'Companies Bill, 2012'

Passed by Lok Sabha on 18th Dec 2012

-By CS Siddhartha Banik

1. The Bill has total 470 clauses, against 658 section in Companies Act, 1956;

Rotation of Auditors introduced for the first time in Indian History;

Concept of ‘Key Managerial Personnel’ (KMP) has been evolved;

KMP involves:

(1)CEO or MD or Manager, and in their absence a WTD;

(2)Company Secretary;

(3)CFO, and

(4) Such other officer as may be described

The Bill recognizes the fact that Books of Accounts, Documents, Registrar, Minutes may be kept on electronic mood;

Stringent punishment has been provided for failure to distribute Dividend within 30 days of declaration;

The Bill Requires that substantial information to be provided in the Annual Return;

Companies Bill introduces the definition of Independent directors (IDs);

Such classes of Companies, as may be prescribed, has to appoint IDs.

Independent Directors to be appointed for Five(5) years;

Nominee Directors should not be treated as ID;

Concept of ‘CSR’ Liability has been introduced;

Thank You

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