

Update



What every board room needs to know about Companies Act, 2013

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About this Capsule

This capsule synthesizes, in a manner relevant for apex policy making organ for larger companies, the provisions of the Companies Act 2013. Since, the time at board level now is extremely precise; this capsule focuses on the points which need to be immediately addressed by the boards of all companies.

Proposed contents:

1. Ushering in a new era of corporate governance:
 - a. Board composition, and board committees
 - b. New definition of independent directors
 - c. Role and responsibilities of independent directors/ executives directors
 - d. Duties and liabilities of directors
2. New boardroom responsibilities
 - a. Internal controls
 - b. Compliances with laws and ensuring internal systems ensuring compliance
 - c. Corporate social responsibility
3. Restrictions on board powers
 - a. Related party transactions
 - b. Loans and investments
 - c. Insider trading
 - d. Options and trades in securities
4. Penal and corrective regime
 - a. From fines to penalties, increased monetary and imprisonment powers
 - b. Serious Frauds Investigation, and cognizable, non-bailable arrest power
5. New era of corporate litigation
 - a. Freeze action
 - b. Class action
 - c. Minority shareholder action, with power to relax the minimum shareholding requirement
 - d. Right to oppose restructurings
 - e. Putting curbs on shareholder activism with minimum shareholding requirement for removal/replacement of auditors, directors