

## IMPORTANT COMPLIANCES BY A COMPANY UNDER NEW COMPANES ACT, 2013

S. no.	Particulars with Section	Effective Date & Applicability	Description
1	Change in Letter heads, Bills etc. [Section 12(3)(c)]	01.04.2014 Public & Private Company	[Section 12(3)(c)]: Every company shall get its name, address of its registered office and the Corporate Identity Number (CIN) along with telephone number, fax number, if any, Email and website addresses, if any, printed in all its business letters, billheads, letter papers and in all its notices and other official publication
2	Resident Director [Section 149(3)]	01.04.2014 Public & Private Company	One Director in the Board shall be a person who has stayed in India for a total period of not less than 182 days during the previous calendar year. [Section 149 (3)].
3	Board Meetings [Section 173(1)]	01.04.2014 Public & Private Company	Gap between 2 consecutive board meetings should not be more than 120 days. [Section 173 (1)]. 4 months as per Listing Agreement. Minimum 4 meetings in a year (Same provision in listing agreement). At-least 7 days' notice to be given for Board meeting:
4	Further issue of shares [Section-62]	01.04.2014 Public & Private Company	Now provisions related to preferential issue shall also be applicable on private companies. Now a Private Company cannot allot further shares to a new person without complying section 62.
5	Related Party Transactions [Section-188]	1.04.2014 Public & Private Company	The Company shall not enter into any contract or arrangement with a related party except with the consent of the Board given by a resolution at its meeting, with respect to specified matters. [Section 188 (1)]. No contract or arrangement shall be entered into with Related Party except with the prior approval of the company by a special resolution if paid up capital is Rs. 10 Crore or more. No member of the company shall vote on such special resolution, if such member is a related party [Section 188 & Rules 12.14].
6	Corporate Social Responsibility (CSR) [Section-135 read with CSR Rules]	01.04.2014 Public and private company	The Board of company shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company (calculated as per section 198) made during the three immediately preceding financial years, in pursuance of its CSR Policy. (Draft) Corporate Social Responsibility Rules, 2013 already published for public comments, which shall be applicable from financial year 2014-15 and will come into force on publication in the official gazette
7	Obligation to indicate	01.04.2014 Public &	Every person or Company should mention the DIN in all forms, information or particulars

	DIN Number [Section-158]	Private Company	which relates to the director or containing any reference of any director while furnishing the same.
8	Auditor [Section-139]	01.04.2014 Public & Private Company	Compulsory rotation of individual Auditors in every 5 years and of audit firm in every 10 years in listed companies. Cooling off period is 5 years. All private limited companies having paid up share capital of rupees 20 Crore or more is bound to follow rotation of auditor u/s 139(2). A transition period of 3 years from the commencement of the Act, prescribed to comply with the said provision of the rotation of Auditors.(Section 139).
9	Consolidation of Accounts [Section- 129(3)]	01.04.2014 Public & Private Company	All Companies having subsidiaries need to prepare consolidated accounts. Consolidated and standalone financial statements both will be laid down in AGM. Here subsidiary includes Associates and Joint Ventures.
10	Appointment of Internal Auditor [Section-138]	01.04.2014 Public & Private Company	Compulsory appoint of internal auditor or a firm of internal auditors by following companies: Every listed company; Every unlisted public company having- (i) paid up share capital of 50 Crore rupees or more during the preceding financial year; or (ii) turnover of 200 crore rupees or more during the preceding financial year; or (iii) outstanding loans or borrowings from banks or public financial institutions exceeding 100 crore rupees or more at any point of time during the preceding financial year; or (iv) outstanding deposits of 25 crore rupees or more at any point of time during the preceding financial year; and I. Every private company having- (i) turnover of 200 rupees or more during the preceding financial year; or (ii)outstanding loans or borrowings from banks or public financial institutions exceeding 100 Crore rupees or more at any point of time during the preceding financial year:
11	Formalities for appointment of Directors [Section- 152]	01.04.2014 Public & Private Company	Pre-conditions for appointment of a new director: 1. DIN [Section-152(3)] 2. Declaration in Form DIR-8, that he is not disqualified to be appointed as Director; [Section-152(4)] 3. Consent Letter; (Form DIR-2) [Section- 152(5)] 4. Not carrying any disqualification u/s 164
12	Disclosure of Interest by Directors [Section- 184(1)]	01.04.2014 Public & Private Company	In Companies Act, 2013, annual general disclosure of interest is required to be collected in form MBP.1 from all the directors' u/s 184(1). Further as per section 117(3) and section 179(3)(k) read with rule 8(5), copy of board resolution passed for taking note of disclosure of interest is required to be filed with ROC in form MGT.14. 14

13	Compulsory Appointment of Rotational Auditor [Section-139(2)]	01.04.2014 Public & Private Company	As per Section 139(2): No listed company or a company of such class as may be prescribed, shall appoint or re-appoint— (a) an individual as auditor for more than one term of five consecutive years; and (b) an audit firm as auditor for more than two terms of five consecutive years: Section 139(2) read with Rule 5 of The Companies (Audit and Auditors) Rules, 2014 (Chapter 10). For the purposes of section 139(2), the class of companies shall mean the following classes of companies excluding one person companies and small companies:- (a) all unlisted public companies having paid up share capital of rupees 10 crore or more; (b) all private limited companies having paid up share capital of rupees 20 crore or more; (c) all companies having paid up share capital of below threshold limit mentioned in (a) and (b) above, but having public borrowings from financial institutions, banks or public deposits of rupees 50 crores or more
14	Woman Director[Second Proviso to Section 149 (1)]	01.04.2014 Public & Private Company	One Director in the Board shall be woman. [Second Proviso to Section 149 (1)]. As per rule 3, every Listed and a Public company having Paid up capital 100 Cr. or more or T.O. 300 Cr. or more must appt women director. Note: <b>Not applicable to a Private Company</b>
15	Independent Directors (IDs) [Section 149 (4)] [Appoint within 1 year i.e. till 31.03.2015]	01.04.2014 Listed & Public Company	Listed Co.: At least 1/3rd of the total number of Directors to be appointed as IDs. Public Co.: At least 2 Directors to be appointed as IDs. As per Rule 4 of The Companies (Appointment and Qualification of directors) Rules, 2014, Public co. having: Paid Up capital—10 Crore Turnover—100 Crore O/s Loan, Deposit exceeding 50 Crore Note: Not applicable to a Private Company
16	EGM / Postal Ballot		(A) Section 180(1) already notified, which now needs shareholders' approval through Special Resolution (previously such approval taken through ordinary resolution) for – (i) borrowings beyond share capital and free reserves (ii) to sell, lease or otherwise dispose of (including creation of charge thereon) of any undertaking(s) of the Company. (B) Appointment of independent Directors (C) Amendment of Articles of Association to incorporate the changes therein, brought by the Companies Act 2013