

CA INTER / IPCC

NOV 18

PAPER 2

LAW

AMENDMENT

NOTES

PROF.

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AMENDMENTS IN COMPANIES ACT, 2013

AMENDED SECTION	CONTENT OF AMENDMENT
CA INTER / IPCC LAW (OLD & NEW SYLLABUS)	
SEC 2(6)	Associate Company means a company in which other company has a significant influence . " Significant influence " means control of at least 20% of total voting power or control of or participation in business decisions under an agreement
SEC 2(51)	KMP in relation to a company means – a) MD/Manager b) CEO c) CS d) WTD e) CFO f) Such other officer, not more then one level below the directors who is whole time employment, designated as KMP by the board g) Such other officer as may be prescribed
SEC 2(57)	"Net Worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit/credit balance of Profit and loss A/c , 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.
SEC 2(76)	"Related party", with reference to a company, means— (i) a director or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, manager or his relative is a partner; (iv) a private company in which a director or manager is a member or director; (v) a public company in which a director or manager is a director or and holds along with his relatives, more than two per cent. of its paid-up share capital; (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-

	<p>clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;</p> <p>(viii) any body corporate which is—</p> <p>(a) a holding, subsidiary or an associate company of such company; or</p> <p>(b) a subsidiary of a holding company to which it is also a subsidiary; or</p> <p>(c) An Investing Company or the venturer of the company. (Investing Company or the venturer of the company means a body corporate whose investment in the company exceeds 20% of total shareholding)</p> <p>(ix) such other person as may be prescribed.</p>
<p>SEC 2(85)</p>	<p>“Small Company” means a company, other than a public company,—</p> <p>(i) paid-up share capital of which does not exceed Rs. 50 Lakh or such higher amount as may be prescribed which shall not be more than Rs. 5-Crore 10 Crore or</p> <p>(ii) turnover of which as per its as per profit and loss account for the immediately preceding financial year does not exceed Rs. 2 crore or such higher amount as may be prescribed which shall not be more than Rs. 20-Crore 100 Crore</p> <p>Provided that nothing in this clause shall apply to—</p> <p>(A) a holding company or a subsidiary company;</p> <p>(B) a company registered under section 8; or</p> <p>(C) a company or body corporate governed by any special Act;</p>
<p>SEC 2(87)</p>	<p>“Subsidiary Company” or “Subsidiary”, in relation to any other company (that is to say the holding company), means a company in which the holding company—</p> <p>(i) controls the composition of the Board of Directors; or</p> <p>(ii) exercises or controls more than one-half of the total share capital Voting Power either at its own or together with one or more of its subsidiary companies:</p>
<p>SEC 2(91)</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>
<p>SEC 3A MEMBERS SEVERALLY LIABLE IN CERTAIN CASES</p>	<p>If at any time the number of members of a company is reduced, in the case of a public company, below seven, in the case of a private company, below two, and the company carries on business for more than six months while the number of members is so reduced, every person who is a member of the company during the time that it so carries on business after those six months and is cognisant of the fact that it is carrying on business with less than seven members or two members, as the case may be, shall be severally liable for the</p>

	payment of the whole debts of the company contracted during that time, and may be severally sued therefore.
SEC 4 MEMORANDUM	The Registrar may, on the basis of information and documents furnished along with the application by a new company, reserve the name for a period of 20 days from the date of approval or such other period as may be prescribed: 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 60 days from the date of approval. "
SEC 7 INCORPORATION OF COMPANY	" Affidavit Declaration to be received from the subscribers to the company"
SEC 12 REGISTERED OFFICE OF THE COMPANY	Within 15 30 Days of Incorporation Registered office of the company shall be capable of receiving and acknowledging all the communications addressed to it and shall also intimate ROC in case of any change in the situation of the registered office within 15 30 days.
SEC 26 MATTERS TO BE STATED IN PROSPECTUS	
SEC 35 CIVIL LIABILITY FOR MISSTATEMENT IN PROSPECTUS	<p>Following to be inserted:</p> <p>A person shall not be liable if he proves that</p> <ul style="list-style-type: none"> - as regards every misleading statement purported to be made by an expert or contained in what purports to be a copy / extract from a report or valuation of an expert, it was a correct and fair representation of the statement, or a correct copy / 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.
SEC 42 ISSUE OF SHARES ON PRIVATE PLACEMENT BASIS	<p>NEWLY INSERTED IN REPLACEMENT OF PREVIOUS SECTION</p> <ol style="list-style-type: none"> (1) A company may, subject to the provisions of this section, make a private placement of securities. (2) A private placement shall be made only to a select group of persons who have been identified by the Board (hereinafter known as 'identified persons'), whose number shall not exceed 50 or such higher number as may be prescribed in a financial year subject to such conditions as may

be prescribed. [excluding the qualified institutional buyers and employees of the company being offered securities under a scheme of ESOP in terms of provisions of section 62].

- (3) A company making private placement shall issue private placement offer and application in such form and manner as may be prescribed to identified persons, whose names and addresses are recorded by the company.
- (4) Every identified person willing to subscribe to the private placement issue shall apply in the private placement and application issued to such person alongwith subscription money paid either by cheque or demand draft or other banking channel and not by cash. (A company shall not utilise monies raised through private placement unless allotment is made and the return of allotment is filed with the Registrar).
- (5) No fresh offer or invitation under this section shall be made to the identified persons unless the allotments with respect to any offer or invitation made earlier have been completed or that offer or invitation has been withdrawn or abandoned by the company.
- (6) A company making an offer or invitation under this section shall allot its securities within 60 days from the date of receipt of the application money for such securities and if the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within 15 days from the expiry of 60 days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12%p.a. from the expiry of the 60th day: Provided that monies received on application under this section shall be kept in a separate bank account in a scheduled bank and shall not be utilised for any purpose other than— (a) for adjustment against allotment of securities; or (b) for the repayment of monies where the company is unable to allot securities.
- (7) No company issuing securities under this section shall release any public advertisements or utilise any media, marketing or distribution channels or agents to inform the public at large about such an issue.
- (8) A company making any allotment of securities under this section, shall file with the Registrar a return of allotment within 15 days from the date of the allotment in such manner as may be prescribed, including a complete list of all allottees, with their full names, addresses, number of securities allotted and such other relevant information as may be prescribed.
- (9) If a company defaults in filing the return of allotment within the period prescribed under sub- section (8), the company, its promoters and directors shall be liable to a penalty for each default of Rs.1000 for each day during which such default continues but Maximum Rs.25 Lakh.
- (10) Subject to sub-section (11), if a company makes an offer or accepts monies in contravention of this section, the company, its promoters and directors shall be liable for a penalty which may extend to the amount raised through the private placement or Rs. 2 crore, whichever is lower, and the company shall also refund all monies with interest as specified in

	<p>sub-section (6) to subscribers within a period of 30 days of the order imposing the penalty.</p> <p>(11) Notwithstanding anything contained in sub-section (9) and sub-section (10), any private placement issue not made in compliance of the provisions of sub-section (2) shall be deemed to be a public offer and all the provisions of this Act and the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 shall be applicable.</p>
<p>SEC 47 VOTING RIGHTS</p>	<p>(1) Subject to the provisions of section 43 (with voting rights) and Section 50(2) (only fully paid up shares) and Section 188(1) (RPT)</p> <p>(a) every member of a company holding equity shares, shall have a right to vote on every resolution placed before the company;</p> <p style="text-align: center;">AND</p> <p>(b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.</p>
<p>SEC 53 PROHIBITION ON ISSUE OF SHARE AT A DISCOUNT</p>	<p>(1) A company shall not issue shares at a discount Except Sweat equity shares u/s 54.</p> <p>(2) If any company issues shares at a discounted-price Discount, such allotment shall be void.</p> <p>Newly Inserted - (2A) Exception - 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.</p>
<p>SEC 54 SWEAT EQUITY SHARES</p>	<p>(c) Atleast one year should have elapsed between the date on which the company had commenced business till the date of such issue; (Omitted)</p>
<p>SEC 62 FURTHER ISSUE OF SHARE CAPITAL</p>	<p>Newly Inserted in replacement of Sec 62(2) –</p> <p>The notice referred to in sub-clause (i) of clause (a) of sub-section (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue."</p>
<p>SEC 73 PROHIBITION ON ACCEPTANCE OF DEPOSITS FROM PUBLIC</p>	<p>(2) A company may, subject to the passing of a resolution in general meeting and subject to such rules as may be prescribed in consultation with the Reserve Bank of India, accept deposits from its members on such terms and conditions, including the provision of security, if any, or for the repayment of such deposits with interest, as may be agreed upon between the company</p>

and its members, subject to the fulfilment of the following conditions, namely:—

- (a) Same
- (b) Same
- (c) **(Inserted) depositing, on or before the thirtieth day of April each year, such sum which shall not be less than 20% of the amount of its deposits maturing during the following FY and kept in a scheduled bank in a separate bank account to be called Deposit Repayment Reserve Account;**
- ~~(d) providing such deposit insurance in such manner and to such extent as may be prescribed;~~
- (e) certifying that the company has not committed any default in the repayment of deposits accepted either before or after the commencement of this Act or payment of interest on such deposits **and where a default had occurred, the company made good the default and a period of five years had lapsed since the date of making good the default** and
- (f) providing security, if any for the due repayment of the amount of deposit or the interest thereon including the creation of such charge on the property or assets of the company.

**SEC 74
REPAYMENT OF
DEPOSITS, ETC.,
ACCEPTED BEFORE
COMMENCEMENT OF
THIS ACT.**

(1) Where in respect of any deposit accepted by a company before the commencement of this Act, the amount of such deposit or part thereof or any interest due thereon remains unpaid on such commencement or becomes due at any time thereafter, the company shall—

- (a) file with the Registrar ,a statement of all the deposits accepted by the company and sums remaining unpaid on such amount with the interest payable thereon along with the arrangements made for such repayment, within a period of 3 months from such commencement or from the date on which such payments are due and
- (b) Repay within one year from such commencement or from the date on which such payments are due, whichever is earlier. Repay within three years from such commencement or on or before expiry of the period for which the deposits were accepted, whichever is earlier.**

**SEC 76A
PUNISHMENT FOR
CONTRAVENTION OF
SECTION 73 OR SECTION
76**

Where a company accepts or invites or allows or causes any other person to accept or invite on its behalf any deposit in contravention of the manner or the conditions prescribed under section 73 or section 76 or rules made thereunder or if a company fails to repay the deposit or part thereof or any interest due thereon within the time specified under section 73 or section 76 —

- (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 **Rs. 1 Crore rupees but which may extend to ten crore rupees Rs. 1 Crore or twice the amount of deposit accepted by the company, whichever is lower** and

	<p>(b) every officer of the company who is in default shall be punishable with imprisonment which may extend to 7 years or and fine Min Rs.25 Lakh Max Rs. 2 Crore or with both</p> <p>Note : Officer in Default (Wilfully with the intention to deceive the company or its shareholders or depositors or creditors or tax authorities) - Penalty u/s section 447</p>
<p>SEC 77 DUTY TO REGISTER CHARGES ETC.,</p>	<p>Newly Inserted - This section shall not apply to such charges as may be prescribed in consultation with the Reserve Bank of India</p>
<p>SEC 82 COMPANY TO REPORT SATISFACTION OF CHARGE</p>	<p>Newly Inserted - Registrar may, on an application by the company or the charge holder, allow such intimation of payment or satisfaction to be made within a period of 300 days of such payment or satisfaction on payment of such additional fees as may be prescribed.</p>
<p>SEC 96 AGM</p>	<p>(2) Every annual general meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National 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.</p> <p>Newly Inserted - Provided that annual general meeting of an unlisted company may be held at any place in India if consent is given in writing or by electronic mode by all the members in advance.</p> <p>Provided that the Central Government may exempt any company from the provisions of this subsection subject to such conditions as it may impose.</p>
<p>SEC 100 EGM</p>	<p>Newly Inserted - 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.</p>
<p>SEC 101 NOTICE OF MEETING</p>	<p>Normal Notice = 21 Days</p> <p>Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>Substituted:- Provided that a general meeting may be called after giving shorter notice in writing or by electronic mode if consented as follows—</p> <ul style="list-style-type: none"> (i) in the case of an AGM, Min 95% of the members entitled to vote thereat; and (ii) in the case of any other general meeting :- <ul style="list-style-type: none"> (a) Company having Share Capital – Min 51% in No. + Min 95% in Value(PUSC) of members entitled to vote or

(b) Company NOT having Share Capital - Min 95% in Value(PUSC) of members entitled to vote

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.

**SEC 110
POSTAL BALLOT**

Newly Inserted : Any item of business required to be transacted by means of postal ballot under clause (a), may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section.

**SEC 117
RESOLUTIONS AND
AGREEMENTS TO BE
FILED**

- (1) A copy of every resolution or any agreement, in respect of matters specified in sub- section (3) together with the explanatory statement under section 102, if any, annexed to the notice calling the meeting in which the resolution is proposed, shall be filed with the Registrar within 30 days of the passing or making thereof in such manner and with such fees as may be prescribed **within the time specified under section 403**
- (2) If a company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified **therein under section 403 with additional fees**, the company shall be punishable with fine **Min. Rs. 5 lakh Rs.1 lakh** - Max Rs.25 Lakh and every officer in default, including liquidator of the company, if any, shall be punishable with fine **Min. Rs. 50,000 Rs. 1 lakh** Max. Rs. 500,000.
- (3) The provisions of this section shall apply to—
(e) resolutions passed by a company according consent to the exercise by its Board of Directors of any of the powers under clause (a) and clause (c) of sub-section (1) of section 180; Omitted
(g) resolutions passed in pursuance of sub-section (3) of section 179

"Provided further that nothing contained in this clause shall apply to a banking company in respect of a resolution passed to grant loans, or give guarantee or provide security in respect of loans under clause (f) of sub-section (3) of section 179 in the ordinary course of its business.

ONLY FOR CA INTER LAW (NEW SYLLABUS)

SEC 123

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.

~~Sec 123(3) - 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: Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.~~ **Omitted**

Substituted - 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.

SEC 129 FINANCIAL STATEMENTS

Substituted - Sec 129(3) - Where a company has one or more subsidiaries or associate companies, it shall, in addition to financial statements provided under sub-section (2), prepare a consolidated financial statement of the company and of all the subsidiaries and associate companies in the same form and manner as that of its own and in accordance with applicable accounting standards, which shall also be laid before the annual general meeting of the company along with the laying of its financial statement under sub-section (2)

Provided that the company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries and associate company or companies in such form as may be prescribed Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed.

**SEC 130
RE-OPENING OF
ACCOUNTS ON COURT'S
OR TRIBUNAL'S ORDERS**

(1) A company shall not re-open its books of account and not recast its financial statements, unless an application in this regard is made by the Central Government, the Income-tax authorities, the Securities and Exchange Board, any other statutory regulatory body or authority or any person concerned and an order is made by a court of competent jurisdiction or the Tribunal to the effect that—

(i) the relevant earlier accounts were prepared in a fraudulent manner; or (ii) the affairs of the company were mismanaged during the relevant period, casting a doubt on the reliability of financial statements:

Provided that the court or the Tribunal, as the case may be, shall give notice to the Central Government, the Income-tax authorities, the Securities and Exchange Board or any other statutory regulatory body or authority **or any other person concerned** and shall take into consideration the representations, if any, made by that Government or the authorities, Securities and Exchange Board or the body or authority concerned **or any other person concerned** before passing any order under this section.

(2) Without prejudice to the provisions contained in this Act the accounts so revised or re-cast under sub-section (1) shall be final

Newly Inserted –

(3) No order shall be made under sub-section (1) in respect of re-opening of books of account relating to a period earlier than 8 FY's immediately preceding the current financial year: Exception – CG may order to maintain / re-open beyond 8 years

**SEC 132
CONSTITUTION OF
NATIONAL FINANCIAL
REPORTING AUTHORITY**

Sec 132(4) - Notwithstanding anything contained in any other law for the time being in force, the National Financial Reporting Authority shall—

- (a) have the power to investigate, either suo moto or on a reference made to it by CG, for matters of professional or other misconduct committed by any member or firm of chartered accountants, registered under the Chartered Accountants Act, 1949 Provided that no other institute or body shall initiate or continue any proceedings in such matters of misconduct where the National Financial Reporting Authority has initiated an investigation under this section.
- (b) have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908
- (c) where professional or other misconduct is proved, have the power to make order for—
 - (A) imposing penalty of—
 - (I) Min Rs. 1 Lakh Max upto 5 times of the fees received, in case of individuals; and
 - (II) Min **Rs. 10 lakh Rs. 5 lakh**, Max - upto 10 times of the fees received, in case of firms;
 - (B) debarring the member or the firm from engaging himself or itself from practice as member of the ICAI for Min 6 months – Max 10 Years as may be decided by the NFRA.

Sec 132(5) - Any person aggrieved by any order of the NFRA issued under clause (c) of sub-section (4), may prefer an appeal before the **Appellate Authority constituted under subsection (6) in such manner as may be prescribed the Appellate Tribunal in such manner and on payment of such fee as may be prescribed.**

Substituted for Old 134(1) :-

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

- **the chairperson of the company where he is authorised by the Board or**
- **by two directors out of which one shall be managing director, if any, and**
- **the Chief Executive Officer,**
- **the Chief Financial Officer and**
- **the company secretary of the company,**

wherever they are appointed, or in the case of One Person Company, only by one director, for submission to the auditor for his report thereon.

Sec 134(3) There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

(a) **the extract of the annual return as provided under sub-section (3) of section 92; the web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed**

(p) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal **annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; annual evaluation of the performance of the Board, its Committees and of individual directors has been made.**

Note :-

1) **Where disclosures referred to in this sub-section have been included in the financial statements, such disclosures shall be referred to instead of being repeated in the Board's report**

2) **Where the policy referred to in clause (e) or clause (o) is made available on company's website, if any, it shall be sufficient compliance of the requirements under such clauses if the salient features of the policy and any change therein are specified in brief in the Board's report and the web-address is indicated therein at which the complete policy is available.**

Newly Inserted :-

Sec 134(3A) The Central Government may prescribe an abridged Board's report, for the purpose of compliance with this section by One Person Company or small company.

**SEC 134
FINANCIAL STATEMENT,
BOARD'S REPORT, ETC**

**SEC 135
CORPORATE SOCIAL
RESPONSIBILITY**

(1) Every company having NW - Rs. 500 crore or more, or turnover - Rs. 1000 crore or more or a NP – Rs. 5 crore or more during **any financial year the immediately preceding financial year** shall constitute a Corporate Social Responsibility Committee of the Board consisting of 3 or more directors, out of which at least 1 director shall be an independent director

Newly Inserted –

Provided that where a company is not required to appoint an ID u/s 149(4) it shall have 2 or more directors in its CSR Committee.

(1) **Without prejudice to the provisions of section 101**, A copy of the financial statements, including CFS, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to Debenture trustee and to all persons Min 21 days before the date of the meeting.

Substituted :-

Provided that if the copies of the documents are sent less than 21 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

(a) Company having Share Capital – Min 51% in No. + Min 95% in Value(PUSC) of members entitled to vote or

(b) Company NOT having Share Capital - Min 95% in Value(PUSC) of members entitled to vote

Provided **further also** that the CG may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be prescribed.

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

Substituted for Previous Proviso:

Provided also that every listed company having a subsidiary or subsidiaries shall place separate audited accounts in respect of each of subsidiary on its website, if any.

Provided also that a listed company which has a subsidiary incorporated outside India (herein referred to as "foreign subsidiary")—

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

(b) where such foreign subsidiary is not required to get its financial statement audited under any law of the country of its incorporation and which does not get such financial statement audited, the holding Indian

**SEC 136
RIGHTS OF MEMBER TO
COPIES OF AUDITED
FINANCIAL STATEMENT**

listed company may place a translated copy of the financial statement in English of unaudited financial statement on its website.

Sec 136(2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-section (1) at its registered office during business hours.

Newly Inserted:-

Provided that every company having a subsidiary or subsidiaries shall provide a copy of separate audited or unaudited financial statements, as the case may be, as prepared in respect of each of its subsidiary to any member of the company who asks for it.

Sec 136(3) If any default is made in complying with the provisions of this section, the company shall be liable to a penalty of twenty-five thousand rupees and every officer of the company who is in default shall be liable to a penalty of five thousand rupees.

**SEC 137
COPY OF FINANCIAL
STATEMENT TO BE FILED
WITH REGISTRAR**

Newly Inserted :

Provided also that in the case of a subsidiary which has been incorporated outside India (herein referred to as "foreign subsidiary"), which is not required to get its financial statement audited under any law of the country of its incorporation and which does not get such financial statement audited, the requirements of the fourth proviso shall be met if the holding Indian company files a translated copy in English of such unaudited financial statement along with a declaration to this effect.



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