

## **Highlights on New Indian Companies Act, 2013**

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1. **Immediate Changes in letterhead**, bills or other official communications, as if full name, address of its registered office, Corporate Identity Number (21 digit number allotted by Government), Telephone number, fax number, Email id, website address if any.
2. **One Person Company (OPC)**: It's a Private Company having only one Member and at least One Director. No compulsion to hold AGM. Conversion of existing private Companies with paid-up capital up to Rs 50 Lacs and turnover up to Rs 2 Crores into OPC is permitted.
3. **Woman Director**: Every Listed Company /Public Company with paid up capital of Rs 100 Crores or more / Public Company with turnover of Rs 300 Crores or more shall have at least one Woman Director.
4. **Resident Director**: Every Company must have a director who stayed in India for a total period of 182 days or more in previous calendar year. For existing companies, compliance to be made before 31<sup>st</sup> March 2015.
5. **Accounting Year**: Every company shall follow uniform accounting year i.e. 1<sup>st</sup> April -31<sup>st</sup> March.
6. **Loans to director** – The Company CANNOT advance any kind of loan / guarantee / security to any director, Director of holding company, his partner, his relative, Firm in which he or his relative is partner, private limited in which he is director or member or any bodies corporate whose 25% or more of total voting power or board of Directors is controlled by him.
7. **Articles of Association-** In the next General Meeting, it is desirable to adopt Table F as standard set of Articles of Association of the Company with relevant changes to suite the requirements of the company. Further, every copy of Memorandum and Articles issued to members should contain a copy of all resolutions / agreements that are required to be filed with the Registrar.
8. **Disqualification of director-** All existing directors must have Directors Identification Number (DIN) allotted by central government. Directors who already have DIN need not take any action. Directors not having DIN should initiate the process of getting DIN allotted to him and inform companies. The Company, in turn, has to inform registrar.
9. **Financial year-** Under the new Act, all companies have to follow a uniform Financial Year i.e. from 1st April to 31st March. Those companies which follow a different financial year have to align their accounting year to 1st April to 31st March within 2 years. It is desirable to do the same as early as possible since most the compliances are on financial year basis under the new Companies Act.

10. **Appointment of Statutory Auditors-** Every Listed company can appoint an individual auditor for 5 years and a firm of auditors for 10 years. This period of 5 / 10 years commences from the date of their appointment. Therefore, those companies have reappointed their statutory auditors for more than 5 / 10 years, have to appoint another auditor in Annual General Meeting for year 2014.

*However, please note that since the act is new, all rules yet to get promulgates and Ministry of Corporate Affairs (MCA) website not operational from 1st April 2014 till 13 April 2014.*

**FEEDBACK/QUERY** – You may direct your queries, comments or feedback to us at [info@globaljurix.com](mailto:info@globaljurix.com).

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