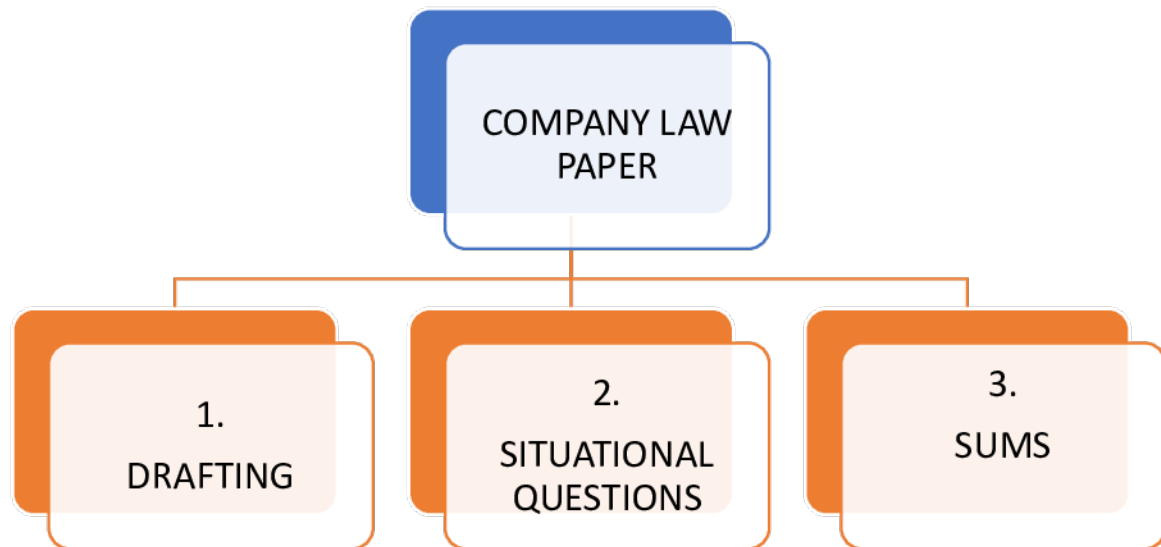


**ULTIMATE GUIDE
TO GET AN EXEMPTION
IN
COMPANY LAW**



DRAFT FORMATS

INTRODUCTION – DRAFTING OF DOCUMENTS IN COMPANY LAW

Drafting of documents is an important part of Company Law and corporate administration. A company functions through various legal documents such as **Notices, Resolutions and Minutes**. These documents help in ensuring proper communication, legal compliance and smooth functioning of the company.

Specimen formats for Notices, Resolutions and Minutes are given below.

\

**SPECIMEN NOTICE OF BOARD MEETING
ABC LIMITED**

Registered Office: _____

CIN: _____

Email: _____

Website: _____

NOTICE OF _____ BOARD MEETING

Date: _____

To,

Mr./Ms. _____

Director

Dear Sir/Madam,

NOTICE is hereby given that the _____ Meeting of the Board of Directors of ABC Limited will be held on _____ (Day), _____ (Date) at _____ (Time) at _____ (Venue) to transact the following business:

AGENDA

1. To consider and approve _____.
2. To discuss _____.
3. To take note of _____.
4. To consider any other business with the permission of the Chair.

You are requested to make it convenient to attend the Meeting.

The Directors may participate either:

- in person; or
- through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Kindly confirm your participation in advance.

For ABC Limited

Sd/-

Company Secretary / Authorised Officer

Place: _____

Date: _____

SPECIMEN NOTICE OF GENERAL MEETING

ABC LIMITED

Registered Office: _____

CIN: _____

Email: _____

Website: _____

NOTICE OF ANNUAL GENERAL MEETING / EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that the _____ Annual General Meeting / Extraordinary General Meeting of the Members of ABC Limited will be held on _____ (Day), _____ (Date) at _____ (Time) at _____ (Venue) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended _____ together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr./Ms. _____ who retires by rotation and being eligible, offers himself/herself for reappointment.

SPECIAL BUSINESS

Item No. ____ : _____

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution / Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of **Section _____** and other applicable provisions of the **Companies Act, 2013**, consent of the Members be and is hereby accorded for _____.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for giving effect to this Resolution.”

EXPLANATORY STATEMENT

Pursuant to **Section 102 of the Companies Act, 2013**, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned above:

The Board recommends passing of the Resolution.

By Order of the Board

Sd/-

Company Secretary

Place: _____

Date: _____

NOTES

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself.
2. The Proxy need not be a Member of the Company.
3. Proxies must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the Meeting.

FORMAT – FOR BOARD / SHAREHOLDERS’ RESOLUTION

TITLE OF THE RESOLUTION

(Example: Appointment of Director / Alteration of MOA / Opening of Bank Account / Bonus Issue etc.)

Type of Resolution

Ordinary Resolution / Special Resolution / Board Resolution

“RESOLVED THAT pursuant to the provisions of Section _____ read with Rule _____ of the Companies Act, 2013 and other applicable provisions, if any, including any statutory modification or re-enactment thereof for the time being in force, consent of the Board of Directors / Members of the Company be and is hereby accorded for _____.”

“RESOLVED FURTHER THAT Mr./Ms. _____, Director / Company Secretary / Authorised Signatory of the Company, be and is hereby authorised to sign, execute and file all necessary forms, returns, documents and papers with the Registrar of Companies and other statutory authorities as may be required.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for giving effect to this Resolution.”

STANDARD SPECIMEN – MINUTES OF BOARD MEETING

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF _____ LIMITED

The Meeting of the Board of Directors of _____ Limited was held on _____ (Day), _____ (Date) at _____ (Time) at _____ (Venue).

PRESENT

1. Mr./Ms. _____ – Chairman
2. Mr./Ms. _____ – Director
3. Mr./Ms. _____ – Managing Director
4. Mr./Ms. _____ – Company Secretary

The requisite quorum being present, the Chairman called the Meeting to order.

LEAVE OF ABSENCE

Leave of absence was granted to Mr./Ms. _____, Director, due to inability to attend the Meeting.

CONFIRMATION OF MINUTES

The Minutes of the previous Board Meeting held on _____ were placed before the Board and confirmed.

ITEM NO. ____ : _____

The Chairman informed the Board that

_____.

The matter was discussed in detail by the Directors.

After discussion, the following Resolution was passed unanimously:

“**RESOLVED THAT** pursuant to the provisions of **Section** _____ read with **Rule** _____ of the **Companies Act, 2013** and other applicable provisions, if any, approval of the Board be and is hereby accorded for

_____.”

“**RESOLVED FURTHER THAT** Mr./Ms. _____, Director / Company Secretary of the Company, be and is hereby authorised to sign and file necessary forms and documents with the Registrar of Companies and other statutory authorities.”

ANY OTHER BUSINESS

With the permission of the Chair, the following matter was also discussed:

_____.

There being no other business to transact, the Meeting concluded with a vote of thanks to the Chair.

Time of Commencement: _____

Time of Conclusion: _____

Chairman

Date: _____

Place: _____

STANDARD SPECIMEN – MINUTES OF GENERAL MEETING

MINUTES OF THE _____ ANNUAL GENERAL MEETING / EXTRAORDINARY GENERAL MEETING OF _____ LIMITED

The _____ Annual General Meeting / Extraordinary General Meeting of _____ Limited was held on _____ (Day), _____ (Date) at _____ (Time) at _____ (Venue).

PRESENT

1. Mr./Ms. _____ – Chairman
2. Mr./Ms. _____ – Director
3. Mr./Ms. _____ – Managing Director
4. Mr./Ms. _____ – Company Secretary
5. Members Present – _____

The requisite quorum being present, the Chairman called the Meeting to order.

CHAIRMAN

Mr./Ms. _____ took the Chair in accordance with the Articles of Association of the Company.

With the consent of the Members present, the Notice convening the Meeting was taken as read.

ITEM NO. ____ : _____

The Chairman informed the Members that

_____.

After discussion, the following Resolution was proposed and passed as an **Ordinary Resolution / Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of **Section _____** and other applicable provisions of the **Companies Act, 2013**, approval of the Members be and is hereby accorded for _____.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for giving effect to this Resolution.”

The Resolution was passed with the requisite majority.

There being no other business to transact, the Meeting concluded with a vote of thanks to the Chair.

Time of Commencement: _____

Time of Conclusion: _____

Chairman

Date: _____

Place: _____

LETTER FORMAT

Date:

To,

The Board of Directors

..... Limited

Subject:

Dear Sir/Madam,

This is to submit for your consideration the legal requirements and key procedural steps relating to in accordance with the applicable provisions of the Companies Act, 2013 and relevant Rules.

The principal compliances and steps involved are briefly as under:

1.
2.
3.
4.

Your approval is requested to proceed further in this matter.

Thanking you,

Sd/-

(Signature)

.....

Company Secretary

ACS/FCS No.:

STRUCTURE FOR SITUATIONAL / CASE STUDY QUESTIONS

1. **Facts of the Case**
2. **Issue Involved**
3. **Provision of Law**
4. **Application of Law to the Given Case**
5. **Conclusion**

CHPATERWISE IMPORTANCE IN COMPANY LAW

LESSON 1

INTRODUCTION TO COMPANY LAW

Important Topics

- Doctrine of Ultra Vires
- Doctrine of Indoor Management
- Doctrine of Alter Ego
- Doctrine of Lifting / Piercing the Corporate Veil
- E-Governance and MCA-21

LESSON 2

LEGAL STATUS AND TYPES OF REGISTERED COMPANIES

Important Topics

- **Section 2(20)** – Company
 - **Section 2(68)** – Private Company
 - **Section 2(71)** – Public Company
 - **Section 2(85)** – Small Company
 - **Section 2(46)** – Holding Company
 - **Section 2(87)** – Subsidiary Company
 - **Section 2(6)** – Associate Company
 - **Section 455** – Dormant Company
 - **Section 2(45)** – Government Company
 - **Section 8** – Section 8 Company
-

LESSON 3

MEMORANDUM AND ARTICLES OF ASSOCIATION AND ITS ALTERATION

Important Topics

- Memorandum of Association
- Articles of Association
- Alteration of MOA
- Change of Registered Office from one State to another
- Pre-incorporation Contracts

Important Sections

Memorandum of Association

- **Section 2(56)** – Memorandum
- **Section 4** – Memorandum of Association
- **Section 12** – Registered Office of Company
- **Section 13** – Alteration of Memorandum

Articles of Association

- **Section 2(5)** – Articles
- **Section 5** – Articles of Association
- **Section 14** – Alteration of Articles

Pre-incorporation Contracts

Important Forms

- **Form INC-22** – Change of Registered Office
- **Form INC-23** – Application for shifting Registered Office from one State to another
- **Form INC-26** – Advertisement for shifting of Registered Office
- **Form INC-28** – Filing of Order of Court / Tribunal / Central Government / Regional Director
- **Form MGT-14** – Filing of Resolution with ROC

LESSON 4

SHARES AND SHARE CAPITAL – CONCEPTS

Important Topics

- Meaning and Types of Share Capital
- Prospectus
- Share Certificate
- Securities Premium
- Private Placement
- Differential Voting Rights
- Preference Shares
- Rights Issue
- ESOP
- Preferential Issue
- Bonus Shares
- Sweat Equity Shares
- Alteration of Share Capital
- Buy-back of Securities
- Reduction of Share Capital
- Transfer and Transmission

- Depository System
- Dematerialisation and Rematerialisation

Important Sections

Share Capital

- **Section 2(84)** – Share
- **Section 43** – Kinds of Share Capital
- **Section 44** – Nature of Shares
- **Section 45** – Numbering of Shares

Prospectus

- **Section 2(70)** – Prospectus
- **Section 23** – Public Offer and Private Placement
- **Section 24** – Power of SEBI
- **Section 25** – Document containing offer of securities for sale
- **Section 26** – Matters to be stated in Prospectus
- **Section 27** – Variation in terms of contract referred in Prospectus
- **Section 28** – Offer for sale of shares by certain members
- **Section 29** – Public offer through Dematerialised form
- **Section 30** – Advertisement of Prospectus
- **Section 31** – Shelf Prospectus
- **Section 32** – Red Herring Prospectus
- **Section 33** – Issue of application forms for securities
- **Section 34** – Criminal liability for misstatement in Prospectus
- **Section 35** – Civil liability for misstatement in Prospectus
- **Section 36** – Punishment for fraudulently inducing persons to invest money
- **Section 39** – Allotment of Securities
- **Section 40** – Securities to be dealt with in Stock Exchanges
- **Section 41** – Global Depository Receipts

Share Certificate

- **Section 46** – Share Certificate

Securities Premium

- **Section 52** – Securities Premium Account

Private Placement

- **Section 42** – Private Placement

Differential Voting Rights

- **Section 43**
- **Rule 4 of Companies (Share Capital and Debentures) Rules, 2014**

Preference Shares

- **Section 55** – Issue and Redemption of Preference Shares

Further Issue of Share Capital

- **Section 62** – Further Issue of Share Capital
 - **Section 62(1)(a)** – Rights Issue
 - **Section 62(1)(b)** – ESOP
 - **Section 62(1)(c)** – Preferential Issue

Bonus Shares

- **Section 63** – Issue of Bonus Shares

Sweat Equity Shares

- **Section 54** – Sweat Equity Shares

Alteration of Share Capital

- **Section 61** – Alteration of Share Capital

Reduction of Share Capital

- **Section 66** – Reduction of Share Capital

Buy-back of Securities

- **Section 68** – Buy-back of Securities
- **Section 69** – Transfer to Capital Redemption Reserve
- **Section 70** – Prohibition for Buy-back

Transfer and Transmission

- **Section 56** – Transfer and Transmission of Securities

Rectification of Register

- **Section 59** – Rectification of Register of Members

Depository System

- **Section 29** – Dematerialisation of Securities

Important Forms

- **PAS-1** – Advertisement for variation in Objects / contracts mentioned in Prospectus
- **PAS-2** – Information Memorandum
- **PAS-3** – Return of Allotment
- **Form PAS-4** – Private Placement Offer Letter
- **Form PAS-5** – Record of Private Placement
- **Form SH-1** – Share Certificate
- **Form SH-2** – Register of Renewed and Duplicate Share Certificates
- **Form SH-3** – Register of Sweat Equity Shares
- **Form SH-4** – Securities Transfer Form
- **Form SH-6** – Register of Employee Stock Options
- **Form SH-7** – Notice of Alteration of Share Capital
- **Form SH-8** – Letter of Offer for Buy-back
- **Form SH-9** – Declaration of Solvency
- **Form SH-10** – Register of Shares / Securities Bought Back
- **Form SH-11** – Return of Buy-back
- **Form SH-12** – Debenture Trust Deed

LESSON 5

MEMBERS AND SHAREHOLDERS

Important Topics

- Definition of Member
- Ways to acquire Membership
- Cessation of Membership
- Difference between Members and Shareholders
- Register of Members
- Foreign Register
- Beneficial Interest
- Significant Beneficial Ownership
- Variation of Shareholders' Rights

- Shareholders' Agreement
- Veto Power and Casting Vote

Important Sections

- **Section 2(55)** – Member
- **Section 48** – Variation of Shareholders' Rights
- **Section 88** – Register of Members
- **Section 89** – Beneficial Interest
- **Section 90** – Significant Beneficial Ownership
- **Section 91** – Closing of Register of Members

Important Forms

Beneficial Interest

- **Form MGT-4** – Declaration by Registered Owner
- **Form MGT-5** – Declaration by Beneficial Owner
- **Form MGT-6** – Return to ROC regarding Beneficial Interest

Significant Beneficial Ownership

- **Form BEN-1** – Declaration by SBO
- **Form BEN-2** – Return to ROC
- **Form BEN-3** – Register of SBO
- **Form BEN-4** – Notice seeking information about SBO

LESSON 6

DEBT INSTRUMENTS – CONCEPTS

PART A – DEBENTURES

Important Topics

- Meaning of Debenture
- Issue of Debentures
- Debenture Trustee
- Secured Debentures

Important Sections

- **Section 2(30)** – Debenture
- **Section 71** – Debentures

Important Forms

- **Form PAS-3** – Return of Allotment
- **Form CHG-9** – Charge relating to Debentures

PART B – OVERVIEW OF COMPANY DEPOSITS

Important Topics

- Meaning of Deposits
- What are not Deposits Rule 2(1)(c)
- Eligible Company Rule 2(1)(e)
- Acceptance Limits for Deposits

Important Sections

- **Section 2(31)** – Deposit
- **Section 73** – Acceptance of Deposits from Members
- **Section 74** – Repayment of Deposits accepted before commencement of Act
- **Section 75** – Damages for Fraud in relation to Deposits

- **Section 76** – Acceptance of Deposits from Public by Eligible Companies
- **Section 76A** – Punishment for Contravention

Important Forms

- **Form DPT-1** – Circular or Advertisement inviting Deposits
- **Form DPT-2** – Deposit Trust Deed
- **Form DPT-3** – Return of Deposits
- **Form DPT-4** – Statement regarding existing Deposits

LESSON 7

CHARGES

Important Topics

- Fixed Charge
- Floating Charge
- Crystallisation of Floating Charge

Important Sections

- **Section 2(16)** – Charge
- **Section 77** – Registration of Charges
- **Section 78** – Registration by Charge-holder
- **Section 79** – Application of Section 77 in certain matters
- **Section 80** – Date of Notice of Charge
- **Section 81** – Register of Charges by Registrar
- **Section 82** – Satisfaction of Charge
- **Section 83** – Power of Registrar regarding satisfaction of Charge
- **Section 84** – Appointment of Receiver or Manager
- **Section 85** – Company's Register of Charges
- **Section 86** – Punishment for Contravention
- **Section 87** – Rectification of Register of Charges

CHG FORMS

- **Form CHG-1** – Creation / Modification of Charge (other than Debentures)
- **Form CHG-2** – Certificate of Registration of Charge
- **Form CHG-3** – Certificate of Modification of Charge
- **Form CHG-4** – Satisfaction of Charge
- **Form CHG-5** – Memorandum of Satisfaction of Charge
- **Form CHG-6** – Notice of appointment or cessation of Receiver / Manager
- **Form CHG-7** – Register of Charges
- **Form CHG-8** – Application for condonation of delay in filing Charge related documents
- **Form CHG-9** – Creation / Modification of Charge for Debentures

LESSON 8

DIVIDEND

Important Topics

- Dividend
- Dividend Distribution Policy
- IEPF

- Claim of Unclaimed Dividend
- Secretarial Standard on Dividend (SS-3)
- Timelines relating to Dividend

Important Sections

- **Section 2(35)** – Dividend
- **Section 123** – Declaration of Dividend
- **Section 124** – Unpaid Dividend Account
- **Section 125** – Investor Education and Protection Fund
- **Section 126** – Rights Shares and Bonus Shares pending registration of transfer
- **Section 127** – Punishment for failure to distribute Dividend

Important Sub-sections

- **Section 123(1)** – Sources of Dividend
- **Section 123(3)** – Interim Dividend
- **Section 123(4)** – Deposit of Dividend amount in separate bank account
- **Section 123(5)** – Payment to registered shareholders

Important Rules / Regulations

- **Regulation 43A of SEBI LODR** – Dividend Distribution Policy
- **Secretarial Standard – 3 (SS-3)** – Dividend

Form	Purpose	When to File
IEPF-1	Transfer of unpaid dividend / amounts to IEPF	Within 30 days of transfer to IEPF
IEPF-2	Statement of unclaimed and unpaid amounts	Within 60 days of AGM
IEPF-4	Statement of shares transferred to IEPF Authority	Within 30 days of transfer of shares
IEPF-5	Investor claim form for refund of shares/dividend from IEPF	Whenever investor makes claim

LESSON 9

ACCOUNTS & AUDITORS

Important Topics

- Books of Accounts
- Place of Keeping Books of Account
- Financial Statements
- Auditors

Important Sections

- **Section 2(13)** – Books of Account
- **Section 128** – Books of Account
- **Section 129** – Financial Statements
- **Section 130** – Re-opening of Accounts
- **Section 131** – Voluntary Revision of Financial Statements
- **Section 132** – National Financial Reporting Authority
- **Section 133** – Accounting Standards
- **Section 134** – Financial Statements and Board's Report

- **Section 135** – Corporate Social Responsibility (CSR)
- **Section 136** – Right of Member to copies of audited Financial Statements
- **Section 137** – Financial Statements to be filed with Registrar of Companies (ROC)

Important Forms

Accounts

- **Form AOC-1** – Statement containing salient features of Financial Statements of Subsidiary / Associate Companies
- **Form AOC-2** – Disclosure of contracts / arrangements with related parties
- **Form AOC-4** – Filing of Financial Statements
- **Form AOC-4 CFS** – Consolidated Financial Statements
- **Form AOC-4 XBRL** – Filing in XBRL mode
- **Form AOC-5** – Notice of address where books of account are maintained

AUDITORS

- **Section 139** – Appointment of Auditors
- **Section 140** – Removal / Resignation of Auditor
- **Section 141** – Eligibility and Qualifications of Auditor
- **Section 142** – Remuneration of Auditor
- **Section 143** – Powers and Duties of Auditors
- **Section 144** – Auditor not to render certain services
- **Section 145** – Auditor to sign Audit Report
- **Section 146** – Auditor to attend General Meeting
- **Section 147** – Punishment for Contravention
- **Section 148** – Cost Audit

Auditors

- **Form ADT-1** – Appointment of Auditor
- **Form ADT-2** – Removal of Auditor before expiry of term
- **Form ADT-3** – Resignation by Auditor
- **Form ADT-4** – Report to Central Government by Auditor for Fraud

Section 143(12) – Reporting of Fraud by Auditor

Fraud involving ₹1 crore or more

Where the auditor has reason to believe that fraud involving **₹1 crore or more** is being or has been committed in the company by its officers or employees, the auditor shall:

- report the matter to the **Board of Directors / Audit Committee** within **2 days** of knowledge of fraud;
- seek their reply or observations within **45 days**; and
- thereafter report the matter to the **Central Government** through **Form ADT-4** within **15 days** of receipt of reply or expiry of 45 days.

Fraud involving less than ₹1 crore

Where the amount of fraud is **less than ₹1 crore**, the auditor shall report the matter to the **Audit Committee** or **Board of Directors** within **2 days**. The details of such fraud shall also be disclosed in the **Board's Report**.

LESSON 10

COMPROMISE, ARRANGEMENT AND AMALGAMATION – CONCEPTS

Important Sections

- **Section 230** – Compromise and Arrangement
- **Section 231** – Power of Tribunal
- **Section 232** – Merger and Amalgamation
- **Section 233** – Fast Track Merger
- **Section 234** – Merger with Foreign Company
- **Section 235** – Acquisition of shares of dissenting shareholders
- **Section 236** – Purchase of Minority Shareholding
- **Section 237** – Government valuation of shares and property
- **Section 238** – Registration of offer schemes
- **Section 239** – Preservation of books and papers
- **Section 240** – Liability of officers prior to merger

MAJORITY RULE

RULE IN FOSS v. HARBOTTLE

Important Sections

- **Section 241** – Oppression and Mismanagement
- **Section 244** – Right to apply under Section 241

The following members are eligible to apply for relief under **Section 241**

(Oppression and Mismanagement):

Company having Share Capital

- Not less than **100 members**; or
- Not less than **1/10th of total number of members**, whichever is less; or
- Any member(s) holding not less than **1/10th of issued share capital** of the company, subject to payment of all calls and other sums due on shares.

Company not having Share Capital

- Not less than **1/5th of total number of members**.

-
- **Section 245** – Class Action Suit

Section 245 – Class Action Suit

Section 245 provides the right to members and depositors to file a **Class Action Suit** before the Tribunal where the affairs of the company are being conducted in a manner prejudicial to the interests of the company, members or depositors.

Threshold – Company having Share Capital

Application may be filed by:

- Not less than **100 members**; or
- Not less than **10% of total number of members**, whichever is less; or
- Any member(s) holding not less than **10% of issued share capital** of the company.

Company not having Share Capital

- Not less than **1/5th of total number of members**.

Threshold for Depositors

Application may be filed by:

- Not less than **100 depositors**; or
 - Not less than **10% of total number of depositors**, whichever is less; or
 - Any depositor(s) to whom the company owes **10% of total deposits**.
-

LESSON 11

DORMANT COMPANY

Important Topics

- Dormant Company
- Ineligible Companies for Dormant Status
- Preconditions for obtaining Dormant Status

Important Sections

- **Section 455** – Dormant Company

MSC FORMS – DORMANT COMPANY

- Form MSC-1 – Application for obtaining status of Dormant Company
- Form MSC-2 – Certificate allowing status of Dormant Company
- Form MSC-3 – Return of Dormant Company
- Form MSC-4 – Application for obtaining status of Active Company
- Form MSC-5 – Certificate allowing status of Active Company

SECRETARIAL STANDARDS (SS)

- **SS-1** – Meetings of the Board of Directors
- **SS-2** – General Meetings
- **SS-3** – Dividend
- **SS-4** – Registers and Records
- **SS-5** – Minutes
- **SS-6** – Transmission of Shares and Debentures
- **SS-7** – Passing of Resolutions by Circulation
- **SS-8** – Affixing of Common Seal
- **SS-9** – Forfeiture of Shares
- **SS-10** – Board's Report

PART B

40 MARKS

MEETINGS AND DIRECTORS

GENERAL MEETING

GENERAL MEETING

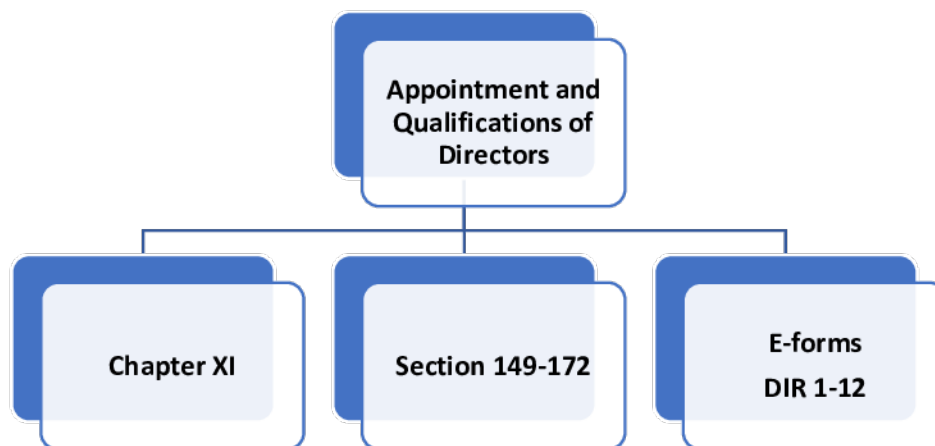
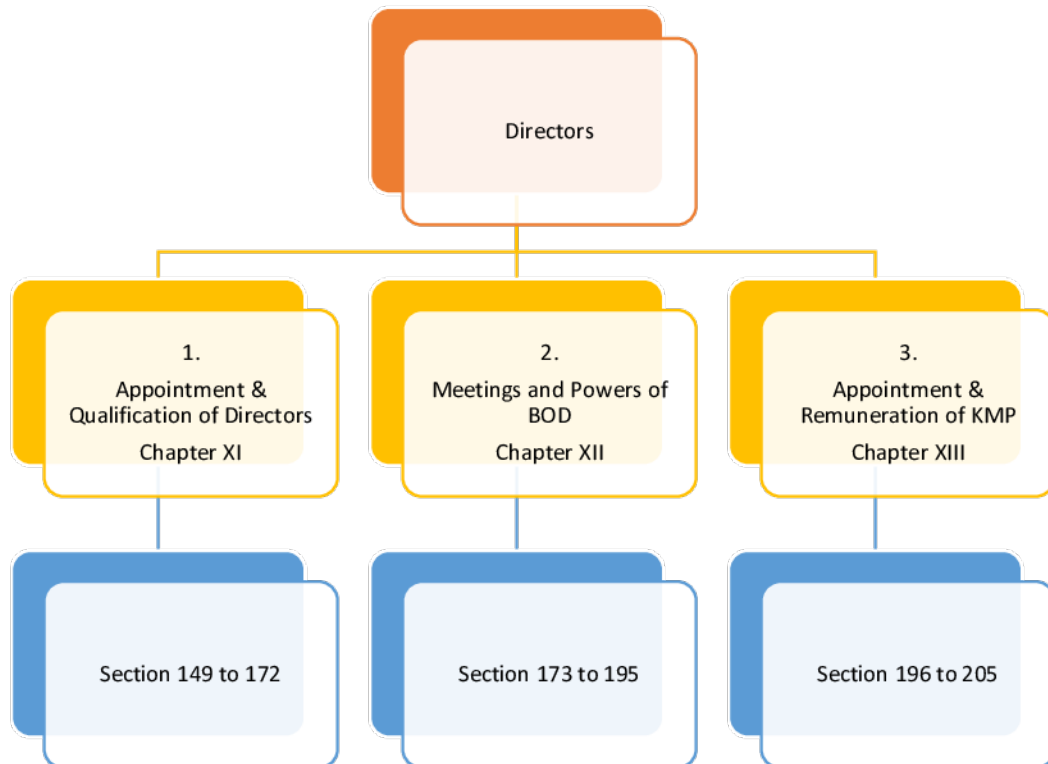
- **Section 88** – Register of Members
- **Section 89** – Declaration in respect of Beneficial Interest in any Share
- **Section 90** – Register of Significant Beneficial Owners
- **Section 91** – Closure of Register of Members / Debenture Holders
- **Section 92** – Annual Return
- **Section 93** – Return relating to Promoters' Stake Changes
- **Section 94** – Place of Keeping and Inspection of Registers and Returns
- **Section 95** – Registers to be Evidence
- **Section 96** – Annual General Meeting (AGM)
- **Section 97** – Power of Tribunal to call AGM
- **Section 98** – Power of Tribunal to call Meetings of Members
- **Section 100** – Extraordinary General Meeting (EGM)
- **Section 101** – Notice of Meeting
- **Section 102** – Explanatory Statement annexed to Notice
- **Section 103** – Quorum for Meetings
- **Section 104** – Chairman of Meetings
- **Section 105** – Proxies
- **Section 106** – Restriction on Voting Rights
- **Section 107** – Voting by Show of Hands
- **Section 108** – Voting through Electronic Means
- **Section 109** – Demand for Poll
- **Section 110** – Postal Ballot
- **Section 115** – Special Notice
- **Section 118** – Minutes of Proceedings of Meetings

- **Section 119** – Inspection of Minute Books
- **Section 120** – Maintenance and Inspection of Documents in Electronic Form
- **Section 121** – Report on AGM

MGT FORMS

- **MGT-1** – Register of Members
- **MGT-2** – Register of Debenture Holders / Security Holders
- **MGT-3** – Notice of change in Foreign Register location
- **MGT-4** – Declaration by Registered Owner
- **MGT-5** – Declaration by Beneficial Owner
- **MGT-6** – Return of Beneficial Interest
- **MGT-7** – Annual Return
- **MGT-7A** – Annual Return for OPC and Small Company
- **MGT-8** – Certification of Annual Return by Practising Company Secretary
- **MGT-9** – Extract of Annual Return
- **MGT-11** – Proxy Form
- **MGT-12** – Polling Paper
- **MGT-13** – Scrutinizer's Report
- **MGT-14** – Filing of Resolutions with ROC
- **MGT-15** – Report on Annual General Meeting (AGM)





Chapter XI – Appointment and Qualification of Directors

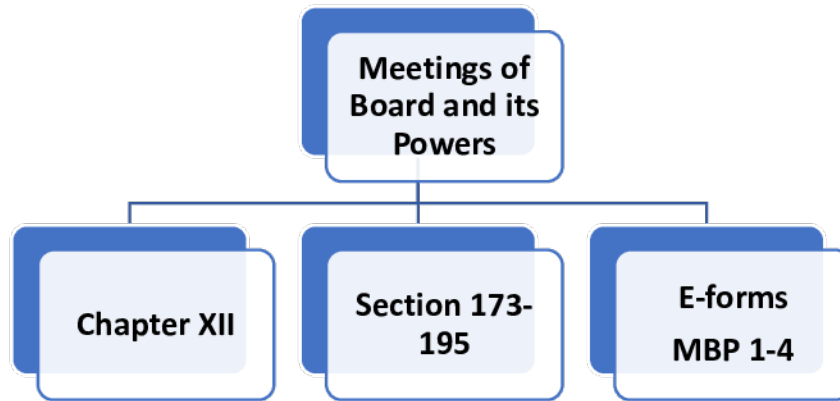
- **Section 149** – Company to have Board of Directors
- **Section 150** – Selection and Databank of Independent Directors
- **Section 151** – Appointment of Small Shareholders’ Director
- **Section 152** – Appointment of Directors
- **Section 153** – Application for Director Identification Number (DIN)
- **Section 154** – Allotment of DIN

- **Section 155** – Prohibition on obtaining more than one DIN
- **Section 156** – Director to intimate DIN
- **Section 157** – Company to inform DIN to Registrar
- **Section 158** – Obligation to mention DIN
- **Section 159** – Punishment for contravention
- **Section 160** – Right of persons other than retiring directors to stand for directorship
- **Section 161** – Appointment of Additional, Alternate and Nominee Director
- **Section 162** – Appointment of Directors to be voted individually
- **Section 163** – Proportional Representation for appointment of Directors
- **Section 164** – Disqualifications for appointment of Director
- **Section 165** – Number of Directorships
- **Section 166** – Duties of Directors
- **Section 167** – Vacation of office of Director
- **Section 168** – Resignation of Director
- **Section 169** – Removal of Directors
- **Section 170** – Register of Directors and KMP and their Shareholding
- **Section 171** – Members' right to inspect
- **Section 172** – Punishment

IMPORTANT DIR FORMS

- **DIR-2** – Consent to act as Director
- **DIR-3** – Application for allotment of DIN
- **DIR-3 KYC** – KYC of Director
- **DIR-3A** – Declaration for Single Name
- **DIR-3B** – Intimation of DIN to Company
- **DIR-3C** – Intimation of DIN by Company to ROC
- **DIR-5** – Surrender of DIN
- **DIR-6** – Change in DIN particulars
- **DIR-8** – Intimation of Disqualification by Director
- **DIR-9** – Company's Intimation of Disqualified Directors to ROC

- **DIR-10** – Application for Removal of Disqualification
- **DIR-11** – Notice of Resignation of Director
- **DIR-12** – Appointment / Resignation / Changes in Directors and KMP



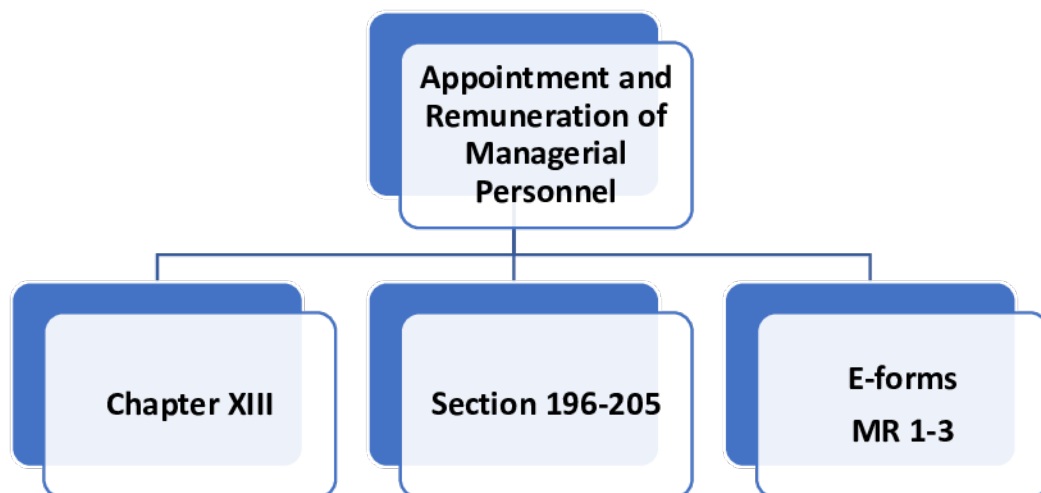
Chapter XII – Meetings of Board and its Powers

- **Section 173** – Meetings of Board
- **Section 174** – Quorum for Meetings of Board
- **Section 175** – Passing of Resolution by Circulation
- **Section 176** – Defects in Appointment of Directors not to invalidate actions taken
- **Section 177** – Audit Committee
- **Section 178** – Nomination and Remuneration Committee and Stakeholders Relationship Committee
- **Section 179** – Powers of Board
- **Section 180** – Restrictions on Powers of Board
- **Section 181** – Contribution to Charitable Funds
- **Section 182** – Political Contributions
- **Section 183** – Contribution to National Defence Fund
- **Section 184** – Disclosure of Interest by Director
- **Section 185** – Loan to Directors
- **Section 186** – Loan and Investment by Company
- **Section 187** – Investments to be held in Company's own name
- **Section 188** – Related Party Transactions

- **Section 189** – Register of Contracts and Arrangements in which Directors are interested
- **Section 190** – Contract of Employment with Managing or Whole-time Director
- **Section 191** – Payment to Director for Loss of Office

IMPORTANT MBP FORMS

- **MBP-1** – Disclosure of Director’s Interest
- **MBP-2** – Register of Loans, Guarantee, Security and Acquisition
- **MBP-3** – Register of Investments not held in Company’s own name
- **MBP-4** – Register of Contracts and Arrangements in which Directors are interested



Chapter XIII – Appointment and Remuneration of Managerial Personnel

- **Section 196** – Appointment of Managing Director, Whole-time Director or Manager
- **Section 197** – Managerial Remuneration
- **Section 198** – Calculation of Profits
- **Section 199** – Recovery of Remuneration in certain cases
- **Section 200** – Central Government or Company to fix limit regarding remuneration
- **Section 201** – Forms and procedure relating to certain applications
- **Section 202** – Compensation for Loss of Office
- **Section 203** – Appointment of Key Managerial Personnel (KMP)
- **Section 204** – Secretarial Audit
- **Section 205** – Functions of Company Secretary

IMPORTANT MR FORMS

- **MR-1** – Return of Appointment of Managing Director / Whole-time Director / Manager
- **MR-2** – Application to Central Government for approval of Appointment / Reappointment / Remuneration
- **MR-3** – Secretarial Audit Report Format

VARIOUS THRESHOLD LIMITS UNDER THE COMPANIES ACT, 2013

Sr. No.	Provision	Section / Rule Applicable	Threshold Limit Prescribed
1	Certification of Annual Return by Company Secretary	Section 92 read with Rule 11(2) of Companies (Management and Administration) Rules, 2014	1. All Listed Companies; or 2. Any company having Paid-up Share Capital of ₹10 crore or more or Turnover of ₹50 crore or more
2	Corporate Social Responsibility Committee (CSR)	Section 135	1. Net Worth of ₹500 crore or more; or 2. Turnover of ₹1000 crore or more; or 3. Net Profit of ₹5 crore or more
3	Internal Auditor	Section 138 read with Rule 13(1) of Companies (Accounts) Rules, 2014	Listed Company; or Unlisted Public Company having: 1. Paid-up Share Capital of ₹50 crore or more; or 2. Turnover of ₹200 crore or more; or 3. Outstanding Loans/Borrowings of ₹100 crore or more; or 4. Outstanding Deposits of ₹25 crore or more; or Private Company having: 1. Turnover of ₹200 crore or more; or 2. Outstanding Loans/Borrowings of ₹100 crore or more
4	Appointment / Reappointment of Auditor Rotation	Section 139 read with Rule 5 of Companies (Audit and Auditors) Rules, 2014	1. All Listed Companies; 2. Unlisted Public Company having Paid-up Share Capital of ₹10 crore or more; 3. Private Company having Paid-up Share Capital of ₹50 crore or more; 4. Companies having Public Borrowings / Deposits of ₹50 crore or more
5	Woman Director	Section 149 read with Rule 3 of Companies (Appointment and Qualification of	1. All Listed Companies; or 2. Public Company having Paid-up Share Capital of ₹100 crore or more; or 3. Turnover of ₹300 crore or more

Sr. No.	Provision	Section / Rule Applicable	Threshold Limit Prescribed
6	Independent Director	Directors) Rules, 2014 Section 149 read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014	1. Listed Company ; or 2. Public Company having Paid-up Share Capital of ₹10 crore or more ; or 3. Turnover of ₹100 crore or more ; or 4. Outstanding Loans/Debentures/Deposits of ₹50 crore or more
7	Audit Committee	Section 177 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014	1. Listed Company ; or 2. Public Company having Paid-up Share Capital of ₹10 crore or more ; or 3. Turnover of ₹100 crore or more ; or 4. Outstanding Loans/Borrowings/Debentures/Deposits of ₹50 crore or more
8	Nomination and Remuneration Committee	Section 178 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014	1. Listed Company ; or 2. Public Company having Paid-up Share Capital of ₹10 crore or more ; or 3. Turnover of ₹100 crore or more ; or 4. Outstanding Loans/Borrowings/Debentures/Deposits of ₹50 crore or more
9	Vigil Mechanism	Section 177 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014	1. Listed Company ; or 2. Companies accepting Public Deposits ; or 3. Companies having Borrowings from Banks/PFIs of ₹50 crore or more
10	Key Managerial Personnel (KMP)	Section 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	1. Every Listed Company ; or 2. Public Company having Paid-up Share Capital of ₹10 crore or more
11	Whole-time Company Secretary	Section 203 read with Rule 8A of Companies (Appointment and Remuneration of	1. Every Listed Company ; or 2. Public Company having Paid-up Share Capital of ₹10 crore or more ; or 3. Private Company having Paid-up Share Capital of ₹10 crore or more

Sr. No.	Provision	Section / Rule Applicable	Threshold Limit Prescribed
12	Secretarial Audit	Managerial Personnel) Rules, 2014 Section 204 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	<p>1. Every Listed Company; or 2. Public Company having Paid-up Share Capital of ₹50 crore or more; or 3. Turnover of ₹250 crore or more; or 4. Company having Outstanding Loans/Borrowings from Banks/PFIs of ₹100 crore or more</p> <p>Meaning XBRL (eXtensible Business Reporting Language) is an electronic format used for filing financial statements in a structured digital manner with the MCA. It helps in easy analysis, comparison and exchange of financial information.</p>
13	XBRL Filing	MCA General Circular No. 16/2012	<p>Companies required to file XBRL The following companies are generally required to file financial statements in XBRL mode:</p> <ul style="list-style-type: none"> • Listed Companies and their Indian Subsidiaries • Companies having Paid-up Share Capital of ₹5 crore or more • Companies having Turnover of ₹100 crore or more <p>Purpose of XBRL Filing</p> <ul style="list-style-type: none"> • To ensure standardised financial reporting • To facilitate easy comparison and analysis of financial statements • To improve transparency and accuracy in reporting • To enable faster processing of financial data by regulators like MCA

SEBI (LODR) Regulations, 2015

Regulation 17 – Board of Directors

Composition of Board

The Board of Directors of a listed entity shall have:

- an optimum combination of **Executive Directors** and **Non-Executive Directors**;
 - at least **one Woman Director**; and
 - not less than **50% of the Board** shall comprise of **Non-Executive Directors**.
-

Independent Woman Director

The **Top 1000 Listed Entities** (based on market capitalization) are required to appoint at least **one Independent Woman Director**.

Example

ABC Limited is a listed company falling within the **Top 1000 Listed Entities**. The company already has one Woman Director, but she is an **Executive Director**.

In this case, the company must appoint another Woman Director who is **Independent**, because the requirement specifically mandates an **Independent Woman Director**.

Regulation 17A – Maximum Number of Directorships

Maximum Directorship Limit

- A person shall not be a director in more than **7 Listed Entities**.
 - A person shall not serve as an **Independent Director** in more than **7 Listed Entities**.
 - A person serving as a **Whole-time Director / Managing Director** in any listed entity shall serve as an Independent Director in not more than **3 Listed Entities**.
-

Important Point

For counting directorships, only those companies whose **equity shares are listed on a Stock Exchange** shall be considered.

Regulation 21 – Risk Management Committee

Introduction

A company should adopt a proactive approach towards risk management so that risks may be converted into opportunities.

The **Risk Management Committee** assists the Board in:

- framing Risk Management Policy;
 - monitoring implementation of the policy; and
 - overseeing risk management framework.
-

Applicability

Applicable to the **Top 1000 Listed Entities** determined on the basis of **market capitalization** as at the end of the immediately preceding financial year.

Regulation 23 – Related Party Transactions (RPT)

Material Related Party Transactions

A listed entity shall formulate a policy on:

- materiality of Related Party Transactions; and
- dealing with Related Party Transactions.

Such policy must be:

- approved by the Board; and
- reviewed at least once every **3 years**.

When is a Related Party Transaction Material?

A transaction shall be considered **Material** if the transaction(s), individually or together with previous transactions during a financial year, exceeds:

- **₹1000 crore**; or
- **10% of annual consolidated turnover** of the listed entity,

whichever is lower.

Brand Usage / Royalty Transactions

Transactions relating to **brand usage or royalty** shall be considered material if they exceed:

- **5% of annual consolidated turnover** of the listed entity.

Regulation 24 – Corporate Governance Requirements for Unlisted Material Subsidiary Requirement

At least **one Independent Director** of the listed entity shall also be a director on the Board of an **Unlisted Material Subsidiary**, whether incorporated in India or outside India.

Meaning of Material Subsidiary

A subsidiary shall be considered material if its:

- income; or
- net worth,

exceeds **20% of the consolidated income or net worth** respectively of the listed entity and its subsidiaries during the immediately preceding accounting year.

Section 174 – Quorum for Board Meeting

General Rule

The quorum for a Board Meeting shall be:

- **1/3rd of the total strength of Directors**; or
- **2 Directors**,

whichever is higher.

Regulation 17(2A) – Quorum for Top 2000 Listed Entities

For the **Top 2000 Listed Entities**, the quorum for every Board Meeting shall be:

- **1/3rd of total strength**; or
- **3 Directors**,

whichever is higher, including at least:

- **1 Independent Director**.
-

Regulation 43A – Dividend Distribution Policy

Applicability

Applicable to the **Top 1000 Listed Entities** determined on the basis of **market capitalization**.

Requirement

Such listed entities shall formulate a **Dividend Distribution Policy** which shall contain:

- circumstances under which shareholders may or may not expect dividend;
- financial parameters considered while declaring dividend;
- internal and external factors affecting dividend declaration; and
- utilisation of retained earnings.

SUMS

QUESTION 1 – Declaration of Dividend out of Free Reserves

The following summarized information is available in respect of a company for the year ended 31st March, 2019:

Particulars	₹ in lakh
Equity Share Capital (10,000 shares of ₹100 each)	10
Free Reserve	2
Revaluation Reserve	1
Profit & Loss Account (Dr.)	0.35
Net Loss for the year 2018-19	0.25

The company has paid dividends to the equity shareholders @ 8%, 10% and 12% during the immediately preceding three financial years.

Advise the Board of Directors the maximum amount they can pay this year by way of dividend.

ANSWER

Relevant Provision of Law

As per **Section 123(1)** of the Companies Act, 2013 read with **Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014**, dividend can be declared out of Free Reserves in case of inadequacy or absence of profits subject to prescribed conditions.

Step 1 – Average Rate of Dividend

Dividend declared during previous 3 years:

- 8%
- 10%
- 12%

Average Rate:

$$\frac{8\% + 10\% + 12\%}{3} = 10\%$$

Maximum dividend permissible on this basis:

$$10\% \times 10,00,000 = 1,00,000$$

Therefore, maximum dividend based on average rate = **₹1 lakh**

Step 2 – Maximum Withdrawal from Free Reserves

As per Rule 3, withdrawal from Free Reserves cannot exceed:

$$\frac{1}{10} \times (10,00,000 + 2,00,000) = 1,20,000$$

Maximum permissible withdrawal = ₹1.20 lakh

Step 3 – Minimum Reserve Balance Requirement

Balance of reserves after withdrawal should not fall below 15% of Paid-up Share Capital.

$$15\% \times 10,00,000 = 1,50,000$$

Available Free Reserve = ₹2 lakh

Maximum withdrawal possible:

$$2,00,000 - 1,50,000 = 50,000$$

Hence, maximum withdrawal allowed = ₹50,000

Step 4 – Adjustment of Current Year Loss

Current year loss:

₹25,000

The amount withdrawn from reserves must first be used to set-off current year loss.

Conclusion

Therefore, the maximum amount that can be paid by way of dividend is:

₹25,000

QUESTION 2 – Loan and Investment under Section 186

HIJ Engineers Ltd. has:

Particulars	Amount
Paid-up Share Capital	₹20 lakh
Free Reserves	₹3 lakh
Securities Premium	₹2 lakh

The company has already granted a loan of ₹14 lakh to KLM Traders Ltd.

The Board proposes:

1. Loan of ₹2 lakh to KLM Cement Ltd.
2. Loan of ₹3 lakh to an employee of the company.

Can the Board sanction the aforesaid loans?

ANSWER

Relevant Provision of Law

- **Section 186(2)** – Limits on loans and investments
 - **Section 186(3)** – Special Resolution requirement
-

Step 1 – Compute Maximum Permissible Limit

60% of Paid-up Share Capital + Free Reserves + Securities Premium

$$60\% \times (20 + 3 + 2) = 15 \text{ lakh}$$

100% of Free Reserves + Securities Premium

$$3 + 2 = 5 \text{ lakh}$$

Higher amount = **₹15 lakh**

Step 2 – Aggregate Loans after Proposed Loan

Existing Loan:

₹14 lakh

Proposed Loan:

₹2 lakh

Total:

$$14 + 2 = 16 \text{ lakh}$$

Since ₹16 lakh exceeds ₹15 lakh, prior approval by **Special Resolution** is required.

Step 3 – Loan to Employee

As per explanation to Section 186(2), the word “person” does not include an employee of the company.

Therefore, no restriction applies to loan granted to employee.

Conclusion

- Loan of ₹2 lakh to KLM Cement Ltd. requires prior approval by Special Resolution.
- Loan of ₹3 lakh to employee can be sanctioned by the Board without members’ approval.

QUESTION 3 – Acceptance of Deposits

The following information is available:

Particulars	₹ crore
Paid-up Share Capital	150
Free Reserves	50
Securities Premium Account	20
Capital Redemption Reserve	10

The company has not accepted any deposits till date.

Advise the Board regarding the maximum amount it can accept by way of deposits from:

1. Members
2. Public

ANSWER

Relevant Provision of Law

As per **Rule 3(4)** of the Companies (Acceptance of Deposits) Rules, 2014:

- deposits from members can be accepted upto 10%;
- deposits from public can be accepted upto 25%;

of aggregate of:

- Paid-up Share Capital
- Free Reserves
- Securities Premium Account

Step 1 – Aggregate Amount

$$150 + 50 + 20 = 220 \text{ crore}$$

Step 2 – Deposits from Members

$$10\% \times 220 = 22 \text{ crore}$$

Maximum deposits from members = **₹22 crore**

Step 3 – Deposits from Public

$$25\% \times 220 = 55 \text{ crore}$$

Maximum deposits from public = **₹55 crore**

Conclusion

- Maximum deposits from members = **₹22 crore**
- Maximum deposits from public = **₹55 crore**

QUESTION 4 – Investment Limit under Section 186

Jupiter Ltd. intends to acquire shares in another company.

Particulars	Amount (₹ crore)
Paid-up Share Capital	1000
Free Reserves	(-340)
Securities Premium Account	780
Existing Investment	780

How much further investment can be made without passing Special Resolution?

ANSWER

Relevant Provision of Law

As per **Section 186(2)** of the Companies Act, 2013, investment limit is:

- 60% of Paid-up Share Capital + Free Reserves + Securities Premium; or
- 100% of Free Reserves + Securities Premium,

whichever is higher.

Step 1 – 60% Limit

$$(1000 - 340 + 780) \times 60\% = 864 \text{ crore}$$

Step 2 – 100% Limit

$$780 - 340 = 440 \text{ crore}$$

Higher amount = ₹864 crore

Step 3 – Further Investment Possible

$$864 - 780 = 84 \text{ crore}$$

Conclusion

Jupiter Ltd. can further invest:

₹84 crore

without passing Special Resolution.

QUESTION 5 – Investment Company under Section 186

XYZ Ltd. has the following details:

Assets

Particulars	Amount
Investment in shares/debentures	₹95 lakh
Other Assets	₹105 lakh
Total Assets	₹200 lakh

Income

Particulars	Amount
Investment Income	₹12 lakh
Other Income	₹18 lakh
Total Income	₹30 lakh

Examine whether XYZ Ltd. is an Investment Company under Section 186.

ANSWER

Relevant Provision of Law

As per explanation to **Section 186**, a company is deemed to be principally engaged in investment business if:

- investment assets constitute not less than 50% of total assets; or
- investment income constitutes not less than 50% of gross income.

Step 1 – Investment Assets Ratio

$$\frac{95}{200} \times 100 = 47.5\%$$

Step 2 – Investment Income Ratio

$$\frac{12}{30} \times 100 = 40\%$$

Both are below 50%.

Conclusion

XYZ Ltd. is not an Investment Company under Section 186.

QUESTION 6 – Contribution to Charitable Trust

Well Ltd. intends to contribute ₹60,000 to a charitable trust during FY 2022-23.

Year Net Profit / Loss

2019-20 ₹12,00,000

2020-21 ₹5,00,000

2021-22 ₹(2,00,000)

Examine whether the contribution can be made.

ANSWER

Relevant Provision of Law

As per **Section 181** of the Companies Act, 2013, contribution exceeding 5% of average net profits during preceding 3 financial years requires prior approval in General Meeting.

Step 1 – Average Net Profit

$$\frac{12,00,000 + 5,00,000 - 2,00,000}{3} = 5,00,000$$

Step 2 – 5% of Average Net Profit

$$5\% \times 5,00,000 = 25,000$$

Step 3 – Compare Proposed Contribution

Proposed contribution = ₹60,000

Since ₹60,000 exceeds ₹25,000, prior approval in General Meeting is required.

Conclusion

- Ordinary Resolution is required in General Meeting.
- Trust must be bona fide.
- Contribution to Gratuity Fund is not treated as charitable contribution.

QUESTION 7 – Audit Committee

Examine whether the following companies are required to constitute Audit Committee.

Company Paid-up Capital Turnover Outstanding Loans / Deposits

A Ltd. ₹8 crore ₹75 crore ₹55 crore

B Ltd. ₹10 crore ₹75 crore ₹11 crore

C Pvt. Ltd. ₹8 crore ₹110 crore ₹11 crore

D Ltd. ₹10 crore ₹51 crore ₹5 crore

ANSWER

Relevant Provision of Law

As per **Section 177** read with **Rule 6** of Companies (Meetings of Board and its Powers) Rules, 2014, Audit Committee is required for:

- Listed Companies;
- Public Companies with Paid-up Share Capital \geq ₹10 crore;
- Turnover \geq ₹100 crore;
- Outstanding Loans/Debentures/Deposits \geq ₹50 crore.

Analysis

Company Audit Committee Required? Reason

A Ltd.	Yes	Outstanding loans exceed ₹50 crore
B Ltd.	Yes	Listed Company
C Pvt. Ltd.	No	Private Company
D Ltd.	Yes	Paid-up capital ₹10 crore

QUESTION 8 – Material Subsidiary

ABC Ltd. has 3 subsidiaries.

Particulars	Amount
Consolidated Income	₹300 crore
Consolidated Net Worth	₹600 crore

Subsidiary Income Net Worth

A Ltd.	₹10 crore	₹65 crore
B Ltd.	₹45 crore	₹14 crore
C Ltd.	₹10 crore	₹18 crore

Examine whether any subsidiary is a Material Subsidiary.

ANSWER

Relevant Provision of Law

As per **Regulation 24 of SEBI (LODR) Regulations, 2015**, a subsidiary is material if its:

- income; or
- net worth;

exceeds 20% of consolidated income or net worth of listed entity.

Step 1 – Threshold Computation

20% of Consolidated Income

$$20\% \times 300 = 60 \text{ crore}$$

20% of Consolidated Net Worth

$$20\% \times 600 = 120 \text{ crore}$$

Step 2 – Analysis

Subsidiary Material Subsidiary? Reason

A Ltd.	No	Net worth below ₹120 crore
B Ltd.	No	Income below ₹60 crore
C Ltd.	No	Neither threshold crossed

Conclusion

None of the subsidiaries qualify as Material Subsidiary.

Certificate

of

Signature Completion

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