[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRA-ORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
Notification

New Delhi, dated the 13th June, 2017

G.S.R. (E). – In exercise of the powers conferred by clauses (a) and (b) of sub-section (1) of section 462 and in pursuance of sub-section (2) of section 462 of the Companies Act, 2013 (18 of 2013) (hereinafter referred to as the said Act), the Central Government, in the interest of public, hereby amends the notification of the Government of India, in the Ministry of Corporate Affairs, *vide* number G.S.R. 464(E) dated the 5th June, 2015 published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i), dated the 5th June 2015 (hereinafter referred to as the principal notification), namely:-

2. In the principal notification, in the Table, the existing serial number 1 and the entries relating thereto shall be re-numbered as serial number 1-A, and before the serial number 1A as so re-numbered and the entries relating thereto, the following serial number and the entries relating thereto shall be inserted, namely:-

(1)	(2)	(3)
"1.	Chapter I, clause (40) of section 2.	For the proviso, the following shall be substituted, namely:- Provided that the financial statement, with respect to one person company, small company, dormant company and private company (if such private company is a start-up) may not include the cash flow statement; Explanation. - For the purposes of this Act, the term 'start-up' or "start-up company" means a private company incorporated under the Companies Act, 2013 (18 of 2013) or the Companies Act, 1956 (1 of 1956) and recognised as start-up in accordance with the notification issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.".

3. In the principal notification, in the Table, for serial number 6 and the entries relating thereto, the following serial number and the entries relating thereto shall be substituted, namely:-

(1)	(2)	(3)
"6.	Chapter V, clauses (a) to (e) of sub-section (2) of section 73.	Shall not apply to a private company- (A) which accepts from its members monies not exceeding one hundred per cent. of aggregate of the paid up share capital, free reserves and securities premium account; or (B) which is a start-up, for five years from the date of its incorporation; or (C) which fulfils all of the following conditions, namely:- (a) which is not an associate or a subsidiary company of any other company; (b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is lower; and (c) such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under this section: Provided that the company referred to in clauses (A), (B) or (C) shall file the details of monies accepted to the Registrar in such manner as may be specified.".

4. In the principal notification, in the table, after serial number 6 and the entries relating thereto, the following serial numbers and the entries shall be inserted, namely:-

(1)	(2)	(3)
"6A.	Chapter VII, clause (g) of sub-	Shall apply to private companies which are small companies, namely:-

	section (1) of section 92	"(g) aggregate amount of remuneration drawn by directors;".
6B.	Chapter VII, proviso to sub-section (1) of section 92	For the proviso, the following proviso shall be substituted, namely:- Provided that in relation to One Person Company, small company and private company (if such private company is a start-up), the annual return shall be signed by the company secretary, or where there is no company secretary, by the director of the company.".

5. In the principal notification, after serial number 9, the following serial number and the entries relating thereto shall be inserted, namely:-

(1)	(2)	(3)
"9A.	Chapter X, clause (i) of sub-section (3) of section 143.	Shall not apply to a private company:- (i) which is a one person company or a small company; or (ii) which has turnover less than rupees fifty crores as per latest audited financial statement or which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than rupees twenty five crore.".

6. In the principal notification, after serial number 11, the following serial numbers and the entries relating thereto shall be inserted, namely:-

(1)	(2)	(3)
"11A.	Chapter XII, sub-section (5) of section 173.	For sub-section (5), the following sub-section shall be substituted, namely:- (5) A One Person Company, small company, dormant company and a private company (if such private company is a start-up) shall be deemed to have complied with the provisions of this section if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the gap between the two meetings is not less than ninety days:

		Provided that nothing contained in this sub-section and in section 174 shall apply to One Person Company in which there is only one director on its Board of Directors.
11B.	Chapter XII, sub-section (3) of section 174.	Shall apply with the exception that the interested director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.".

7. In the principal notification, after paragraph 2, the following paragraph shall be inserted, namely:-
"2A. The exceptions, modifications and adaptations provided in column (3) of the aforesaid Table shall be applicable to a private company which has not committed a default in filing its financial statements under section 137 of the said Act or annual return under section 92 of the said Act with the Registrar.".

[F. No. 1/1/2014-CL-V]

13/06/2017

(Amardeep Singh Bhatia)
Joint Secretary to the Govt of India

Note: - 1. A copy of this notification has been laid in draft before both Houses of Parliament as required by sub-section (2) of section 462 of the said Act.
2. The principal notification was published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) *vide* number G.S.R. 464(E) dated the 5th June, 2015.