

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 5th June, 2015

G.S.R. 465(E).—In exercise of the powers conferred by clauses (a) and (b) of sub-section (1) of Section 462 read with section 406 of the Companies Act, 2013 (18 of 2013) and in supersession of notification number GSR 517(E), dated the 31st August, 2006 and GSR 326(E), dated the 8th April, 2011 or any other notification issued under section 620A of the Companies Act, 1956, except as respects things done or omitted to be done before such supersession, the Central Government in the interest of public, hereby directs that certain provisions of the Companies Act, 2013, as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modifications and adaptations, as specified in column (3) of the said Table, to *Nidhis*, namely:—

Serial No.	Provisions of the Companies Act, 2013	Exceptions, modifications and adaptations
(1)	(2)	(3)
1.	Sub-section (2) of Section 20	Shall apply subject to the modification that in the case of a Nidhi, the document may be served only on members who hold shares of more than one thousand rupees in face value or more than one per cent. of the total paid-up share capital of the Nidhis whichever is less. For other shareholders, document may be served by a public notice in newspaper circulated in the district where the Registered Office of the Nidhi is situated; and publication of the same on the notice board of the Nidhi.
2.	Section 42 except sub-section (1), explanation (II) to sub-section (2), sub-sections (4), (6), (8), (9) and (10)	Shall not apply.

3.	Clause (b) of sub-section (1) of Section 47	Shall apply, subject to the modification that no member shall exercise voting rights on poll in excess of five per cent. of total voting rights of equity shareholders.
4.	Section 62	Shall not apply.
5.	Sub-section (1) of Section 67	Shall not apply, when shares are purchased by the company from a member on his ceasing to be a depositor or borrower and it shall not be considered as reduction of capital under section 66 of the Companies Act, 2013.
6.	Sub-section (5) of Section 123	Shall apply, subject to the modification that any dividend payable in cash may be paid by crediting the same to the account of the member, if the dividend is not claimed within 30 days from the date of declaration of the dividend.
7.	Section 127	Shall apply, subject to the modification that where the dividend payable to a member is one hundred rupees or less, it shall be sufficient compliance of the provisions of the section, if the declaration of dividend is announced in the local language in one local newspaper of wide circulation and announcement of the said declaration is also displayed on the notice board of the Nidhis for at least three months.
8.	Sub-section (1) of Section 136	Shall apply, subject to the modification that, in the case of members who do not individually or jointly hold shares of more than one thousand rupees in face value or more than one per cent. of the total paid-up share capital whichever is less, it shall be sufficient compliance with the provisions of the section if an intimation is sent by public notice in newspaper circulated in the district in which the Registered Office of the Nidhi is situated stating the date, time and venue of Annual General Meeting and the financial statement with its enclosures can be inspected at the registered office of the company, and the financial statement with enclosures are affixed in the Notice Board of the company and a member is entitled to vote either in person or through proxy.
9.	Section 160	In sub-section (1), for the words “one lakh rupees”, the words “ten thousand rupees” shall be substituted.
10.	Section 185	Shall not apply, provided the loan is given to a director or his relative in their capacity as members and such transaction is disclosed in the annual accounts by a note.
11.	Second proviso to sub-section (1) of Section 197	<p>Shall apply with the modification that the remuneration of a director who is neither managing director nor whole-time director or manager for performing special services to the Nidhis specified in the articles of association may be paid by way of monthly payment subject to the approval of the company in general meeting and also to the provisions of section 197 :</p> <p>Provided that no approval of the company in general meeting shall be required where,—</p> <ul style="list-style-type: none"> (a) a Nidhi does not have a managing director or a whole-time director or a manager; (b) the remuneration payable during a financial year to all the directors of the Nidhi does not exceed ten per cent. of the net profits of such Nidhi or fifteen lakh rupees, whichever is less; and

		(c) a remuneration payable under clause (b) is approved by a special resolution passed in this behalf by the Nidhi.
12.	Section 403	Shall apply, with the modification that the filing fees in respect of every return of allotment under sub-section (9) of section 42 shall be calculated at the rate of one rupee for every one hundred rupees or parts thereof on the face value of the shares included in the return but shall not exceed the amount of normal filing fee payable.

2. The Nidhis, while complying with such exceptions, modifications and adaptations, as specified in column (3) of the aforesaid Table, shall ensure that the interests of their shareholders are protected.

3. A copy of this notification has been laid in draft before both Houses of Parliament as required by sub-section (2) of section 462 of the Companies Act, 2013.

[F. No. 2/11/2014-CL.V]

AMARDEEP SINGH BHATIA, Jt. Secy.

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