DAVE NAGAR & ASSOCIATES
(Practicing Company Secretaries)

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Various Compliances by a Company under Companies Act, 2013

S .No	Compliances	Action to be Performed
1	Alteration of Memorandum (MOA) and Articles of Association (AOA)	To amend the existing MOA and AOA to incorporate the provisions of the new Companies Act.
2	Printing of new Stationary of the Company	Disclosure of the following on the Letterhead bills on other official communication such as name including pervious name for up to 2 years. Registered Address, Corporate Identity Number (CIN), and Telephone No., Fax No. website address, email address if any (In case the Letterhead already printed please affix a rubber stamp to comply with additional disclosure)
3	Resident Director	At least one of the directors who is resident in India on the Board of every company
4	Disqualification of directors	Every director shall inform to the company concerned about is disqualification under sub section (2) of section 164, if any in form DIR-3 before his appointed or re-appointed.(Similar to disqualification under section 274(1)(g)of the Old Act. • In addition to the disqualification provided under section 274 of the Old Act following new section has been provided. A person convicted of any offence and sentenced in respect thereof to imprisonment for period extending up to seven year or more.

		• A person convicted of the offence dealing with related party transactions at any time during the last preceding five years • a person who has not been allotted DIN Whenever a company fails to file the financial statements or annual return or fails to repay any deposit interest, dividend or fails to redeem its debentures as the company shall immediately file the details of all directors in prescribe form (Form –DIR-9) to the ROC furnishing therein the names and address of all directors of the company during the relevant financial years. When a company fails to file such details within a period of thirty or the failure that would be treated as the disqualification and officers of the Company shall be treated as the officer in default. Any application for removal and disqualification of director shall be made prescribe form (FORM DIN-10)
5	Disclosure by a Director of his interest	New act provides duties of directors under the Act and Rules. The company should take the note of the same in ensuing board meeting preferably in first quarter of 2014)
6	Board meeting (to take note for all ensuring Board meeting)	New act allows participation of Directors in Board Meeting through video conferencing and through other audio visual means by complying the prescribed procedure:- • At least 7 days notice to be giving for Board Meeting • Notice of Board Meeting may be given in electronic mode • Not more than 120 days shall be intervene between 2 consecutive board meeting

		• Participation through video conferencing or other video shall be counted for quorum • The rules provide certain matters which cannot be dealt with in meeting through video conferencing or other audio visual means • At last one meeting in a period of 12 months has to be physically attended by every director • Director will vacate the office if he is absent from all the meetings of the board during 12 months with or without leave of absence (attending one Board Meeting in a period 12 months is must)
7	Resolution by Circulation	Under the new Act resolution by circulation has to be approved if it is consented by majority of directors in contrast to corresponding provision of the old act which required consent of all directors present in India or majority of them Ratification of circular resolution shall be noted at a subsequent board meeting and shall be made part of the minutes of such Board meeting Where more than 3 of the total director of the company requires resolution to be passed at a Board Meeting the same shall not be passed by circulation
8	Power of Board	New powers are added in the list of powers which can be exercised by the Board only by passing a resolution at Board Meeting. The company should take the note of the same in the ensuring Board Meeting(preferably in first quarter of 2014) Now certain board resolution are also required to be filed with the ROC in form MGT-14 within 30 days
9	Loans to directors	Now also applicable to Private Companies

		Total prohibition on prescribes transactions Imprisonment could not be avoided by fully repaying the loan
10	Loans and investments by company	A company shall not investment through not more than 2 layers of investment company Giving any loan or guarantee or providing any security or the acquisition by company exceeds 60% or paid up share capital, free reserves and share premium account or 100% of free reserves and share premium account whichever is more requires prior approval of the company by Special Resolution Now, Loans and investment by holding Company to/ in its wholly owned subsidiary is not exempted.
11	Related party transactions	Companies need to evaluate the related party transactions and have to take necessary approval prescribed under the act Requirement of obtaining Central Government approval has been withdrawn but more compliances has been introduced in the Act as well through the Rules
13	Preparation of statutory registers	The companies has to maintain all the statutory registers as per the new prescribed format under the new Act and Rules
14	Appointment of Auditors	Appointment of Auditor for 5 year of tenure subject to ratification in every Annual General meeting. Compulsory rotation of Auditors for certain classes of Companies as may be prescribed in the Rules. Term of Audit firm not more than 2 terms for 5 consecutive years. 5 year cooling off period for rotated individual auditor or auditor firm.
15	Audit of Branch Office	Under the new Act, Audit of Branch office has been introduced. Now where the

		Company has Branch office, the accounts of that auditor shall be audited by the auditor. The Branch auditor shall submit his report to the Company's auditors.
16	Accounts (For financial Year 2013-14 as per old Act.) (For Financial Year 2104-15 as per New Act)	Company can keep the books of Accounts in electronic mode as prescribed under the new Act & Rules. Salient features of Financial statement of a Company's subsidiary company or subsidiaries Associate Company or joint ventures shall be filed in prescribed form. Consolidation of Financial Statement of the Company shall be made in accordance with the provisions of the Act.
18	Acceptance of Deposits/Unsecured Loans	Company cannot accept any kind of Deposit/ Unsecured loan from relative of Director. All new deposits accepted from Member are subject to certain terms and conditions and procedures. Company can accept deposits from Director during the tenure of his Directorship. Following compliances has to be followed in case of outstanding deposits as on 31st March, 2014:- • File a return of such deposits /loan till 30th June, 2014. • Repay all such deposits/Loans on or before 31st March, 2014.
19	Filing of Annual Return and Disclosures to be made therein	Under the new Act, every company shall prepare a return in a prescribed form containing the particulars as on the date of the end of the Financial year. Following disclosures should be made in the Annual Return:- 1. Principal Business Activities, Particulars of its Holding, subsidiary and Associate Companies.

		2. Details of Shares, debentures and other securities with Shareholding pattern. 3. Indebtness of the Company. 4. Members and Debenture holders with changes therein. 5. Meeting of members or class thereof, board and other committees and details of attendance. 6. Remuneration of Directors and KMP. 7. Penalties imposed on the Company, its Directors or officers and details of Compounding of offence. 8. Shares held by FIIs.
20	Additional Disclosure in Explanatory Statement	Nature or concern of interest, financial or otherwise, of Director, Manager, KMP and relative of Director, Manager and KMP. Any other information and facts that may enable members to understand the meaning, scope and implications of the items of Business. Failure to make such disclosure-promoter, director, manager liable to compensate the Company to the extent of benefits derived by them.
21	Compliance with Secretarial Standards issued by ICSI	The new Act provides that every Company shall observe "Secretarial Standards to Minutes" with respect to General and Board Meetings specified by ICSI.
22	Obligation to Indicate DIN	Every person or Company should mention the DIN in all forms, information particulars which relate to the Directors or containing the reference of any Director while furnishing the same.

Initiative, Dave Nagar & Associates, Company Secretaries and Attorney at Trademarks Ahmedabad, Gujarat

Partners

- Saunak Dave
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