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# The Companies (Amendment) Act, 2019 - Section notified w.e.f. August 15, 2019



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on 16 August 2019

List of Sections notified w.e.f. [August 15, 2019](#) by MCA along with respective section of Companies Act, 2013 and its relevant extract of sections is reproduced below for easier access and reference.

Companies Amendment Act, 2019 - SECTIONS	Corresponding Section of the Companies Act, 2013	Relevant Text of Section

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Section 6	Section 26- Matters to be stated in prospectus	The requirement of registration of prospectus has been substituted with the requirement of filing of prospectus with the Registrar.
Section 7	Section 29- Public offer of securities to be in dematerialised form	<p>With the omission of word 'Public' from section enhances the scope to all Companies. Which means that sooner even Private Companies may be asked to issue Securities in DEMAT form only. Also sub-section 1A is inserted.</p> <p>Revised Section 29 after the amendment (TO BE NOTIFIED):</p> <p>29. (1) Notwithstanding anything contained in any other provisions of this Act,-</p> <p>(a) every company making public offer; and</p> <p>(b) such other class or classes of public companies as may be prescribed,</p> <p>shall issue the securities only in dematerialised form by complying with the provisions of the Depositories Act,</p>

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		<p>1996 (22 of 1996) and the regulations made thereunder.</p> <p>(1A) In case of such class or classes of unlisted companies as may be prescribed, the securities shall be held or transferred only in dematerialised form in the manner laid down in the Depositories Act, 1996 and the regulations made thereunder.</p> <p>(2) Any company, other than a company mentioned in sub-section (1), may convert its securities into dematerialised form or issue its securities in physical form in accordance with the provisions of this Act or in dematerialised form in accordance with the provisions of the Depositories Act, 1996 (22 of 1996) and the regulations made thereunder.'</p>
Section 8	Section 35- Civil liability for mis-statements in prospectus	The section now provides that the copy of the prospectus shall be filed with the Registrar instead of delivery for registration.
Section 14	Section 90 -	1. The company is now required to



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	<p>Register of significant beneficial owners in a company</p>	<p>take necessary steps to identify an individual who is a significant beneficial owner. Failure to take necessary steps shall be punishable.</p> <p>2.(clause ii was Notified wef November 8, 2018)</p> <p>3.The provision with respect to punishment with imprisonment originally included in the Ordinance has been omitted in the Amendment Act.</p> <p>4.If no person files an application before NCLT for lifting of the restrictions on the exercise of rights attached to the shares within a period of one year, such shares shall be transferred to IEPF without any restrictions. (w.e.f. 02/11/2018)</p>
<p>Section 20</p>	<p>Section 132- Constitution of National Financial</p>	<p>1. NFRA can now perform its functions through such divisions as may be prescribed by the Central Government.</p>

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	Reporting Authority	<p>2. Further there shall be an executive body of NFRA consisting of the Chairperson and full-time Members for efficient discharge of its certain functions.</p> <p>3. Sub-clause (B) of clause (c) of subsection (4) of section 132 has been amended with respect to the extent of debarring of the member or firm by NFRA in case professional or other misconduct is proved.</p>
Section 31	Section 212 – Investigation into the affairs of the Company by Serious Fraud Investigation Officer	<p>Any officer not below the rank of Assistant Director of Serious Fraud Investigation Office (SFIO), if so authorised, may arrest any person in accordance with the provisions of this section.</p> <p>The person so arrested may be taken to a Special Court or Judicial Magistrate or Metropolitan Magistrate within 24 hours of his arrest.</p> <p>Where an investigation report submitted by SFIO states that a fraud has taken place and any director, KMP or officer</p>

		<p>has taken undue advantage or benefit, then the Central Government may file an application before the Tribunal with regard to orders for disgorgement of asset, property or money in respect of which undue advantage was taken, and such director, KMP or officer may be held personally liable without any limitation of liability.</p>
Section 33	Section 241- Application to Tribunal for relief in cases of oppression, etc.	<p>The Central Government may prescribe such company or class of companies in respect of which, applications under sub-section (2), shall be made before the Principal Bench of NCLT and shall be dealt with by such Bench.</p> <p>Where in the opinions of the Central Government, there exist circumstances, the Central Government may refer the matter to the Tribunal and request to the Tribunal to inquire into the case and record a decision about whether the 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.</p>

Section 34	Section 242- Powers of Tribunal	20. the conclusion of hearing of the case in respect of section 241, the Tribunal shall record its decision stating 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.
Section 35	Section 243- Consequence of termination or modification of certain agreements	<p>The person who is not a fit and proper person pursuant to 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 years from the date of the decision of the Tribunal.</p> <p>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.</p>
Section 37	Section 272- Power of Court	The Registrar may present a petition of winding up on the ground that it is just

	to stay or restrain proceedings	and equitable to do so under clause (e) of section 271.
Section 38	Section 398- Provisions relating to filing of applications, documents, inspection, etc., in electronic form	The word "prospectus" in clause (f) of sub-section (1) of section 398 has been omitted as prospectus is not required to be registered by the Registrar.

**Sections not notified YET:**



<p>Section 21  (Not NOTIFIED)</p>	<p>Section 135 - Corporate Social Responsibility</p>	<p>One of the major talking point of Amendment Act is CSR and its penal provision for non-compliance of Social Responsibility. We will discuss the same in separate topic. The section now provides, inter alia for:</p> <ol style="list-style-type: none"><li>1. carrying forward the unspent CSR amounts, to a special account to be spent within three financial years and transfer thereafter to the Fund specified in Schedule VII, in case of an ongoing project; and</li><li>2. transferring the unspent amounts to the Fund specified under Schedule VII, in other cases.</li></ol> <p>In case of contraventions,</p> <ol style="list-style-type: none"><li>1. Company: punishable with fine Rs. 50,000 to Rs. 25,00,000</li><li>2. Officer in Default: punishable with imprisonment for a term which may extend to 3 years or with fine of Rs. 50,000 to Rs. 5,00,000, or with both.</li></ol> <p>Also, the Central Government may give such general or special directions to a company or class of companies as it considers necessary</p>
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		to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.
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**Source:** [The Companies Amendment Act, 2019](#)

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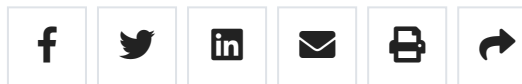
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