

immediate actions to be taken by private limited companies.

Resident Director:

There should be at least one resident director on the Board. Every company is required to have at least one resident director who has stayed in India for not less than 182 days in the previous calendar year.

Click here to read more: [At least one Resident Director on Board](#)

Action Point:

Existing Companies are required to comply with this provision by 31st March, 2015. Whereas The companies whose date of incorporation falls between 01st April, 2014 to 31st December, 2014 should have a resident director *either as on the date of incorporation itself or within six months of their incorporation.*

However, the companies which will be getting incorporated *post September, 2014 needs to have a resident director from the date of incorporation itself.*

Change in letter-heads, bills, invoices, etc.:

Every company has to get its name, address of its registered office, Corporate Identity Number (CIN) along with telephone number, e-mail, fax (if any) printed on the letter-head of the company, business documents, billheads, letter papers and also in all its notices and other official publications.

Action Point: This needs immediate action. In cases where the letter-heads are already printed, then a rubber stamp with the CIN Number can be prepared and affixed in the same.

Board Meetings:

A company should conduct at least 4 Board Meetings in a year and the gap between two Board Meetings shall not exceed 120 days. Further, at least 7 days notice to be given for Board Meeting.

Action Point:

This provision also requires immediate action. Also, every director shall disclose the interest in the first Board Meeting of the financial year and file the same with the ROC.

Loans to Directors u/s 185:

All the companies are restricted from giving loans to the directors or providing securities guarantees to the directors and related parties.

Action Point:

This provision was earlier not applicable on the private companies. However, this provision has been made equally applicable on private companies under the New Act. Further, the new Act is very stringent on penalties for contravention. There are provisions for imprisonment as well for contravention of this Act. Imprisonment cannot be avoided even by fully repaying the loans.

Further Issue of Shares:

The earlier provision of further allotment of shares was very simple and non-complicated. However, as per the New Act, even a private company cannot allot further shares to a new person without complying with Section 62.

Action Point:

Get hold of Bare act or your laptop and study the rules before allotting or offering any share.

Related Party Transaction:

No company shall enter into any contract or arrangement with the related party without Board's approval with respect to specified matters. The provision of obtaining the shareholder's prior consent by way of a special resolution has also been brought into action.

Action Point:

Few of the points are worth to be noted in this regard. No member of a company shall vote on such special resolution, if such member is a related party in that transaction.

Mandatory to indicate DIN Number:

Every director of the company is required to mention his/her DIN Number while signing all documents.

Action Point:

Whenever you sign any official document in the capacity of Director, make sure to indicate your DIN.

Consolidation of Accounts:

All companies having subsidiaries need to prepare consolidated accounts.

Action Point:

Consolidated Financials will be laid down in the AGM along with standalone financial statements. In this regard, subsidiaries include Associates and Joint Ventures.

Appointment of Directors:

For being a Director, every person is required to obtain a DIN and DSC.

Action Point:

- Obtain DSC
- Obtain DIN
- Declaration in Form DIR-8, that he is not disqualified to be appointed as Director.
- Furnish Consent Letter in form DIR-2

These are few of the action points which are staring at your face and demanding immediate attention. Hence, before taking any step forward, do make sure to sit back and give a glance at these provisions.