

Summary of provisions of CAA 2017 notified vide notification dated 9 February 2018 and 7 May 2018

Sl. No.	Section in CAA 2017	Section in CA 2013	Date of Notification	Subject Matter	Summary of Amendment(s)
1	2(i)	2(6)	5/7/2018	Definition of "Associate Company"	Definition of "significant influence" amended to mean control of at least twenty per cent of the total voting power or control of or participation in business decisions. "Joint Venture" specifically defined
2	2(ii)	2(28)	2/9/2018	Definition of "Cost Accountant"	Definition amended to mean a Practicing Cost Accountant
3	2(iii)	2(30)	2/9/2018	Definition of "Debentures"	Instruments which are governed by the RBI i.e. referred in Ch. IIID of RBI Act are excluded from the definition
4	2(iv)	2(41)	2/9/2018	Definition of "Financial Year"	Concept of Associate Company is recognised for the purpose of making application for different financial year
5	2(v)	2(46)	2/9/2018	Definition of "Holding Company"	Explanation inserted saying that the term 'Company' includes 'Body Corporate'
6	2(vi)	2(49)	2/9/2018	Definition of "Interested Director"	Omitted as redundant
7	2(vii)	2(51)	2/9/2018	Definition of "Key Managerial Personnel"	Additional category of a level below the Board is recognised to be designated as KMPs
8	2(viii)	2(51)	2/9/2018	Definition of "Net Worth"	Debit or credit balance of profit and loss account is specifically mentioned
9	2(ix)	2(71)	2/9/2018	Definition of "Public Company"	Word "And" is mentioned after sub-clause (a)
10	2(x)	2(72)	2/9/2018	Definition of "Public Financial Institution"	Word "other than this act or previous company law" inserted in the proviso A
11	2(xi)	2(76)	2/9/2018	Definition of "Related Party"	In sub clause (viii) - Word 'Company' is replaced by the term 'Body Corporate' - Investing company or venturer of the Company included
12	2(xii)	2(85)	2/9/2018	Definition of "Small Company"	For criteria 5 crore is replaced with 10 crore
13	2(xiii)	2(87)	5/7/2018	Definition of "Subsidiary"	"Total share capital" substituted by "total voting power"
14	2(xiv)	2(91)	2/9/2018	Definition of "Turnover"	Replaced with the new definition specifically to replace "aggregate value of the realisation of amount made" with "gross amount of revenue recognised..."
15	3	3A	2/9/2018	Members' liability in cases where minimum number of members falls below the prescribed number	New section inserted

16	7	21	2/9/2018	Authentication of documents, proceeding and contracts	Term "Employees" included
17	8	26	5/7/2018	Matters to be stated in prospectus	In sub-section (1), after the words "signed and shall", the following shall be substituted "state such information and set out such reports on financial information as may be specified by the SEBI in consultation with the Central Government"
18	9	35	2/9/2018	Civil liability for misstatement in prospectus	Additional ground for exclusion from the liability under this section inserted
19	11	47	2/9/2018	Voting rights	Reference to Section 188(1) inserted in the subjectivity
20	12	53	2/9/2018	Prohibition on issue of shares at discount	- 'Discounted Price' replaced with 'Discount' - Clause excluding issue of shares at discount to creditors is inserted
21	13	54	5/7/2018	Issue of sweat equity shares	Clause (c) in sub-section 1 relating to not less than one year has elapsed since the date on which the company had commenced business is deleted
22	14	62	2/9/2018	Further issue of share capital	- For the words 'of a registered valuer subject to to such conditions as may be prescribed' the words 'of a registered valuer subject to the compliance with applicable provisions of chapter III and any any other conditions as may be prescribed' inserted - Sub-section 2 replaced to insert "issue of notices by courier or any other mode having proof of delivery"
23	17	76A	2/9/2018	Punishment for contravention of section	- for punishment, 'amount of 1 crore" is replaced with "one crore or twice the amount of deposits whichever is lower" - "7 years or with fine" replaced with "7 years and with fine"
24	18	77	5/7/2018	Duty to register charges, etc.	New proviso in sub-section (1) inserted "Provided also that this section shall not apply to such charges as may be prescribed in consultation with the RBI"
25	19	78	5/7/2018	Application for register of charge	For the words "register the charge within the period specified in section 77", the words "register the charge within the period of thirty days referred to in sub-section (1) of section 77, substituted
26	21	89	5/7/2018	Declaration in respect of beneficial interest in any share	In subs-section (6) "Within the time specified under section 403" omitted In sub-section (7), "under the first proviso to sub-section (1) of section 403" substituted with "therein"
27	23	92	5/7/2018	Annual Return	In subs-section (4) "Within the time specified under section 403" omitted In sub-section (5), for the words "under section 403 with additional fees", the word "therein" shall be substituted

28	27	100	2/9/2018	Calling of EGM	Proviso inserted to exclude WoS of a Company incorporated outside India from the requirement of holding meetings in India
29	28	101	2/9/2018	Notice of meeting	Revised requirements for shorter consent prescribed
30	29	110	2/9/2018	Postal Ballot	Companies falling under Section 108 can take up matters prescribed as per Section 110(a) at the general meeting
31	30	117	5/7/2018	Resolutions and agreements to be filed	<ul style="list-style-type: none"> - In sub-section (1) "Within the time specified under section 403" omitted - In sub-section (2), (a) for the words "under section 403 with additional fees", the word "therein" shall be substituted (b) for the words "not be less than five lakh rupees", the words "not be less than one lakh rupees" substituted (c) for the words "one lakh rupees" the words "fifty thousand rupees" substituted - In sub-section (3), (a) clause (e) omitted (b) in clause (g) in the proviso, "and" shall be omitted and new proviso inserted "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; and"
32	31	121	5/7/2018	Report on AGM	<ul style="list-style-type: none"> - In sub-section (2) "Within the time specified under section 403" omitted - In sub-section (3), for the words "under section 403 with additional fees", the word "therein" shall be substituted
33	32	123	2/9/2018	Declaration and payment of dividend	<ul style="list-style-type: none"> -A new proviso in sub-section 1 added to clarify that notional gains shall not be counted for computation of profit - In the second proviso, the words 'transferred by the Company to reserves', the words 'transferred by the Company to free reserves' are substituted - Sub-section 3 amended to allow interim dividend based on the profits earned till the preceding quarter. - Sub-section 3 amended to allow declaration of interim dividend even during the period after closure of FY till the AGM for that year
34	33	129	5/7/2018	Financial Statement	Sub-section 3 substituted by new sub-section (3) which provides for Consolidated financial statements to be prepared of the company and of all subsidiaries and associate companies

35	34	130	2/9/2018	Re-opening of accounts on Court's or Tribunal's orders	<ul style="list-style-type: none"> - Sub section 1 amended to include "Any other person" - New sub section added to prohibit re-opening of books of account relating to a period earlier than eight years
36	35	132	2/9/2018	Constitution of NFRA	<ul style="list-style-type: none"> - Penalty for professional or other misconduct is reduced from Rs. 10 Lac to Rs. 5 Lac - In Sub-section 5, the term 'Appellate Authority' is replaced with 'Appellate Tribunal' - Sub-sections 6, 7, 8 and 9 omitted
37	38	136	2/9/2018	Right of members to copies of audited financial statements	<ul style="list-style-type: none"> - The words "Without prejudice to the provisions of Section 101" omitted - First proviso is made second proviso and new proviso added as the first proviso to enable services of copies of accounts at a shorter period - Fourth proviso is replaced with a new proviso and fifth proviso added talking about requirements with respect to website - New proviso to Sub-section 2 added requiring the company to provide a copy of the audited/ unaudited accounts of the subsidiaries to the person asking for it
38	39	137	5/7/2018	Copy of financial statement to filed with Registrar	<ul style="list-style-type: none"> - In subs-section (1) "Within the time specified under section 403" omitted - New proviso added and forth proviso where, in case of a foreign subsidiary, not required to get financial statements audited and which does not get such financial statements audited, the requirement of fourth proviso shall be met if holding Indian company files such unaudited financial statement along with a declaration and translated copy if it is in another language
39	40	139	5/7/2018	Appointment of auditors	First proviso in sub-section (1) on ratification of appointment of auditors done away with
40	41	140	2/9/2018	Removal, Resignation of Auditor and Special Notice	In sub-section 3, the words 'Fifty thousand' replaced with 'Fifty thousand rupees or remuneration of the auditors whichever is less'
41	42	141	2/9/2018	Eligibility, Qualifications and Disqualifications of the Auditors	In sub-section 3(i), the new clause providing restriction on any person directly / indirectly providing services referred in 144 to the company or holding company or subsidiary added

42	43	143	2/9/2018	Powers and duties of the auditors and auditing standards	<ul style="list-style-type: none"> - In sub-section 1 in the proviso, for the word "its subsidiaries" the words "its subsidiaries and associate companies" inserted - In sub-section 3 in clause (i), the word "internal financial control system" replaced with the words "internal financial control with reference to financial statement" - In sub-section 14 in clause (a), the words "cost accountant in practice" replaced with the words "Cost Accountant"
43	44	147	2/9/2018	Punishment for contravention	<ul style="list-style-type: none"> - In sub-section 2, after the words "Five lac rupees" the words "or four times the remuneration of the auditors whichever is less" inserted - In the proviso to sub-section 2 the p[penalty is revised. - In sub-section 3, in clause 2, for the words "or to any other person" the words "or to members or creditors of the company" are substituted - proviso added to sub-section 5 to restrict the criminal liability to the concerned partner
44	45	148	2/9/2018	Cost accounts	The words "cost accountant in practice" replaced with "cost accountants"
45	46	149	5/7/2018	Company to have board of directors	<ul style="list-style-type: none"> - Sub-section (3) substituted whereby every company shall have at least 1 director who has stayed in India for a period of not less than 182 days in a financial year - In case of newly incorporated company, the requirement above shall apply proportionately at the end of financial year in which it is incorporated - Definition of independent director undergone change
46	47	152	2/9/2018	Appointment of Directors	Section amended to include DIN or any other number prescribed
47	48	153	2/9/2018	Application for DIN	Proviso inserted to say that CG can prescribe any other number in place of DIN
48	49	157	5/7/2018	Company to inform DIN to Registrar	<p>In sub-section (1) "Within the time specified under section 403" omitted</p> <p>In sub-section (2), "before the expiry of the period specified under section 403 with additional fee" omitted</p>
49	50	160	2/9/2018	Right of persons other than retiring directors to stand for directorship	Proviso inserted in sub-section 1 to say that requirement of deposit of amount shall not apply in case of appointment of independent director or director recommended by NRC or Director recommended by BOD

50	51	161	2/9/2018	Appointment of Additional Director, Alternate Director, Nominee Director	<p>- In Sub-section 2 the words "or holding directorship in the same company" added after the words alternate directorship for any other director in the company"</p> <p>- In sub section 4 the words "in case of public company" deleted and after the words "meeting of the board" the words, "which shall be subsequently approved by members in the immediate next general meeting" shall be inserted.</p>
51	52	164	5/7/2018	Disqualification for appointment of director	<p>- New proviso in sub-section (2) inserted "Provided that where person is appointed as director of a company which is in default of clause (a) or (b), he shall not incur the disqualification for a period of six months from the date of his appointment</p> <p>- In sub-section (3), the proviso substituted with the proviso "Provided that the disqualifications referred to in clause (d), (e) (g) of sub-section (1) shall continue to apply even if the appeal or petition has been filed against the order of conviction or disqualification</p>
52	53	165	2/9/2018	Number of directorships	New explanation inserted i.e. for reckoning the limit of directorships of twenty companies, directorship in a dormant company shall be excluded
53	54	167	5/7/2018	Vacation of office of director	<p>New proviso inserted in clause (a), "provided that where he incurs disqualification under sub-section (2) of section 164, the office of the director shall become vacant in all the companies, other than the company which is in default under that sub-section</p> <p>In clause (f), the proviso is substituted by new proviso which provides for cases in which office of director shall not be vacated in case of orders referred to in clause (e) and (f)</p> <p>(i) for 30 days from the date of conviction or order of disqualification</p> <p>(ii) where an appeal or petition is preferred within 30 days as aforesaid until 7 days from the date on which such appeal or petition is disposed of;</p> <p>(iii) where any further appeal or petition is preferred against order or sentence within 7 days until such further appeal or petition is disposed of</p>
54	55	168	5/7/2018	Resignation of director	Filing of notice of resignation by director not mandatory

55	56	173	5/7/2018	Meetings of Board	New proviso inserted "where there is quorum in a meeting through physical presence of directors, any other director may participate through VC or other audio visual means in such meeting on any matter specified under the first proviso
56	57	177	5/7/2018	Audit Committee	<ul style="list-style-type: none"> -In sub-section (1), for "every listed company" the words "every listed public company" shall be substituted - Audit committee to give recommendations to the Board where the audit committee does not approve the transaction other than a transaction referred to in section 188 - A transaction for an amount not exceeding INR 1 Crore is entered into by a director or officer of the company without obtaining approval of Audit Committee and is not ratified by the committee within 3 months, such transaction shall be voidable at the option of the audit committee and if the transaction is with related party to any director, the director concerned shall indemnify the company against any loss incurred by it - Clause not to apply to a transaction other than 188 transaction, between a holding company and its WoS
57	58	178	5/7/2018	Nomination and Remuneration Committee and Stakeholders Relationship Committee	<ul style="list-style-type: none"> -In sub-section (1), for "every listed company" the words "every listed public company" shall be substituted - NRC shall specify the manner of effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board or NRC or by an independent external agency and review its implementation and compliance - Policy shall be placed on the website, if any and salient features of the policy and changes therein, along with web address of the policy shall be disclosed in Board's Report - In sub-section (8), in the proviso, for the words "non-consideration of resolution of any grievance", the words "inability to resolve or consider any grievance" shall be substituted
58	59	180	2/9/2018	Restrictions on Powers of the Board	In Sub-section 1(c) the words "Securities premium" added
59	60	184	2/9/2018	Disclosure of interest by Director	<ul style="list-style-type: none"> - In Sub-section 4, the words "shall not be less than fifty thousand rupees but which" shall be omitted - In Sub-section 5, clause b is substituted

60	61	185	5/7/2018	Loans to Directors, etc.	<ul style="list-style-type: none"> - Section replaced - Giving of loan, providing guarantee or security is prohibited only where the same is given to any director of company, or of a company which is its holding company or any partner or relative of any such director; or any firm in which any such director or relative is a partner. - Loan may be provided, guarantee or security may be given in case of other entities where the director is interested by seeking sanction of shareholders by way of special resolution and the loans shall be utilized by the borrowing company for its principal business activities.
61	62	186	5/7/2018	Loans and investment by company	<ul style="list-style-type: none"> - Employee excluded from compliance with this provision - Sub-section (3) and (11) replaced
62	63	188	2/9/2018	Related Party Transactions	<ul style="list-style-type: none"> - New proviso inserted to extend the exemption from second proviso to certain smaller public companies - The words "voidable at the option of the Board" substituted with "voidable at the option of the Board or as the case maybe of the shareholder"
63	64	194	2/9/2018	Prohibition on forward dealings	Omitted
64	65	195	2/9/2018	Prohibition on insider trading	Omitted
65	72	223	2/9/2018	Inspectors Report	In Sub-section 3, after the words "maybe obtained" the words "by members, creditors or any other person whose interest is likely to be affected" shall be inserted
66	73	236	2/9/2018	Purchase of minority shareholding	In Sub-sections 4, 5 and 6, for the words "transferor company" the words 'company whose shares are being transferred' shall be substituted
67	74	247	2/9/2018	Valuation by Registered Valuers	In Sub-section 2(d), for the words "during or after valuation of assets" the words "during a period of three years prior to his appointment as valuer or three years after the valuation of assets was conducted by him" shall be substituted
68	77	379	2/9/2018	Application of Act to Foreign Companies	<ul style="list-style-type: none"> - New Sub-section 1 added to say that Section 380 to 386, 392 and 393 shall apply to all foreign companies - New proviso giving power to CG to exempt class of companies for applicability of these provisions
69	78	384	2/9/2018	Debentures, Annual Return, Registration of Charge, Books of Accounts and their inspection	Reference to Section 135 inserted

70	79	391	2/9/2018	Application of sections 34-36 and Chapter XX	Sub-section 2 substituted to say that subject to the provisions of Section 376, the provisions of Chapter XX shall apply for closure of place of business of a foreign company.
71	80	403	5/7/2018	Fee for filing etc.	- Partly notified - 100 per day additional fees being made applicable for delay in filing annual return and financial statements
72	82	409	2/9/2018	Qualification of President and Members of Tribunal	- Changes made to qualification criteria
73	83	410	5/7/2018	Constitution of Appellate Tribunal	For the words "orders of the Tribunal", the words "orders of the Tribunal or of the NFRA" shall be substituted
74	84	411	2/9/2018	Qualification of chairperson and Members of Appellate Tribunal	- Changes made to qualification criteria
75	85	412	2/9/2018	Selection of Members of Tribunal and Appellate Tribunal	- Members shall be appointed on the recommendation of a Selection Committee consisting of prescribed persons
76	86	435	5/7/2018	Establishment of Special Courts	Section replaced where Central Government has been empowered to establish as many Special Courts as it may deem fit for providing speedy trial of offences under this Act
77	87	438	5/7/2018	Application of Code to proceedings before Special Court	For the words "deemed to be a Court of Session" the words "deemed to be a court of Session or the court of Metropolitan Magistrate or a Judicial Magistrate of the First Class, as the case may be" shall be substituted
78	88	439	5/7/2018	Offences to be non-cognizable	In sub-section (2), after the words "shareholder", the words "or a member" shall be added
79	89	440	5/7/2018	Transitional Provisions	For the words "Court of Session" the words "Court of Session or the court of Metropolitan Magistrate or a Judicial Magistrate of the First Class, as the case may be" shall be substituted
80	90	441	2/9/2018	Compounding of certain offences	In Sub-section 1, for the words "with fine only" the words "not being an offence punishable with imprisonment only or punishable with imprisonment and also with fine" shall be substituted
81	91	446A	2/9/2018	Application of fines	New provision inserted prescribing factors for determining level of punishment

82	92	447	2/9/2018	Punishment for Fraud	<p>- After the words "Guilty of fraud" the words "involving and amount of at least ten lac rupees or 1% of the turnover of the Company whichever is less" shall be inserted</p> <p>- New proviso added to say that where the fraud involves lesser amount as above and does not involve public interest, any person guilty of fraud shall be punishable with imprisonment for a term which may extend to five years or with fine up to 20 Lac rupees or with both</p>
83	93	458	2/9/2018	Delegation by CG of its powers and functions	Proviso to Sub-section 1 deleted