

# **COMPANY LAW – NEW SYLLABUS**

## **(AMENDMENTS FOR DECEMBER 2020 EXAM)**

### **CHAPTER – 3 – PROMOTION AND FORMATION OF COMPANY**

#### **PAGE NO. 35 – RESERVATION OF NAME**

In both the paragraphs, Form RUN (Reserve Unique Name) shall be replaced by the following form:

**SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32)**

#### **PAGE NO. 36 – FILING OF DOCUMENTS WITH THE REGISTRAR OF COMPANIES**

In the **FIRST** paragraph, Form No. INC.32 (SPICe) shall be replaced by the following form:

**SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32)**

#### **PAGE NO. 38 – SIMPLIFIED PROFORMA FOR INCORPORATING COMPANY ELECTRONICALLY (SPICe) [RULE 38]**

#### **Changes in heading and other Changes**

Entire Amended Topic is as follows:

#### **SIMPLIFIED PROFORMA FOR INCORPORATING COMPANY ELECTRONICALLY PLUS (SPICe+) [RULE 38]**

Under Simplified Integrated Process for incorporation of a Company Electronically Plus (SPICe+), the application for allotment of Director Identification Number upto three Directors, reservation of a name, incorporation of company and particulars of appointment of maximum three Directors of the proposed company shall be filed in Integrated **Form No. SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32), for One Person Company, Private Company, Public Company and Section 8 Company**, with the **Registrar of Companies**, within whose jurisdiction the registered office of the company is proposed to be situated, along with the fee of rupees five hundred in addition to the registration fee as specified in Companies (Registration of Offices and Fees) Rules, 2014.

It may be noted that in case of companies incorporated, with effect from **26/01/2018**, with a nominal capital of less than or equal to fifteen (15) lacs or in respect of companies not having a share capital whose number of members as stated in the Articles of Association does not exceed twenty (20), fees on **SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32)** shall not be applicable.

The promoter or applicant of the proposed company shall propose only one name in **SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus: INC-32)**. However, where an applicant has applied for reservation of a name and which has been approved therein, he may fill the reserved name as proposed name of the company.

In this method, the promoter or applicant of the proposed company shall prepare e-Memorandum of Association as per **Form No. INC-33** and e-Articles of Association as per **Form No. INC-34**. However in the case of a Section 8 Company, Memorandum of Association shall be as per **Form No. INC-13** and Articles of Association shall be as per **Form No. INC-31**.

It may be noted that the facility to file application under Simplified Integrated Process for Incorporating Company Electronically Plus (SPICE+) in Form INC-32 is available as an option to the process for separate applications for allotment of Director Identification Number, reservation of name and Incorporation of a company.

**PAGE NO. 39 - APPLICATION FOR REGISTRATION OF GOODS AND SERVICE TAX IDENTIFICATION NUMBER (GSTIN), EMPLOYEES' PROVIDENT FUND ORGANIZATION (EPFO) REGISTRATION AND EMPLOYEES' STATE INSURANCE CORPORATION (ESIC) REGISTRATION [RULE 38A]**

**Changes in heading and other Changes**

**Entire Amended Topic is as follows:**

**APPLICATION FOR REGISTRATION OF GOODS AND SERVICE TAX IDENTIFICATION NUMBER (GSTIN), EMPLOYEES' PROVIDENT FUND ORGANIZATION (EPFO) REGISTRATION, EMPLOYEES' STATE INSURANCE CORPORATION (ESIC) REGISTRATION AND PROFESSIONAL TAX REGISTRATION AND OPENING OF BANK ACCOUNT [RULE 38A]**

The application for incorporation of a company under Rule 38 shall be accompanied by e-form **AGILE-PRO (INC-35)**, containing an application for registration of the following numbers, namely:

- (a) GOODS AND SERVICE TAX IDENTIFICATION NUMBER (GSTIN);
- (b) EMPLOYEES' PROVIDENT FUND ORGANIZATION (EPFO);
- (c) EMPLOYEES' STATE INSURANCE CORPORATION (ESIC);
- (d) PROFESSIONAL TAX REGISTRATION;
- (e) OPENING OF BANK ACCOUNT.

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**CHAPTER – 4 – MEMORANDUM & ARTICLES OF ASSOCIATION**

**PAGE NO. 49 – CHANGE OF NAME [SECTION 13]**

**The following words shall be added in the last of the last para:**

and application shall be made **in the form RUN (Reserve Unique Name)**, rather than the Form SPICe+ (Simplified Proforma for Incorporating Company Electronically Plus:INC-32), which is used at the time of incorporation of the company.

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**CHAPTER – 7 – SHARE CAPITAL OF A COMPANY**

**PAGE NO. 103 – SWEAT EQUITY SHARES**

**Substitution of Following New Point No. 4 in place of existing Point No. 4:**

4. The company shall not issue sweat equity shares for more than 15% of the existing paid-up equity share capital in a year or shares of the issue value of Rs.5 Crores, **whichever is higher**, subject to a maximum of 25% of paid-up equity share capital at any time. However, a startup company may issue sweat equity shares not exceeding 50% of its paid-up share capital upto **ten years** from the date of its incorporation or registration;

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**CHAPTER – 8 – DEBENTURES**

**PAGE NO. 134-135 – DEBENTURE REDEMPTION RESERVE (DRR)**

**Substitution of Following New Sub-Clause (v) of Clause (b) in place of existing Sub-Clause (v) of Clause (b):**

(v) In case a company is covered in item (A) of sub-clause (iii) of clause (b) or item (B) of sub-clause (iv) of clause (b), it shall on or before the 30th day of April in each year, in respect of debentures issued by such a company, invest or deposit, as the case may be, a sum which shall not be less than fifteen per cent, of the amount of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposits as provided in sub-clause (vi): Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen per cent of the amount of the debentures maturing during the year ending on 31st day of March of that year.

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**CHAPTER – 12 – ACCOUNTS**

**PAGE NO. 190-191 - ACTIVITIES WHICH MAY BE INCLUDED BY COMPANIES IN THEIR CORPORATE SOCIAL RESPONSIBILITY POLICIES [SCHEDULE VII OF COMPANIES ACT, 2013]**

In **point no. (viii)**, after the words “Prime Minister’s National Relief Fund”, the words “**or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)**” shall be inserted.

**PAGE NO. 192-193 – FILING OF FINANCIAL STATEMENT WITH THE REGISTRAR [SECTION 137]**

**Following Para Added in between existing Para 1 and Para 2:**

It may be noted that every Non-Banking Financial Company (NBFC) that is required to comply with Indian Accounting Standards (Ind AS) shall file the financial statements with Registrar together with Form AOC-4 NBFC (Ind AS) and the consolidated financial statement, if any, with Form AOC-4 CFS NBFC (Ind AS).

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**CHAPTER – 23 – APPOINTMENT & REMUNERATION OF KMP**

**PAGE NO. 412 – RULES 8 AND 8A OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**Entire Amended Topic is as follows:**

**Rule 8** provides that every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have whole-time key managerial personnel.

*Rule 8A further provides that every private company which has a paid-up share capital of ten crore rupees or more shall have a whole-time company secretary.*

It effectively means that, as far as the KMP in the form of **Company Secretary** is concerned, **every listed company; every unlisted public company** having a **paid-up share capital of ten crore rupees or more**; and **every private company** having a **paid-up share capital of ten crore rupees or more** shall have a whole-time company secretary.

As far as the **other KMP** (other than Company Secretary) is concerned, **every listed company and every unlisted public company** having a **paid-up share capital of ten crore rupees or more** shall have whole-time key managerial personnel.

**PAGE NO. 413 – RULE 9 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**Entire Amended Topic is as follows:**

For the purposes of section 204(1), the other class of companies shall be as under—

- every public company having a paid-up share capital of fifty crore rupees or more; or
- every public company having a turnover of two hundred fifty crore rupees or more; or
- *every company having outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more.*

*For the purposes of this Rule, it is hereby clarified that the paid up share capital, turnover, or outstanding loans or borrowings as the case may be, existing on the last date of latest audited financial statement shall be taken into account.*

The format of the Secretarial Audit Report shall be in Form No. **MR.3**.