

An Analysis on the "Issue of Bonus Shares"

navneet k. arora & co.
COMPANY SECRETARIES

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Proprietor 's Profile at a Glance

Navneet K. Arora & Co., Company Secretaries

BASIC DETAILS

- ✂ Name of the Proprietor – **CS Navneet Arora**
- ✂ Year of Passing of ICSI Final Examination – **June 1990**
- ✂ Date of becoming Associate Member of ICSI (ACS - 8421) – **3rd March 1992**
- ✂ Date of becoming Fellow Member of ICSI (FCS - 3214) – **21st July 1997**
- ✂ Date of holding Certificate of Practice (CP - 3005) – **20th November 1998**
- ✂ Experience (No. of Years) – **25 Years (15 Years in Practice)**



EDUCATIONAL QUALIFICATION:

- ✂ Master of Commerce.
- ✂ Fellow Member of The Institute of Company Secretaries of India
- ✂ Post Graduate Diploma in Financial Management

PROFESSIONAL ASSOCIATION / RECOGNITION / MEMBERSHIP OF CONFEDERATION BODIES:

- ✂ Member - **All India Management Association New Delhi (AIMA).**
- ✂ Professional Member - **PHD Chamber of Commerce and Industries, New Delhi.**
- ✂ Appointed as **Peer Reviewer** by ICSI to conduct peer review of Practicing Member of ICSI.
- ✂ ICSI Certified participant of **National Workshop on Diligence Report for Banks.**
- ✂ **Convener South Delhi Study Group of NIRC of the ICSI** -2011, 2012, 2013 & 2014. Also Past Governing Body Member of Kanpur Chapter of NIRC of the ICSI & Past Member of various Professional Development Committee of NIRC of the ICSI.
- ✂ Regular Participant, Speaker of Seminars / Workshop on the Professional Development Program of various Professional Management Institutes including Institute of Company Secretaries of India (ICSI), Asia Pacific Institute of Management (AIM), National Foundation for Corporate Governance (NFCG) etc.

Issue of Bonus Shares- Applicable Laws

❖ **Extract of the relevant provisions prescribed in Section 63 of the Companies Act, 2013 as under:-**

1. A Company may issue fully paid-up bonus shares to its members, in any manner whatsoever, out of –
 - Its free reserve
 - The securities premium accounts
 - The capital redemption reserve account

Provided that no issue of bonus shares shall be made by capitalizing reserve created by the revaluation of assets.

2. No company shall capitalize its profits or reserve for the purpose of issuing fully paid-up bonus shares under sub-section (1), unless –
 - a) it is authorized by its articles:
 - b) It has, on the recommendation on the board, been authorized in general meeting of the company:
 - c) It has not defaulted in payment o interest or principal in respect of fixed deposits or debt securities issued by it:
 - d) it has not defaulted in respect of the payment of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus:

Issue of Bonus Shares

- (e) The partly paid-up shares , if any outstanding on the date of allotment, are made fully paid-up:
- (f) It complies with such condition as may be prescribed.

3. The bonus shares shall not be issued in lieu of dividend.

❖ **Relevant Rules / Procedure in the Companies (Share Capital and Debentures) Rules, 2014 as under:-**

The Company which has once announced the decision of its Board recommending a bonus issue, shall not subsequently withdraw the same.

Our Gamut Of Services

- Corporate Law Advisory, Corporate Compliance Management Advisory Services for Public, Private, OPC and LLP Organization.
- Secretarial Audit / Due Diligence Audit / Corporate Governance Compliance Certification Services.
- Advisory Services for Initial Public Offer, Right Offer, Preferential Offer, Public Offer through Book-Building Process, Capital Restructuring, Public, Private & Preferential offer of Tax Free Bonds.
- XBRL Data Conversion & E-filing of Corporate Returns with MCA and other Statutory Authorities.
- Corporate Restructuring, Valuation & Strategic Advisory services Including Merger, Demerger, Amalgamation & Takeover Advisory Services.
- Project Management, Profitability Analysis Study & Financial Advisory Services.
- Implementation of Strategic Issues including preparation of documents, submission and appearances thereof before various regulatory authorities such as Ministry of Corporate Affairs, ROC, CLB, RD, NCLS etc.
- India Entry Advisory Services, FEMA Compliance Management Services, Branch / Liaison office Formation & Compliance, Joint Venture, WoS Company Incorporation & Management, Advisory services for seeking approval from Secretarial for Industrial Assistance (SIA) / Foreign Investment Promotion Board (FIPB) & E-filing Of International & Indian Corporate Returns.
- Intellectual Property Right Related Services viz Compliance Management of Trade Mark, Copy Rights & Patents.
- Other Offerings:
 - Virtual Office Management Services,
 - Accountancy, Direct And Indirect Taxation & E-filing Compliance Management Services.



Thanking you

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Assuring of best services at all times

navneet k. arora & co.
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