

# **Key Amendments in Cos. (Amendment) Bill, 2017 & E-Filing**

**Gaurav N Pingle,  
Practising Co. Secretary, Pune.**

# Key Amendments in Cos. (Amendment) Bill, 2017

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- Holding Co.



- Subsidiary Co.



- Associate Co.



- Related Party

# ... Key Amendments in Cos. (Amendment) Bill, 2017

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Debentures

Interested Director

Thresholds for Small Cos.

Another category for KMP

Clarity on definition of 'Turnover'

Member's below minimum threshold

# Issue of Shares & Meeting related Amendments

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Private Placement

Issue of Shares at Discount – Corporate Debt Restructuring Scheme approved by RBI

Issue of Sweat Equity Shares – ~~1 year from the date on which Co. commenced business~~

AGM – AGM of an unlisted Co. may be held at any place in India if consent is given in writing / electronically by all Members in advance

EGM – EGM of a Co., other than of WOS of a Co. incorporated outside India, shall be held at a place within India

# Consolidation of Accounts

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Where a Co. has one or more Subsidiaries or Associate Cos., it shall, in addition to Financial Statements, *prepare* Consolidated Financial Statement of the Co. and of all the Subsidiaries & Associate Cos. in the same form and manner as that of its own and in accordance with applicable Accounting Standards, which shall also be laid before AGM of Co. along with the laying of its Financial Statement.

*Provided that* Co. shall also attach along with its Financial Statement, a separate Statement containing salient features of Financial Statement of its Subsidiary(ies) & Associate Co. (s).

# Financial Statements & CSR

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Signing of  
Financial  
Statements

~~Extract of~~  
Annual  
Return -  
web address

Disclosures  
in Board  
Report

CSR:  
Applicability,  
Constitution  
&  
Calculation  
of NP

# Auditors & Auditors Report

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CAB, 2017

- *Foll. shall not be eligible to be appointed as Auditor of Co.: A person who, directly or indirectly, renders any service referred to in Sec.144 to the Co. or its Holding Co. or its Subsidiary Co.*

CA, 2013

- *Foll. shall not be eligible to be appointed as Auditor of Co.: Any person whose subsidiary or associate company or any other form of entity, is engaged as on the date of appointment in consulting and specialised services as provided in Sec. 144.*

# ... Auditors & Auditors Report

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CAB, 2017

- *Reporting:* Auditor's Report shall state whether the Co. has adequate internal financial controls with reference to Financial St.

CA, 2013

- *Reporting:* Whether the Co. has adequate Internal Financial Controls System in place and operating effectiveness of such controls.



# Appointment & Qualification of Directors

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Resident Director

Pecuniary Interest  
of IDs

Another  
Identification as  
DIN

Non-applicability of  
depositing amount  
for ID or Director  
appointed by NRC

Casual Vacancy – All  
Cos.

Dormant Co. –  
non-inclusion in  
Directorships

Resignation of  
Director

Quorum at BM via  
Video Conferencing

# Audit Committee vis-à-vis RPTs

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In case of non-Approval of RPTs by AC



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graph TD; A[In case of non-Approval of RPTs by AC] --> B[Transaction entered into without obtaining approval of AC]; B --> C[Transaction entered into without obtaining approval of AC, transaction is with related party.];
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Transaction entered into without obtaining approval of AC

Transaction entered into without obtaining approval of AC, transaction is with related party.

# Loans to Directors

- ✓ Subject to passing of Special Resolution in general meeting,
- ✓ Adequate Disclosures in Explanatory Statement,
- ✓ Loans are utilized by the Borrowing Co. for its principal business activities.

- Prohibition on forward dealings in securities of Co. by Directors / KMP – Sec. 194 of CA, 2013
- Prohibition of insider trading of securities – Sec. 195 of CA, 2013

# Liberalization of Managerial Remuneration

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- No approval of CG

- Approval of Bank,
- Approval of PFIs,

- Approval of NCD holders,
- Approval of secured creditors.

- Reporting by the Auditor in Audit Report.

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# E-Filing of Forms on MCA portal

Key Amendments in Cos. (Amendment) Bill, 2017 & E-Filing  
By Gaurav Pingle, Company Secretary, Pune

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# Q & A Session

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**Thank you WIRC ICAI for the wonderful opportunity!!**



**Thank you Members for active participation!! 😊**