DAVE NAGAR & ASSOCIATES
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COMPLIANCES UNDER NEW COMPANIES ACT, 2013 & CONSEQUENCES OF CONTRAVENTION

Dear Professional Associates' & Entrepreneurs,

Following are the routine nature of COMPLIANCE REQUIRED TO BE MADE UNDER COMPANIES ACT, 2013

Drafting and Finalization of Minutes of Board Meetings and General Meetings

- Drafting of Notice, Explanatory Statement, Finalization of Minutes & to get it signed from the Chairman of Board of the Company (MINIMUM FOUR BOARD MEETINGS and one General Meeting)
- Drafting of Annual General meeting notice and send its to each shareholders of the by registered post
- Preparation of Annual Reports and send its to each shareholders of the by registered post
- Printing and Signing of Final Minutes
- Preparation of Attendance Register of each Meeting
- Preparation of Declaration & disclosure required under Companies Act, 2013 of each directors and any changes in the declarations during the year.

Drafting of Directors reports as per Section 134 of Companies Act, 2013

There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include—

(*a*) the extract of the annual return as provided under sub-section (3) of section 92;

(*b*) Number of meetings of the Board;

(*c*) Directors' Responsibility Statement;

(*d*) a statement on declaration given by independent directors under sub-section (6)[1] of section 149;

(*e*) in case of a company covered under sub-section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;

(*f*) Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made—

(*i*) by the auditor in his report; and

(*ii*) by the company secretary *in practice* in his secretarial audit report;

(*g*) particulars of loans, guarantees or investments under section 186;

(*h*) particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form;

(*i*) the state of the company's affairs;

(*j*) the amounts, if any, which it proposes to carry to any reserves;

(*k*) the amount, if any, which it recommends should be paid by way of dividend;

(*l*) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

(*m*) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

(*n*) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

(*o*) the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

(*p*) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors;

(*q*) such other matters as may be prescribed.

PENALTY FOR NON COMPLAINCE OF SECTION134- BOARD OF DIRECTORS REPORT

If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

ANNUAL RETURN (Section 92)

Preparation of Annual Returns as per as per Companies Act, 2013 (Around 30 pages)

I REGISTRATION AND OTHER DETAILS:

- CIN NO
- Category of the Company
- Sub Category of the Company:-
- Whether shares listed on recognized Stock Exchange(s)
- AGM details
- NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:
- Name and Address of Registrar & Transfer Agents

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY

V. Turnover and net worth of the company (as defined in the Act)

VI. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

ii. Shareholding of Promoters

C. Change in Promoters' Shareholding

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

E. Shareholding of Directors and Key Managerial Personnel:

F. INDEBTEDNESS

VII. DETAILS OF MEMBERS, DEBENTURE HOLDERS AND OTHER SECURITIES HOLDER

VIII. Details of shares / debentures transfers since the close of last financial year [or in the case of the first return at any time since the incorporation of the Company.)

IX. PROMOTERS/DIRECTORS / KEY MANAGERIAL PERSONNEL AND CHANGES THEREIN

X. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

XIII. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES ANDDISCLOSURES

XIV. Details in respect of shares held by or on behalf of the FII's.

XV. OTHER DISCLOSURE

- **PENALTY FOR NON COMPLAINCE OF SECTION 92 PERTAING TO ANNUAL RETURN**

(4) Every company shall file with the Registrar a copy of the annual return, within *sixty* days from the date on which the annual general meeting is held or where no annual general meeting is held in any year within *sixty* days from the date on which the annual general meeting should have been held together with the statement specifying the reasons for not holding the annual general meeting, with such fees or additional fees as may be prescribed, within the time as specified, under section 403.

(5) If a company fails to file its annual return under sub-section (4), before the expiry of the period specified under section 403 with additional fee, the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakhs rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

PREPARATION , MAINTENANCE, AND UPDATING OF STATUARY REGISTERS

Sr No.	Name of Registers	Penalty for non compliance
1	Register of private placement offers	If a company makes an offer or accepts monies in contravention of Section 42, the company, its promoters and directors shall be liable for penalty which may extend to the amount involved in the offer or invitation or Rs.2 crores, whichever is higher, and the company shall also refund all monies to subscribers within a period of 30 days of the order imposing the penalty. [Section 42(10)]
2	Register of Renewed & Duplicate Share Certificates, Register of Sweat Equity shares Register of Employees Stock Options	If any provision of the Act or the rules made There under is contravened for which no penalty or punishment is provided elsewhere in the Act, the company and every officer of the company who is in default or such other person shall be punishable with fine which may extend to Rs.10,000 and where the contravention is continuing one, with a further fine which may extend to Rs.1,000 for every day after the first during which the contravention continues. (Section 450)
3	Register of shares or securities bought	If a company makes any default in complying with

	back	the provisions of Section 68, the company shall be punishable with fine which shall not be less than Rs.1 lac but which may extend to Rs.3 lacs and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to 3 years or with fine which shall not be less than Rs.1 lac but which may extend to Rs.3 lacs, or with both. [Section 68(11)]
4	Register of charges	If any company contravenes any provision of Chapter VI, the company shall be punishable with fine which shall not be less than Rs.1 lac but which may extend to Rs.10 lacs and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to 6 months or with fine which shall not be less than Rs.25,000 but which may extend to Rs.1 lac or with both. (Section 86)
5	Register of members of a company limited byshares (with index of names if no. of members is not less than 50.)	If a company does not maintain the register or fails to maintain in accordance with the provisions of Section 88(1)/(2), the company and every officer of the company who is in default shall be punishable with fine which shall not be less than Rs.50,000 but which may extend to Rs.3 lacs and where the failure is continuing one, with a further fine which may extend to Rs.1,000 for every day after the first during which failure continues. [Section 88(5)]
6	Attendance Register of Meetings of the Board and Committees Attendance register of general meeting Minute books (of Board & Committee meetings) Books containing minutes of proceedings of general meeting of a class of shareholders or creditors or of a resolution passed by postal ballot	If any default is made in complying with the provisions of Section 118 in respect of any meeting, the company shall be liable to a penalty of Rs.25,000 and every officer of the company who is in default shall be liable to a penalty of Rs.5,000. [Sec.118(11)] If a person is found guilty of tampering with the minutes of the proceedings of meeting, he shall be punishable with imprisonment for a term which may extend to 2 years and with fine which shall not be less than Rs.25,000 but which may extend to Rs.1 lac. [Sec.118(12)]. If inspection under Sec.119(1) is refused, or if any copy required under sub-section (2) is not furnished within the time specified therein, the company shall be liable to a penalty of Rs.25,000 and every officer of the company who is in default shall be liable to a penalty of Rs.5,000 for each such

		refusal or default, as the case may be. [Sec.119(3)]
7	Register of Directors & KMPs and their shareholding	any inspection under Section 171(1)(a) is refused or if a copy required is not sent within 30 days, the Registrar shall on application order immediate inspection and supply of copies required. [Sec.171(2)] If a company contravenes any of the provisions of the Chapter for which no specific punishment is provided, the company and every officer of the company who is in default shall be punishable with fine which shall not be less than Rs.50,000 but which may extend to Rs.5 lacs. (Sec.172)
8	Register of loans & investments	If a company contravenes provisions of Sec.186, it shall be punishable with fine which shall not be less than Rs.25,000 but which may extend to Rs.5 lacs and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to 2 years and with fine which shall not be less than Rs.25,000 but which may extend to Rs.1 lac. [Section 186(13)
9	Register of contracts or arrangements in which directors are interested	Every director who fails to comply with the provisions of Section 189 and rules made there under shall be liable to a penalty of Rs.25,000. [Sec.189 (6)].
10	Other Applicable Registers except fixed Assets Register	If any provision of the Act or the rules made There under is contravened for which no penalty or punishment is provided elsewhere in the Act, the company and every officer of the company who is in default or such other person shall be punishable with fine which may extend to Rs.10,000 and where the contravention is continuing one, with a further fine which may extend to Rs.1,000 for every day after the first during which the contravention continues. (Section 450)

EVENTE BASED / QUARTELRY FORMS REQUIRED TO BE FILIED WITH ROC

1. Special resolutions;
2. Resolutions which have been agreed to by all the members of a company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;
3. any resolution of the Board of Directors of a company or agreement executed by a company, relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director;
4. Resolutions or agreements which have been agreed to by any class of members but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by a specified majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind such class of members though not agreed to by all those members;
5. Resolutions passed by a company according consent to the exercise by its Board of directors of any of the powers under clause (*a*) and clause (*c*) of sub-section (1) of section 180;
6. Resolutions requiring a company to be wound up voluntarily passed in pursuance of section 304;
7. Any other resolution or agreement as may be prescribed and placed in the public domain.
8. to make calls on shareholders in respect of money unpaid on their shares;
9. to authorise buy-back of securities under section 68;
10. to issue securities, including debentures, whether in or outside India;
11. to borrow monies;
12 to invest the funds of the company;
13 to grant loans or give guarantee or provide security in respect of loans;
14. to approve financial statement and the Board's report;
15 to diversify the business of the company;
16. to approve amalgamation, merger or reconstruction;

17 to take over a company or acquire a controlling or substantial stake in another company;

18 to make political contributions;

19 to appoint or remove key managerial personnel (KMP);

20 to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;

21 to appoint internal auditors and secretarial auditor;

22 to take note of the disclosure of director's interest and shareholding;

23 to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;

24 to invite or accept or renew public deposits and related matters;

25 to review or change the terms and conditions of public deposit;

26 to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

ANNUAL FORMS REQUIED TO BE FILED WITH ROC:

- Form for Filing Annual Return
- Form filing Balance Sheet and Profit & Loss Account / xbrl Filling for Specified Companies

Thanks for such initiative of Compliance check by Professionals, Special Thanks to CS Prashant Patel, FCS for this Compilation.