Write up on some important provisions of Companies Act, 2013 in nutshell (Part-I)

By

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PARTICULARS	SECTION OF CA 2013	RULE	APPLICABILITY	RELEVANT FORM	Exemption	PENALTY
ANNUAL FILING						
1. Particulars of Annual Return	**92(1)**	**11(1), CH- VII**	**Applicable to every Company.** **Signing:** **A. Annual return shall be signed by;** **a director and the company secretary, or Where there is no CS then by PCS** **B. In case of OPC and small company, Annual return shall be signed by;** **a the company secretary, or Where there is no CS then by Director**	**MGT-7**		On Company- Fine of Rs. 50, 000-5,00,000 On Officer- Imprisonment for a term which may extend to 6 months or with Fine 25,000 - 5,00,000 *OR* with both.
2. Annual Return Certification by *PCS*	**92(2)**	**11(2), CH-VII**	**(i) All Listed Companies** **(ii) Every company Having:-** ***Paid up share capital :- Rs.10 Cr. or more** ***Turnover: – Rs.50 Cr. or more**	**MGT-8**		On PCS- Fine which shall not be less than Rs.50,000 but which may extend to Rs. 5,00,000/–
3. An extract of the annual return shall form part of the Board's report	**92(3)**	**12(1), CH-VII**	**Every company**	**MGT-9**		

A member of the Institute holding a valid certificate of practice shall be entitled –

(i) to *certify* Annual Return pursuant to Section 92(2) of the Companies Act, 2013 (Act No. 18 of 2013), for *not more than 80* companies for each of the financial year under consideration.

(ii) to *sign* Annual Return pursuant to Section 92(1) of the Companies Act, 2013 (Act No. 18 of 2013), for *any number* of companies, for each of the financial year under consideration. These Guidelines shall come into effect for signing and certification of Annual Return for financial year 2014-2015 onwards.

ACCOUNTS & FINANCIAL STATMENT						
4. Salient features of the Financial statements of Subsidiary(ies), Associate co.(s) and JV's	**129(3)**	**5, CH-IX**		**AOC-1**	Insurance, banking or co. Engaged in the generation or supply of electricity	MD, WTD in charge of finance, CFO or any other concerned person- imprisonment upto 1 year or fine Rs. 50,000 to Rs. 5 Lacs or with both
5. Disclosure of contracts under section 188(1) with related parties	**134(3)(h)**	**8(2), CH-IX**		**AOC-2**		Company- Fine- Rs. 50,000 to Rs. 25 Lacs Officer in default- imprisonment upto 3 years or fine Rs. 50,000 to Rs. 5 Lacs or with both
6. Statement containing salient features of B/S, P&L A/c	**136(1)**	**10, CH-IX**		**AOC-3**		Company- Fine Rs. 25,000 Officer in default, fine- Rs. 5,000.
7. For filing financial statements and other doc with ROC (within 30 days of AGM)	**137**	**12(1), CH-IX**		**AOC-4**	OPC- 180 days from the closure of financial year	Company- Fine Rs. 1000 per day upto Rs. 10 Lacs MD/CFO, Director incharge or all the directors- imprisonment upto 6 months or fine Rs. 1 lacs to Rs. 5 Lacs or with both
8. XBRL Provision:	**137**	**12(1), CH-IX**	**a. All companies listed with any Stock Exchange(s) in India.** **b. Subsidiaries on any company listed with any Stock Exchange(s) in India.** **c. All companies having Paid up Capital of Rupees 5 Crore and above.** **d. All companies having Turnover of Rupees**		a. Banking Companies- That are regulated by RBI b. Insurance Companies- That are regulated by IRDA	

			100 Crore and above.		c. Power Companies d. Non-Banking Financial Companies	
			DIRECTOR'S			
9. Woman director	**149(1)**	**3, CH-XI**	**(i) All Listed Companies** **(ii) Every public company Having:-** ***Paid up share capital :- Rs.100 Cr. or more** ***Turnover: – Rs.300 Cr. or more**			Section 172- where no penalty specified every company and officer in default liable to Rs. 50,000 – Rs. 5,00,000.
10. Independent Director	**149(4)**	**4, CH-XI**	**(i) All Listed Companies - at least *<u>one third</u>* of the total number of directors.** **(ii) Every public company Having:-** ***Paid up share capital :- Rs.10 Cr. or more** ***Turnover: – Rs.100CR.or more** ***Aggregate outstanding of loans, Debenture & Deposits Exceeding Rs. 50 Cr.** **Shall have at least *<u>TWO independent director</u>***			Section 172- where no penalty specified every company and officer in default liable to Rs. 50,000 – Rs. 5,00,000.
11. Key Managerial Personnel (KMP) **a. MD/ CEO/ Manager and in their absence- WTD** **b. CFO**	**203(1)**	**8, CH-XIII**	**(i) All Listed Companies** **(ii) Every other public company Having Paid up share capital of <u>Rs.10 Cr. or more</u>**	**MR-1 (return of appointment of KMP)** **MR-2**		Company liable for Fine – 1lakh to 5 lakhs. Every director & KMP liable for fine which may extend to 50,000.

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				(Application to CG for approval for appointment ,reappointment or remuneration)		Continuing offence- 1000 every day after the first which the contravention continues.
12. Company Secretary	**203(1)**	**8A, CH-XIII**	**(i) All Listed Companies** **(ii) Every other company Having Paid up share capital of Rs.5 Cr. or more**	**MR-1**		Same as above
COMMITTEE'S						
13. Audit Committee	**177(1)**	**6, CH-XII**	**(i) All Listed Companies** **(ii) Every public company Having:-** ***Paid up share capital :- Rs.10 Cr. or more** ***Turnover: – Rs.100 Cr. or more** ***Outstanding of loans, Debenture & Deposits Exceeding Rs.50 Cr.**			Section178(8): *Company liable for Fine –Rs. 1 lakh to Rs. 5 lakh. *Officer in default- Imprisonment of 1yr OR fine of twenty- five thousand rupees but which may extend to one lakh rupees, *OR with both.*
14. Vigil Mechanism	**177(9)**	**7, CH-XII**	**(i) All Listed Companies** **(ii) Company Accept deposit from Public.** **(iii) Company have borrowed money from banks and PFI in excess of Rs. 50 Cr.**			Same as above
15. Nomination and	**178(1)**	**6,**	**(i) All Listed Companies**			Same as above

Remuneration Committee		**CH-XII**	**(ii) Every public company Having:-** ***Paid up share capital :- Rs.10 Cr. or more** ***Turnover: – Rs.100 Cr. or more** ***Outstanding of loans, Debenture & Deposits** **Exceeding Rs. 50 Cr.**			
16. Corporate Social Responsibility Committee	**135(1)**	**3, CH-IX**	**(i) Every company Having:-** ***Net worth : – Rs. 500 CR. or more** ***Turnover: – Rs. 1000 CR. or more.** ***Net Profit: – Rs. 5 CR. or more** (NOTE: Board shall ensure co. Spends <u>**2% of avg. N.P**</u> of proceeding 3 FY.'s on CSR			No penalty. If company fail to contribute only specify reason in board report.
			AUDIT			
17. Secretarial Audit	**204(1)**	**9, CH-XIII**	**(i) All Listed Companies** **(ii) Every public company Having:-** ***Paid up share capital :- Rs.50 CR. or more** ***Turnover: – Rs.250CR.or more**	**MR-3**		Company and every officer in default liable to fine of 1 lakh which may extend to 5 lakh. *Section 204(4)*
18. Internal Audit <u>(Existing companies</u> meeting the above criteria need to comply with the provisions within <u>six months from 1 April 2014.)</u>	**138**	**13, CH-IX**	**(i) All Listed Companies** **(ii) Every public company Having:-** ***Paid up share capital :-** ***Rs. 50 Cr. or more*** ***Turnover: –** ***Rs. 200 Cr. or more*** ***Aggregate outstanding of loans or borrowings from banks or PFI** ***Exceeding Rs. 100*** **Cr. Or more**			

			*** Outstanding deposits of Rs. *25 Cr. or more.*** **(iii) Every private company Having:-** ***Turnover: – *Rs. 200 Cr. or more*** ***Aggregate outstanding of loans or borrowings from banks or PFI *Exceeding Rs. 100* Cr. Or more.**			

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Disclaimer: This write is prepared by reading provisions of Companies Act, 2013 and Rules made there under, also after referring to all amendments made till date. This write up is made for sharing the same with professional colleagues and for academic purpose. The Readers are advised to refer relevant provision of law before applying or accepting any of the point mentioned above.

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