style="list-style-type: none"> ✓ monitor and enforce the compliance with accounting and auditing standards ✓ oversee the quality of service of the professions associated with ensuring compliance with such standards ✓ have the power to investigate into the matters of professional or other misconduct committed by any member or firm of chartered accountants and impose penalties of not less than Rs. 1 lakhs in case of individuals and Rs. 10 Lakhs in case of firms and debar members/ firms for a period of 6 months to 10 years. 	
<p>Other related issues</p>	<ul style="list-style-type: none"> • The Advisory Committee shall give its recommendations to the Central Government on such matters of accounting policies and standards and auditing as may be referred to it for advice from time to time. • The members of the Advisory Committee shall hold office for such terms as may be determined by the Central Government at the time of their appointment and any vacancy in the membership in the Committee shall be filled by the Central Government in the same manner as the member whose vacancy occurred was filled. • The non-official members of the Advisory Committee shall be entitled to such fees, travelling, conveyance and other allowances as are admissible to the officers of the Central Government of the highest rank.] 	<ul style="list-style-type: none"> •NFRA had jurisdictions over CAs, cost accountants, company secretaries and any other profession as may be prescribed. •Now, this Clause has been amended, NFRA to have jurisdiction over only CAs. i.e., Professional misconduct of chartered accountants also comes under NFRA. •Where NFRA initiates an investigation, no other institute or body shall initiate or continue any proceedings in such matters of misconduct •Penalty increased •Chairperson and members in Full Time Employment with NFRA shall not be associated with any audit firm including related consultancy firms during the course of their appointment and 2 years after ceasing to hold such appointment. •The Director's report for every company except for One Person Company, shall provide various types of additional information like number of meetings of the Board, Company's policy on directors' appointment and remuneration; explanations or comments by the Board on every qualification, reservation or adverse 	

		remark or disclaimer made by the Company Secretary in his secretarial audit report, particulars of loans, guarantees or investments etc. (Clause 134)	
XXIX. Schedules - Companies Act 2013			
Schedule - I	Sections 4 and 5		
Schedule - II	Useful Lives to Compute Depreciation		
Schedule - III	General Instructions for Preparation of Balance Sheet and Statement of Profit and Loss of a Company		
Schedule - IV	Code for Independent Directors		
Schedule - V	Conditions to be fulfilled for the Appointment of a Managing or Whole Time Director or a Manager without the approval of the Central Government		
Schedule - VI	Section 55 and 186 related to Infrastructure Projects		
Schedule - VII	Corporate Social Responsibility		