

Amendments

Companies (Appointment and Qualification of Directors) Rules, 2014,

- Director shall submit e-form DIR-3-KYC for the said financial year to the Central Government on or before ~~31st March~~ 30th September of immediate next financial year.
- Where an individual who has already submitted e-form DIR-3 KYC in relation to any PFY, it shall be deemed to be sufficient compliance of the provisions of this rule, if he submits web-form DIR-3 KYC-WEB through the web service in relation to any subsequent financial year.
- Individual can also update his personal mobile number or the email address, by submitting updating e-form DIR-3 KYC.
- Fees for filing e-form DIR-3 KYC or web-form DIR-3 KYC-WEB, as the case may be, shall be payable as provided in Companies (Registration Offices and Fees) Rules, 2014.

Inspection, Inquiry & Investigation

Sec 212(8) – If ~~"Director, Additional Director or Assistant Director"~~ any officer not below the rank of Assistant Director of Serious Fraud Investigation Office authorised in this behalf by the Central Government by general or special order, has on the basis of material in his possession reason to believe (the reason for such belief to be recorded in writing) that any person has been guilty of any offence punishable under sections referred to in sub-section (6), he may arrest such person and shall, as soon as may be, inform him of the grounds for such arrest.

Sec 212(9) – The ~~Director~~ officer authorised under sub-section (8) shall, immediately after arrest of such person under such sub-section], forward a copy of the order, along with the material in his possession, referred to in that sub-section, to the Serious Fraud Investigation Office in a sealed envelope, in such manner as may be prescribed and the

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Serious Fraud Investigation Office shall keep such order and material for such period as may be prescribed.

Sec 212(10) – Every person arrested under sub-section (8) shall within twenty-four hours, be taken to a **Special Court** or Judicial Magistrate or a Metropolitan Magistrate, as the case may be, having jurisdiction. Provided that the period of twenty-four hours shall exclude the time necessary for the journey from the place of arrest to the **Special Court** or Magistrate's court.

Sec 212(14A) – Where the report under sub-section (11) or sub-section (12) states that fraud has taken place in a company and due to such fraud any director, key managerial personnel, other officer of the company or any other person or entity, has taken undue advantage or benefit, whether in the form of any asset, property or cash or in any other manner, the Central Government may file an application before the Tribunal for appropriate orders with regard to disgorgement of such asset, property or cash and also for holding such director, key managerial personnel, other officer or any other person liable personally without any limitation of liability.

Compromise, Arrangements and Amalgamations

A Clarification issued by Ministry in interpretation of Sec 232(6) –

Sec 232(6) – for those following my notes, we are talking about the key word –
ADO All Fall All UP

(a) Companies can choose the 'appointed date' of their choice and mention it in the Scheme.

This date may be :-

a specific calendar date or

may be tied to the occurrence of an event viz. grant of license by a competent authority or fulfilment of any preconditions agreed upon by the parties, or meeting any other requirement as agreed upon between the parties, etc., which are relevant to the scheme.

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(b) The 'appointed date' identified under the scheme shall also be deemed to be the 'acquisition date' and date of transfer of control for the purpose of conforming to accounting standards (including Ind-AS 103 Business Combinations).

(c) 'Appointed date' may be chosen to precede the date of filing of the application for scheme of merger/amalgamation in NCLT.

However, if the 'appointed date' is significantly ante-dated beyond a year from the date of filing, the justification for the same would have to be specifically brought out in the scheme and it should not be against public interest.

(d) The scheme may identify the 'appointed date' based on the occurrence of a trigger event which is key to the proposed scheme and agreed upon by the parties to the scheme. This event would have to be indicated in the scheme itself upon occurrence of which the scheme would become effective. However, in case of such event based date being a date subsequent to the date of filing the order with the Registrar under section 232(5), the company shall file an intimation of the same with the Registrar within 30 days of such scheme coming into force.

Prevention of Oppression and Mismanagement

Sec 241(2) – The Central Government, if it is of the opinion that the affairs of the company are being conducted in a manner prejudicial to public interest, it may itself apply to the Tribunal for an order under this Chapter.

Provided that the applications under this sub-section, in respect of such company or class of companies, as may be prescribed, shall be made before the Principal Bench of the Tribunal which shall be dealt with such Bench.

Sec 241(3) – Where in the opinion of the Central Government there exist circumstances suggesting that–

(a) any person concerned in the conduct and management of the affairs of a company is or has been in connection therewith guilty of fraud, misfeasance, persistent negligence or default in carrying out his obligations and functions under the law or of breach of trust;

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(b) the business of a company is not or has not been conducted and managed by such person in accordance with sound business principles or prudent commercial practices;

(c) a company is or has been conducted and managed by such person in a manner which is likely to cause, or has caused, serious injury or damage to the interest of the trade, industry or business to which such company pertains; or

(d) the business of a company is or has been conducted and managed by such person with intent to defraud its creditors, members or any other person or otherwise for a fraudulent or unlawful purpose or in a manner prejudicial to public interest, the Central Government may initiate a case against such person and refer the same to the Tribunal with a request that the Tribunal may inquire into the case and record a decision as to whether or not such person is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company.

Sec 241(4) – The person against whom a case is referred to the Tribunal under sub-section (3), shall be joined as a respondent to the application.

Sec. 241(5) – Every application under sub-section (3) —

(a) shall contain a concise statement of such circumstances and materials as the Central Government may consider necessary for the purposes of the inquiry; and

(b) shall be signed and verified in the manner laid down in the Code of Civil Procedure, 1908, for the signature and verification of a plaint in a suit by the Central Government.

Sec 242(4A) – At the conclusion of the hearing of the case in respect of sub-section (3) of section 241, the Tribunal shall record its decision stating therein specifically as to whether or not the respondent is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company.

Sec 243(1A) – The person who is not a fit and proper person pursuant to sub-section (4A) of section 242 shall not hold the office of a director or any other office connected with the conduct and management of the affairs of any company for a period of five

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years from the date of the said decision Provided that the Central Government may, with the leave of the Tribunal, permit such person to hold any such office before the expiry of the said period of five years.

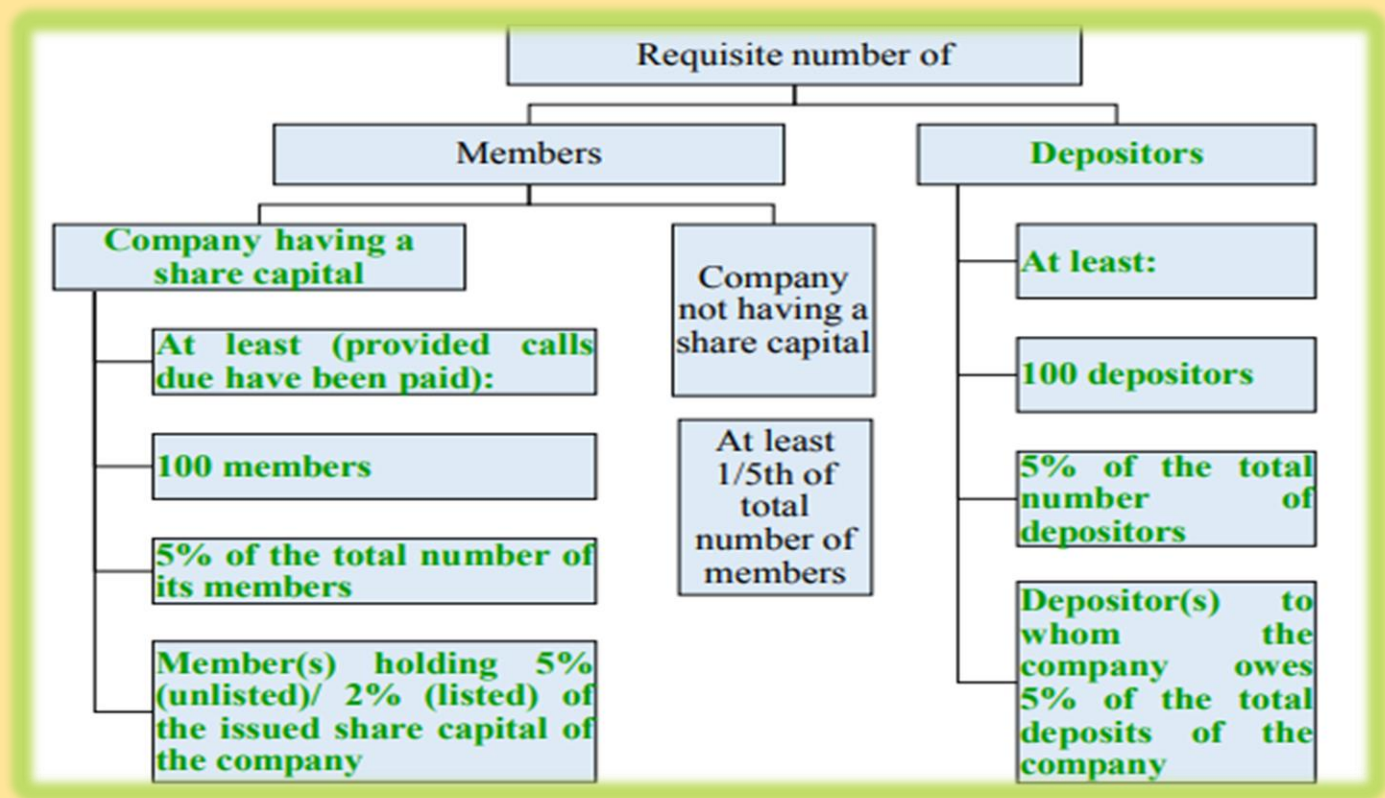
Sec 243(1B) – Notwithstanding anything contained in any other provision of this Act, or any other law for the time being in force, or any contract, memorandum or articles, on the removal of a person from the office of a director or any other office connected with the conduct and management of the affairs of the company, that person shall not be entitled to, or be paid, any compensation for the loss or termination of office.

Sec 243(2) – Any person who knowingly acts as a managing director or other director or manager of a company in contravention of clause (b) of sub-section (1) or sub-section (1A), and every other director of the company who is knowingly a party to such contravention, shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five lakh rupees, or with both

Sec 446B – Notwithstanding anything contained in this Act, if a One Person Company or a small company fails to comply with the provisions of sub-section (5) of section 92, sub-section (2) of section 117 or sub-section (3) of section 137, such company and officer in default of such company **shall be liable to a penalty which shall not be more than one half** of the penalty specified in such sections.

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Sec 245 – Class Action Suits



Nidhi Co.

Sec 406 – Nidhi Company :

"Nidhi" means a company which has been incorporated as a nidhi with the object of cultivating the habit of thrift and saving amongst its members, receiving deposits from, and lending to, its members only, for their mutual benefit, and which complies with the rules made by the central Government for regulation of such class of companies.

- (1) Only a company which is declared by CG by notification in the Official Gazette as a "Nidhi" or "Mutual Benefit Society" means a company.
- (2) Only the provisions expressly notified by CG shall be applicable to Nidhi / Mutual Benefit Society along with such exceptions, modifications and adaptations as may be specified in the notification.

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- (3) A copy of every notification proposed to be issued under sub-section (2), shall be laid in draft before each House of Parliament, for a total period of 30 days, and only if, both Houses agree to the issue notification with/without modification, such notification shall be issued with/without such modifications.

In reckoning any such period of 30 days as is referred to in sub-section (3), no account shall be taken of any period during which the House referred to in sub-section (3) is prorogued (discontinued) or adjourned for more than four consecutive days.

Few important points w.r.t. NIDHI's : (Important Rules)

1) Declaration of Nidhis -

- The Central Government, on receipt of application (in Form NDH-4 along with fee thereon) of a public company for declaring it as Nidhi and on being satisfied that the company meets the requirements under these rules, shall notify the company as a Nidhi in the official Gazette.
 - Nidhi incorporated under the Act shall file Form NDH-4 within 60 days from the date of expiry of :-
 - (a) one year from the date of its incorporation or
 - (b) the period up to which extension of time has been granted by the RD
 - Nidhi can also file Form NDH-4 before the period referred therein.
- In case a company does not comply with the requirements of this rule, it shall not be allowed to file Form No. SH-7 (Notice to Registrar of any alteration of share capital) and Form PAS-3 (Return of Allotment).

- 2) Nidhi shall be a public company and shall have a minimum PUSC ₹500,000 & Every company shall have the last words 'Nidhi Limited' as part of its name.
- 3) Every Nidhi shall, within a period of one year from the date of its incorporation, ensure that it has-
- (a) not less than two hundred members;

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- (b) Net Owned Funds of ₹10,00,000 or more;
- (c) unencumbered term deposits of not less than 10% of the outstanding deposits and
- (d) ratio of Net Owned Funds to deposits of not more than 1:20.

Within ninety days from the close of the first financial year after its incorporation and where applicable, the second financial year, Nidhi shall file a return of statutory compliances in Form NDH-1 along with such fee as prescribed with the Registrar duly certified by a PCA / PCS / PCMA.

If a Nidhi is not complying with clauses (a) or (d) of above, it shall within 30 days from the close of the first financial year, apply to the Regional Director in Form NDH-2 along with fee specified for extension of time and the Regional Director may consider the application and pass orders within 30 days of receipt of the application.

Provided that the Regional Director may extend the period upto one year from the date of receipt of application.

If the failure to comply with sub-rule (1) of this rule extends beyond the second financial year, Nidhi shall not accept any further deposits from the commencement of the second financial year till it complies with the provisions & gets itself registered u/s 406(1) and instead shall be liable for penal consequences as provided in the Act.

- 4) In case of non- payment of the deposit or part thereof as per the terms and conditions of such deposit, the depositor may approach the Bench of the National Company law Tribunal having jurisdiction over Nidhi.
- 5) In respect of any Nidhi which has violated these rules or has failed to function in terms of the Memorandum and Articles of Association, the Central Government may appoint a Special Officer to take over the management of Nidhi and such Special Officer shall function as per the guidelines given by Central Government.

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Provided that an opportunity of being heard shall be given to the concerned Nidhi by the Central Government before appointing any Special Officer.

6) In the said rules, after rule 23, the following rules shall be inserted, namely:-

23A. Compliance with rule 3A by certain Nidhis:-

Every Nidhi / Mutual Benefit Society pending notification/approval and every Nidhi incorporated under the Act, before the commencement of Nidhi (Amendment) Rules, 2019, shall also get itself declared as such in accordance with rule 3A within a period of :

1 year from the date of its incorporation or

within a period of six months from the date of commencement of Nidhi (Amendment) Rules, 2019,

whichever is later:

Provided that in case a company does not comply with the requirements of this rule, it shall not be allowed to file Form No. SH-7 (Notice to Registrar of any alteration of share capital) and Form PAS-3 (Return of Allotment).

23B. Companies declared as Nidhis under previous company law to file Form NDH-4:-

Every company referred in clause (a) of rule 2 shall file Form NDH-4 alongwith fees as per the Companies (Registration Offices and Fees) Rules, 2014 for updating its status:

Provided that no fees shall be charged under this rule for filing Form NDH-4, in case it is filed within six month of the commencement of Nidhi (Amendment) Rules, 2019:

Provided further that, in case a company does not comply with the requirements of this rule, it shall not be allowed to file Form No. SH-7 (Notice to Registrar of any alteration of share capital) and Form PAS-3 (Return of Allotment).

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Section 186 – Intercompany Loans /Investments etc.

Rule 11(2) of Companies (Meetings of Board and its Powers) Rules, 2014 –

For the purposes of clause (a) of sub-section (11) of section 186, the expression "business of financing industrial enterprises" shall include, with regard to a Non-Banking Financial Company registered with Reserve Bank of India, "business of giving of any loan to a person or providing any guaranty or security for due repayment of any loan availed by any person in the ordinary course of its business".

FEMA

Overseas Direct Investment

I) Mode of Direct Investment Outside India

1) Automatic route for Direct Investment or Financial Commitment outside India	2) Approval route for direct investment or financial commitment outside India
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1) Automatic Route:



- Indian Entity → Apply to AD in form ODI + Enclosures
- I.E. = Must Not be on Defaulters list of RBI / CIBIL or under investigation by DoE or any other regulatory Authority
- All transactions of I.E. = Only through 1 Branch of AD.
- Total Financial Commitment allowed for I.E. = Max. 400% of NW (PUSC + FR) or
- **Max. Financial Commitment*** Allowed = \$ 1 Billion / FY (wel)
- Excess = RBI Approval (**Excess = go to "Approval Route"**)

* **Financial Commitment** shall comprise of the following: Key - (GOLE PB)

- 100% of Amt. of **E**q. Shs./Compulsory Conv. Pref. Shs.
- 100% of Amt. of **O**ther Pref. Shs.
- 100% of Amt. of **L**oan
- 100% of Amt. of **G**uar. Issued by Indian Party(Not performance guarantee)

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e) 100% of Amt. of **Bank Guarantee** issued by Resident

f) 50% of Amt. of **Performance Guarantee**.

Exception: N.A. if invested out of funds from EEFC A/c / ADR's / GDR's

(2) Approval route for direct investment or financial commitment outside India

(i) Prior approval of the RBI would be required in all other cases of direct investment (or financial commitment) abroad.

(ii) RBI would, inter alia, take into account the following factors while considering such applications: (V – FEB)

a) Prima facie **viability of the JV / WOS** outside India;

b) **Financial position** and business track record of the Indian Party and the foreign entity;

c) **Expertise and experience** of the Indian Party in the same or related line of activity as of the JV / WOS outside India.

d) Contribution to external trade and other **benefits** which will accrue **to India** through such investment (or financial commitment) and

Therefore, under the approval route prior approval of the RBI would be required in Form ODI with the documents prescribed therein to be made through the Authorized Dealer Category – I banks.

• **Overseas Direct Investments by resident individuals:**

- A resident individual satisfying the criteria as per Schedule V of the Notification, may make overseas direct investment in the equity shares and compulsorily convertible preference shares of a Joint Venture (JV) or Wholly Owned Subsidiary (WOS) outside India.

- The limit of overseas direct investment by the resident individual shall be within the overall limit prescribed by the RBI under the provisions of Liberalised Remittance Scheme, as prescribed by the RBI from time to time. (Current Account Transactions)

Prohibitions on direct investment in abroad by an Indian party:

(a) **Indian Parties are prohibited** from making investment (or financial commitment) in foreign entity engaged in real estate (meaning buying and selling of real estate or trading in Transferable Development Rights (TDRs) but does not include development of townships, construction of residential/commercial premises, roads or bridges) or banking business, without the prior approval of the RBI.

(b) An overseas entity, having direct or indirect equity participation **by** an Indian Party, shall not offer financial products linked to Indian Rupee (e.g. non-deliverable trades involving foreign currency, rupee exchange rates, stock indices linked to Indian market, etc.) without the specific approval of the RBI.

General Permission: General permission has been granted to persons residents in India for purchase / acquisition of securities in the following manner:

(a) out of the **funds** held in **RFC account**;

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(b) as **bonus shares** on existing holding of foreign currency shares; and

(c) **when not permanently resident in India, out of their foreign currency resources outside India.**

Note : General permission is also available to sell the shares so purchased or acquired.

FEMA

Import of Goods and Services

- Import of Goods and Services into India is being allowed in terms of Foreign Exchange Management (Current Account Transaction) Rules, 2000.
- Import trade is regulated by the DGFT under the Ministry of Commerce & Industry, Department of Commerce, Government of India.
- Authorised Dealer Category – I banks should ensure that the imports into India are in conformity with the Foreign Trade Policy in force and FEM (Current Account Transactions) Rules, 2000 and the Directions issued by RBI under FEMA, 1999 from time to time.

General Guidelines for Imports :

(1) **General Guidelines:** Where specific regulations do not exist, **AD may** be governed by normal trade practices and it may particularly **adhere to "Know Your Customer" (KYC) guidelines** (issued by Reserve Bank) in all their dealings.

(2) **Remittances for Import Payments:** AD may allow remittance for making payments for imports into India, after ensuring that all the requisite details are made available by the importer and the remittance is for bona fide trade transactions as per applicable laws in force.

(3) **Obligation of Purchaser of Foreign Exchange:** Following are the obligation of the purchaser to be complied with:

(i) **Utilization of acquired Foreign Exchange for the said purpose:**

Any person acquiring foreign exchange is permitted to use it :

- a) **for the purpose mentioned** in the declaration made by him to an Authorised or
- b) **for any other purpose which is permissible** under the said Act or Rules or Regulations framed there under.

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(ii) Evidence of import:

Where foreign exchange acquired has been utilised for import of goods into India, the AD should ensure that the importer furnishes evidence of import viz., as in IDPMS, Postal Appraisal Form or Customs Assessment Certificate, etc., and satisfy himself that goods equivalent to the value of remittance have been imported.

AD should ensure that all import remittances outstanding on the notified date of IDPMS are uploaded in IDPMS (Import Data Processing and Monitoring System).

(iii) Mode of payment: A person resident in India may make payment for import of goods in foreign exchange through-

- an international card held by him/in rupees from international credit card/ debit card through bank in India against the charge slip signed by the importer, or
 - as prescribed by Reserve Bank from time to time,
- provided that the transaction is in conformity with the extant provisions and the import is in conformity with the Foreign Trade Policy in force.

(iv) Other mode: Any person resident in India may also make payment as under :

(a) In rupees towards expenses of boarding, lodging and services related thereto or travel to and from and within India of a person resident outside India who is on a visit to India;

(b) By means of a crossed cheque or a draft as consideration for purchase of gold or silver in any form imported by such person in accordance with the terms and conditions imposed under any order issued by the Central Government;

(c) A company or resident in India may make payment in rupees to its non-whole time director who is resident outside India and is on a visit to India for the company's work and is entitled to payment of sitting fees or commission or remuneration, and travel expenses to and from and within India, in accordance with the provisions contained in the company's Memorandum of Association or Articles of Association or in any agreement entered into it or in any resolution passed by the company in general meeting or by its Board of Directors, provided the requirement of any law, rules, regulations, directions applicable for making such payments are duly complied with.

(4) Time Limit for Settlement of Import Payments:

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(i) Time limit for Normal Imports:

(a) Remittances against imports should be completed **not later than six months** from the date of shipment, except in cases where amounts are withheld towards guarantee of performance, etc.

(b) AD may permit settlement of import dues delayed due to disputes, financial difficulties, etc. However, interest if any, on such delayed payments, usance bills (a bill of exchange which allows the drawee to have period of credit or term) or overdue interest is payable only for a period of up to three years from the date of shipment at the rate prescribed for trade credit from time to time.

(ii) Time Limit for Deferred Payment Arrangements: Deferred payment arrangements (including suppliers' and buyers' credit) upto five years, are treated as trade credits for which the procedural guidelines as laid down in the Master Circular for External Commercial Borrowings and Trade Credits may be followed.

(5) Extension of Time:

(i) limit of extension: AD can consider granting extension of time for settlement of import dues up to a period of six months at a time (maximum up to the period of three years) .

(ii) Circumstances: While granting extension of time, AD must ensure that:

a. The import transactions covered by the invoices are not under investigation by Directorate of Enforcement / Central Bureau of Investigation or other investigating agencies;

b. While considering extension beyond one year from the date of remittance, the total outstanding of the importer does not exceed USD one million or 10 percent of the average import remittances during the preceding two financial years, whichever is lower; and

c. Where extension of time has been granted by the AD, the date up to which extension has been granted may be indicated in the 'Remarks' column.

(iii) In exceptional cases: Cases not covered by the above instructions / beyond the above limits, may be referred to the concerned Regional Office of Reserve Bank of India.

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(iv) Noting of the extension: The above extension period shall be reported in IDPMS as per message "Bill of Entry Extension" and the date up to which extension is granted will be indicated in "Extension Date" column.

(6) Import of Foreign Exchange / Indian Rupees:

(i) Except as otherwise provided in the Regulations, no person shall, without the general or special permission of the Reserve Bank, import or bring into India, any foreign currency, including cheques.

(ii) Reserve Bank may allow a person to bring into India currency notes of Government of India and / or of Reserve Bank subject to such terms and conditions as the Reserve Bank may stipulate.

(7) Import of Foreign Exchange into India: A person may–

(i) Send into India, without limit, foreign exchange in any form (other than currency notes, bank notes and travellers cheques);

(ii) Bring into India from any place outside India, without limit, foreign exchange (other than unissued notes), subject to the condition that such person makes, on arrival in India, a declaration to the Custom Authorities at the Airport in the Currency Declaration Form (CDF) annexed to these Regulations;

Provided further that it shall not be necessary to make such declaration where the aggregate value of the foreign exchange in the form of currency notes, bank notes or travellers cheques brought in by such person at any one time does not exceed USD 10,000 (US Dollars ten thousand) or its equivalent and/or the aggregate value of foreign currency notes (cash portion) alone brought in by such person at any one time does not exceed USD 5,000 (US Dollars five thousand) or its equivalent.

(8) Import of Indian Currency and Currency Notes

(i) Any person resident in India who had gone out of India on a temporary visit, may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs. 25,000 (Rupees twenty five thousand only).

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(ii) A person may bring into India from Nepal or Bhutan, currency notes of Government of India and Reserve Bank of India for any amount in denominations up to Rs.100/-.

(9) Issue of Guarantees by an Authorised Dealer:

(i) An authorised dealer may give a guarantee in respect of any debt, obligation or other liability incurred by a person resident in India and owned to a person resident outside India, as an importer, in respect of import on deferred payment terms in accordance with the approval by the Reserve Bank of India for import on such terms.

(ii) An authorised dealer may give guarantee, Letter of Undertaking or Letter of Comfort in respect of any debt, obligation or other liability incurred by a person resident in India and owned to a person resident outside India (being an overseas supplier of goods, bank or a financial institution), for import of goods, as permitted under the Foreign Trade Policy announced by Government of India from time to time and subject to such terms and conditions as may be specified by Reserve Bank of India from time to time.

(iii) An authorised dealer may, in the ordinary course of his business, give a guarantee in favour of a non-resident service provider, on behalf of a resident customer who is a service importer, subject to such terms and conditions as stipulated by Reserve Bank of India from time to time:

Limit of providing guarantee:

Service importer	Amount of guarantee
Where a service importer is other than a Public Sector Company or a Department / Undertaking of the Government of India / State Government:	no guarantee for an amount exceeding USD 500,000 or its equivalent shall be issued
Where the service importer is a Public Sector Company or a Department / Undertaking of the Government of India / State Government	no guarantee for an amount exceeding USD 100,000 or its equivalent shall be issued without the prior approval of the Ministry of Finance, Government of India.

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(iv) An authorised dealer may, subject to the directions issued by the Reserve Bank of India in this behalf, permit a person resident in India to issue corporate guarantee in favour of an overseas lessor for financing import through operating lease effected in conformity with the Foreign Trade Policy in force and under the provisions of the Foreign exchange Management (Current Account Transactions) Rules, 2000, and the Directions issued by Reserve Bank of India under Foreign Exchange Management Act, 1999 from time to time.

FCRA, 2010

- If emergent Medical aid needed during visit to abroad = Intimate CG ~~within 60 days~~ **within 1 month** of such receipt with full details. Exception: No Intimation required if value of emergent Medical Hospitality upto ₹1 Lakh.
- When articles gifted for personal use do not amount to foreign contribution. – Any article gifted to a person for his personal use whose market value in India on the date of such gift does not exceed ~~₹25,000~~ **₹100,000** shall not be a foreign contribution.

Arbitration and Conciliation Act, 1996

~~"Provided that Parts I, III and IV shall extend to the State of Jammu and Kashmir only insofar as they relate to international Commercial arbitration or, as the case may be, international Commercial Conciliation."~~ **Now Omitted.**

IBC

Resolution Plan - For the removal of doubts, it is hereby clarified that a resolution plan may include provisions for the restructuring of the corporate debtor, including by way of merger, amalgamation and demerger.

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Sec.12:- Time Limit for Completion of CIRP –

Maximum 180 days + Extension 90 days But can be extended upto Maximum 330 days from commencement of CIRP including the extension if granted and the time taken in legal proceedings in relation to such resolution process of the corporate debtor. Provided that if any CIRP is pending and has exhausted the period of 180+90 days as provided before amendment, shall be now completed within a period of 90 days from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019.

Section 25A- Rights and duties of authorised representative of financial creditors –

(3A) He shall cast his vote on behalf of all the financial creditors he represents in accordance with the decision taken by a vote of more than 50%, of the voting share of the financial creditors he represents, who have cast their vote.

(Self eg. If he represents 5 FC's and 3 of them vote 'In Favor', then vote of Authorised representative shall be 'In Favor' of the resolution.)

Section 30(2)(b), the following shall be substituted :

provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than—

(i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or

(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53,

whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (7) of section 53 in the event of a liquidation of the corporate debtor.

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Disclaimer :

The above given amendments are summarized and compiled from ICAI Study Material and RTP of May 2020.

Prof. Harsh Kachalia has covered overall all the major amendments given therein and found important to the best of his knowledge and experience.

Although these amendments are sufficient, students are advised to thoroughly refer to the RTP and MTP of ICAI before exams to avoid any surprises from ICAI.

Separate notes on FEMA ECB amendment will be issued along with an amendment video soon.

If any student needs a copy of handwritten notes of Prof. Harsh Kachalia, which is in the same font style and colour scheme as this amendment PDF and it shall be super helpful for last day revision.

Limited copies available and sale will be dispatched strictly on orders made on FIFO basis .Kindly order in advance to avoid any last minute inconvenience.

For any more details, feel free to contact on whatsapp @ 9833 196 206.

Blessed Be.

Cheers!