



Koushik's

paathashala

COMPANY LAW LIMITS CHARTS

(COVERS TIME AND MONETARY LIMITS)

COMPANY LAW LIMITS' CHART (Section 1 TO 148)

Illegal Association	Maximum 50 members										
Associate Co.	Significant Influence \geq 20% TVP										
Small Co.	Private company with PSC \leq ₹4 Crores And Turnover of last FY \leq ₹40 Crores										
Govt. Co.	\geq 51% PSC is held by Govt. \geq 51% TVP, if DVR is issued										
Private Co.	Maximum 200 Members										
Subsidiary	$>$ 50% TVP; Layers \leq 2										
Sec. 3	<ul style="list-style-type: none"> Resident \geq 120 days in India in preceding FY If become member in 2 OPCs, correct situation within 180 days 	Sec. 12	<ul style="list-style-type: none"> Verification of registered office within 30 days of incorporation In case of name change, former name to be affixed for 2 years. Change of ROC within same state <ul style="list-style-type: none"> RD approval within 30 days; Co. will file confirmation with ROC within next 60 days ROC to clarify within 30 days 								
Sec 3A	If members below statutory minimum, they will be liable after 6 months	Sec. 13	Copy of SR altering MOA to be filed with ROC within 30 days.								
Sec. 4	<ul style="list-style-type: none"> Name to be reserved for - 20 days \rightarrow New Name <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Extension up to</th> <th>Pay Fees (₹)</th> </tr> </thead> <tbody> <tr> <td>40 days from approval</td> <td>1,000 before 20 days</td> </tr> <tr> <td>60 days from approval</td> <td>2,000 before 40 days</td> </tr> <tr> <td>60 days from approval</td> <td>3,000 before 20 days</td> </tr> </tbody> </table> <p>- 60 days \rightarrow Change of Name</p> <ul style="list-style-type: none"> If incorporated by false particulars, ROC may direct to change name within 3 months by OR 	Extension up to	Pay Fees (₹)	40 days from approval	1,000 before 20 days	60 days from approval	2,000 before 40 days	60 days from approval	3,000 before 20 days	Sec. 14	Copy of SR altering AOA to be filed with ROC within 15 days
Extension up to	Pay Fees (₹)										
40 days from approval	1,000 before 20 days										
60 days from approval	2,000 before 40 days										
60 days from approval	3,000 before 20 days										
Sec. 10A	Declaration that subscribers have paid the money to be filed within 180 days of incorporation	Sec. 16	Rectification of Name by CG <ul style="list-style-type: none"> Suo-moto \rightarrow 3 months + OR On application of trademark holder within 3 years \boxtimes 3 months + OR 								
		Sec. 17	Members to get copies of MOA or AOA within 7 days								
		Sec. 25	Document to be deemed as prospectus if issue house sells the shares within 6 months of allotment								
		Sec. 26	Prospectus to be issued within 90 days of filing with ROC								
		Sec. 31	Shelf prospectus is valid for 1 year from the date of opening of first offer								
		Sec. 32	Red herring prospectus is filed with ROC within 3 days prior to opening of issue								
		Sec. 39	<ul style="list-style-type: none"> Min. subscription \rightarrow 90% specified by SEBI (N.A. to OFS) Min. application value <ul style="list-style-type: none"> 5% of nominal value 25% of issue price: SEBI 100% for OFS If Min. subscription is not received within 30 days of issue of prospectus, refund money within 15 days from closure of issue, else 15% interest Return of allotment to be filed within 30 days from allotment 								
		Sec. 40	Rate of underwriting commission is lower of - <ul style="list-style-type: none"> Shares: 5% of issue price or rate in All of the above Debentures: 2.5% of issue price or rate in AOA 								
		Sec. 42	<ul style="list-style-type: none"> Private Placement to maximum 200 persons in a FY Shares to be allotted within 60 days of receipt of application money. Upon failure, refund within next 15 days, else 12% interest from 61st day. If Co. contravenes any other provision, refund money within 30 days with 12% interest If allotted shares, return of allotment filed within 15 days 								
		Sec. 43	<ul style="list-style-type: none"> Voting rights on DVR \leq 74 of TVP During 3 years, no default in financial statement, annual return, not been penalized During 5 years no default in Pref. dividend, term loan, IEPF, employees' statutory dues 								
		Sec. 46	Duplicate share certificate is issued within <ul style="list-style-type: none"> 3 months \rightarrow Unlisted Company 45 days \rightarrow Listed Company 								
		Sec. 47	Voting rights to Preference, if dividend not paid for 2 years								
		Sec. 48	Right of appeal against variation to NCLT <ul style="list-style-type: none"> Holder having \geq 10% issued shares of that class Appeal shall be made within 21 days 								
		Sec. 49	<ul style="list-style-type: none"> Call \leq 25% of nominal value of shares Gap of \geq 1 month between 2 calls 14 days' notice 								
		Sec. 53	If shares are issued at discount, refund the money with 12% interest								
		Sec. 54	<ul style="list-style-type: none"> In a year, maximum sweat equity shares that can be issued is higher of the following <ul style="list-style-type: none"> 15% of existing equity; or ₹5 Crores Max. sweat equity at any time can be 25% of paid-up equity. For start-up, max. 50% for 10 years Lock in = 3 years 								

Sec. 55

- Preference shares = max. 20 years
- For infrastructure companies: tenure can be 30 years but redemption option shall be given to ≥ 10% from 21st year onwards.

Sec. 56

Time for delivery of share certificate

Subscribers to MOA	2 months from incorporation
Allotment of shares	2 months from allotment
Allotment of debentures	6 months from allotment
Transfer	1 months of receipt of transfer deed

Sec. 58

Notice of refusal of transfer shall be sent within 30 days

Is notice sent?	Time for appeal by transferee	
	Private Co.	Public Co.
Yes	30 days	60 days
No	60 days	90 days

On appeal, NCLT may order transfer within 10 days.

Sec. 62

- Rights issue to remain open for 7 to 30 days. letter of offer is dispatched 3 days before opening of issue (For Private Co. – Lesser time period is applicable where 90% members agree)
- In case of conversion of loan into shares on Govt.'s Order, Co. may appeal to NCLT within 60 days.
- ESOP vesting period ≤ 1 year

Sec. 67

Public Co. can give loan to its employees (other than Directors /KMP) ≤ 6 months' salary to purchase fully paid-up shares

Sec.68

- Max. Buy-back by Board – 10% of paid-up equity + free reserves.
- Max. Buy-back by Members – 25% of paid-up + free reserves AND Max. 25% No. of equity in a FY
- Max. Post Buy-back Debt-Equity Ratio – 2 : 1 (6 : 1 for Govt. Co. in NBFC or Housing Finance)
- Destroy shares within 7 days
- Gap of 1 year between 2 Buy-backs
- Buy-back to be completed within 1 year of resolution.
- No further issue of same kind within 6 months.
- Buy-back return within 30 days

Sec. 70

No Buy-back if during 3 years, default in Deposits, Dividend, Pref. Shares; term loans

Sec. 71

- Secured debentures = max. 10 years
- 30 years for infra companies
- No Debenture trustee if pecuniary relation – lower of 2% turnover or 50 Lakhs

Requirement of DRR

AIFI + Banks	NIL
Other financial institutions	NIL
Listed (Not AIFI + Banks)	NIL
Unlisted Co.	NIL
- NBFC + HFC	10%
- Others	

Public issue by listed (Not AIFI + Bank & Unlisted Co. (other than NBFC + HFC) = DRI of 15% on or before 30th April.

Sec. 73

Deposit Repayment Reserve of 20% to be deposited by 30th April

Exemption for Private. Co.

1.	Deposit ≤ 100% (PSC + FR + SP)
2.	Start-up for 5 years
3.	Which satisfies the following conditions

- Not an associate or subsidiary
- Borrowings corporate is lower of (twice of PSC or 50 Crores)

No default in borrowings

Sec. 76

Eligible Co. means Public Co. having

- Net Worth ≥ ₹ 100 Crores; or
- Turnover ≥ ₹ 500 Crores

Sec. 77

Time limit to register charge

Within 30 days of creation	Normal Fees
Within 60 days of creation	Additional Fees
Further 60 days	Ad-Valorem Fees

Sec. 78

- If company fails to register within 30 days, charge-holder may register
- ROC shall give 14 days' notice to Co. before registering

Sec. 82

Time Limit to Report Satisfaction

Within 30 days of creation	Normal Fees
Within 300 days of creation	Additional Fees
Beyond 300 days	Delay to be condoned by CG

ROC shall give 14 days' notice to charge-holder, if form is not signed by charge-holder

Sec. 85

Co. to preserve register of charges permanently & instrument creating charge for 8 years from the date of satisfaction

Sec. 88

- Index to be maintained in register if members ≥ 50 **Foreign Register**
- File MGT – 3 within 30 days.
- Copy of foreign register is sent to India within 15 days

Sec. 90

SBD means INDIVIDUAL HOLDING ≥ 10% of beneficial interest

Sec. 91

Company may close register of security-holders for maximum

- 45 days in a year; and
- 30 days at any one time by giving 7 days' notice

Sec. 92

- Annual return is certified by CS in practice in case of
 - Listed Co.; or
 - Companies having
 - PSC ≥ ₹ 10 Crores; or
 - Turnover ≥ ₹ 50 Crores
- Annual Return is filed with ROC within 60 days of AGM
- If no AGM, within 60 days of last due date of AGM.

Sec. 94	Register & Annual Return can be kept at any other place in India where > 1/10 th members reside, after SR <u>Time period for preservation</u>						
	<table border="1"> <tr> <td>Register of members</td> <td>Permanently</td> </tr> <tr> <td>Register of other security holders</td> <td>8 years from redemption</td> </tr> <tr> <td>Annual Return</td> <td>8 years from filing</td> </tr> </table>	Register of members	Permanently	Register of other security holders	8 years from redemption	Annual Return	8 years from filing
Register of members	Permanently						
Register of other security holders	8 years from redemption						
Annual Return	8 years from filing						

Sec. 96	<p>First AGM</p> <ul style="list-style-type: none"> Within 9 months from end of FY <p><u>Subsequent AGM</u></p> <ul style="list-style-type: none"> Within 6 months from end of FY Max. gap of 15 months in 2 AGMs AGM in each calendar year Extension of ≤ 3 months from ROC for special reasons <p>AGM of unlisted company at any place in India with consent of All members</p>
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Sec. 100	<ul style="list-style-type: none"> EGM to be called by Board on requisition of ≥ 10% TVP Board must proceed to call EGM within 21 days & EGM shall be conducted within 45 days Else, EGM to be conducted by requisitionists themselves within 3 months of requisition
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Sec. 101	<ul style="list-style-type: none"> Notice of 21 clear days (excludes date of dispatch, date of meeting & 48 hours in case of post). 14 days' notice in Sec. 8 Co. Shorter notice if consent of <table border="1"> <tr> <td>AGM</td> <td>≥ 95% members</td> </tr> <tr> <td>EGM</td> <td></td> </tr> <tr> <td>Is Co. having S/C?</td> <td></td> </tr> <tr> <td>Yes</td> <td>Majority in No. + 95% TVP</td> </tr> <tr> <td>No</td> <td>95% TVP</td> </tr> </table>	AGM	≥ 95% members	EGM		Is Co. having S/C?		Yes	Majority in No. + 95% TVP	No	95% TVP
AGM	≥ 95% members										
EGM											
Is Co. having S/C?											
Yes	Majority in No. + 95% TVP										
No	95% TVP										

Sec.103	<p>Quorum</p> <ul style="list-style-type: none"> Private Co. → 2 members Public Co. <table border="1"> <tr> <td>Members</td> <td>Quorum</td> </tr> <tr> <td>≤ 1,000</td> <td>5</td> </tr> <tr> <td>> 1,000 but ≤ 5,000</td> <td>15</td> </tr> <tr> <td>> 5,000</td> <td>30</td> </tr> </table> <p>AOA may increase quorum</p>	Members	Quorum	≤ 1,000	5	> 1,000 but ≤ 5,000	15	> 5,000	30
Members	Quorum								
≤ 1,000	5								
> 1,000 but ≤ 5,000	15								
> 5,000	30								

Sec.105	<ul style="list-style-type: none"> Max. 50 members, but having ≤ 10% PSC can have 1 proxy Proxy form to be deposited 48 hours before the meeting Co. cannot increase 48 hours. 3 days' notice to be given for inspection of proxy forms. Inspection period – 24 hours before meeting till conclusion.
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Sec.108	<ul style="list-style-type: none"> E-voting mandatory for <ul style="list-style-type: none"> Listed Co.; or Every Co. with ≥ 1,000 members Co. shall announce cut-off date which shall be within max. 7 days before the GM. Remote E-voting to remain open for ≥ 3 days and to conclude at 5:00 P.M. one day before GM.
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Sec.109	<ul style="list-style-type: none"> Poll to be taken within 48 hours Demand of Poll by <table border="1"> <tr> <td>Co. having S/C</td> <td>≥ 1/10th TVP or PSC of ₹ 5 Lakhs</td> </tr> <tr> <td>Any other Co.</td> <td>≥ 1/10th TVP</td> </tr> </table>	Co. having S/C	≥ 1/10 th TVP or PSC of ₹ 5 Lakhs	Any other Co.	≥ 1/10 th TVP
Co. having S/C	≥ 1/10 th TVP or PSC of ₹ 5 Lakhs				
Any other Co.	≥ 1/10 th TVP				

Sec.110	OPC & Co. having ≤ 200 members are exempt from Postal Ballot
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Sec.111	<p>On request of members having ≥ 10% TVP, Co. shall</p> <table border="1"> <tr> <td>Give notice of resolution</td> <td>≥ 6 weeks before meeting</td> </tr> <tr> <td>Circulate statement</td> <td>≥ 2 weeks before meeting</td> </tr> </table>	Give notice of resolution	≥ 6 weeks before meeting	Circulate statement	≥ 2 weeks before meeting
Give notice of resolution	≥ 6 weeks before meeting				
Circulate statement	≥ 2 weeks before meeting				

Sec.115	<ul style="list-style-type: none"> Eligible members for special notice <ul style="list-style-type: none"> Having ≥ 1% TVP; or ₹ 5 Lakhs PSC Notice to be received within 3 months before GM but at least 14 days before GM Co. shall give notice to all members 7 days before GM
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Sec. 117	Copy of certain resolutions & agreements to be filed within 30 days
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Sec. 118	Minutes to be prepared within 30 days from conclusion of meeting
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Sec. 119	Members entitled to get copies of minutes within 7 working days
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Sec. 121	Listed Public Co. to filed report on AGM within 30 days.
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Sec. 123	<p>Dividend shall be deposited in separate Bank A/c within 5 days of Declaration</p> <p><u>Max. dividend in case of losses or inadequate profits</u></p> <ol style="list-style-type: none"> Divided Rate ≤ Average of last 3 years' dividend rate Amount drawn ≤ 10% of (PSC + Free Reserve) Losses set off against such amount Balance of reserves ≥ 15% PSC <p><u>Max. interim dividend in case of loss in previous profits</u></p> <p>Average of last 3 years' dividend rate</p>
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Sec. 124	<ul style="list-style-type: none"> Dividend to be paid within 30 days If remaining unclaimed, transfer to Unclaimed Div. A/c within 7 days If not transferred, transfer with 12% interest If transferred, upload statement within 90 days. Transfer to IEPF after 7 years
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Sec. 127	If dividend is not paid within 30 days, pay along with 18%
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Sec. 128	<ul style="list-style-type: none"> Books of A/c to be preserved for 8 years Can be kept at any other place in India, after giving notice to ROC
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Sec. 129A	Copy of periodical financial statements to be filed within 30 days
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Sec. 130	Accounts can be re-opened for 8 FYs
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Sec. 131	Voluntary revision of financial is allowed for max. 3FYs
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Sec. 135

- CSR applicable to companies having
 - Net Worth \geq ₹ 500 Crores; or
 - Turnover \geq ₹ 1,000 Crores; or
 - Net Profit \geq ₹ 5 Crores
- CSR Committee
- CSR Committee to have \geq 3 Directors out of which *at least 1* should be ID.
- If ID is not required, committee to have \geq 2 Directors.
- Not requirement of CSR Committee if amount to be spent on CSR \leq ₹ 50 Lakhs
- CSR Expenditure
- Amount to be spent on CSR \geq 2% of Average Net Profits for last 3 FYs or where incorporated since less than 3 years, during such FYs.
- Transfer Unspent amount on CSR to Schedule VII fund within 6 months from end of FY
- CSR pursuant to ongoing project
 - Transfer unspent amount to UNSPENT CSR A/c within 30 days from end of FY
 - To be utilized within 3 FYs
 - Failing which transfer to Schedule VII fund within 30 days from end of 3rd FY.
- Co. can undertake CSR activities through other Co. / Trust / Society having track record of 3 years.
- Administrative overheads \leq 5% of total CSR expenditure.
- Set-off of excess CSR expenditure to be

Sec. 135 continued

CSR Reporting

- If average CSR obligation in 3 FYs \geq ₹ 10 Crores, impact assessment to be conducted for CSR Projects completed not less than 1 year before, having outlay of \geq ₹ 1 Crore.
- Expenditure on Impact Assessment can be treated as CSR expense up to the higher of 2% of total CSR expense or ₹ 50 Lakhs

Sec. 136

- Annual Report is circulated 21 days before the GM
- 14 days in case of Sec. 8 Co.
- Shorted period if consent of

Is Co. having S/C?		
Yes	→	Majority in No. + 95% TVP
No	→	95% TVP

- Electronic circulation in
 - Listed Co.; or
 - Public Co. having
 - o NW > ₹ 1 Crore; and
 - o Turnover > ₹ 10 Crores

Sec. 137

- Annual Report to filed with ROC within 30 days of AGM or adjourned AGM or else the last due date of AGM.
- OPC to file within 180 days from the end of FY
- XBRL filing mandatory for
 - Listed + their Indian subsidiaries
 - Co. with PSC \geq ₹ 5 Crores
 - Co. with turnover \geq ₹ 100 Crores
 - Co. covered under Ind-AS

Banks, Insurance, NBFC & HFCs are exempt.

Sec. 138

Internal Audit applicable on

- Listed Co. or
- Unlisted Co. having

	Public	Private
O/S Deposit	\geq 25 Cr.	---
PSC	\geq 50 Cr.	---
Borrowings	\geq 100 Cr.	\geq 100 Cr.
Turnover	\geq 200 Cr.	\geq 200 Cr.

Sec. 139

- Auditor is appointed till every 6th AGM (i.e. for 5 years).
- Rotation is applicable on
 - Listed Co.
 - Unlisted Public Co. + PSC \geq 10 Crores
 - Private Co. + PSC \geq 50 Crores
 - Any Co. with Loans + Public Deposits \geq 50 Crores
- Individual CA - 1 term of 5 years
- CA Firm - 2 terms of 5 years
- Cooling-off period = 5 years
- In Govt. Co. appointed by CAG within 180 days starting FY
- First Auditor
- By Board within 30 days of incorporation → else by Board within 30 days → else by members within 60 days.
- In Govt. Co., by CAG within 60 days of incorporation → else by Board within 30 days → else by members within 60 days.
- Casual Vacancy
- By Board within 30 days. if resigned, approved by members within 3 months.
- In Govt. Co. by CAG

Sec. 140

Removal of Auditor

Board Resolution → CG approval within 30 days → SR within 60 days

Resignation → Auditor shall give notice within 30 days

NCLT Changed Auditor → cannot be appointed as auditor for 5 years

Sec. 141	<p>Auditor Disqualified</p> <ul style="list-style-type: none"> Person, Relative or Partner holds security or interest in CASH or co-subsiary But Relative may hold security in Co. of FV \leq 1 Lakh Further if $>$ 1 Lakh, relative may take corrective actin in 60 days. Person, Relative or Partner indebted for $>$ 5 Lakhs in CASH or Co-subsiary. Person, Relative or Partner has given Guarantee or Security for $>$ 1 Lakh to CASH or Co-subsiary Audit of $>$ 20 companies [Exclusive - OPC, Dormant, Small & private Co. having PSC $<$ 100 Crores]
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Sec. 143	<ul style="list-style-type: none"> Fraud $<$ 1 Crore \rightarrow Auditor to report to Board within 2 days Fraud \geq 1 Crore. \rightarrow Auditor to seek reply of Board within 45 days \rightarrow then report to CG within 15 days
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Sec. 148	<p>Cost Records Specified goods / service + Overall turnover \geq 35 Crores Cost Audit</p> <table border="1" style="width: 100%;"> <thead> <tr> <th></th> <th>Regulated</th> <th>Non-regulated</th> </tr> </thead> <tbody> <tr> <td>Overall Turnover</td> <td>\geq 50 Crores</td> <td>\geq 100 Crores</td> </tr> </tbody> </table> <p style="text-align: center;">And</p> <table border="1" style="width: 100%;"> <tbody> <tr> <td>Specified goods / service</td> <td>\geq 25 Cr.</td> <td>\geq 35 Cr.</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Cost auditor appointed within 180 days of Commencement of FY Validity of appointment \rightarrow earlier of 180 days of closure of FY or submission of report Casual vacancy filed by Board within 30 days. Cost auditor to submit report within 180 days of closure of FY Co. shall intimate everything to CG within 30 days 			Regulated	Non-regulated	Overall Turnover	\geq 50 Crores	\geq 100 Crores	Specified goods / service	\geq 25 Cr.	\geq 35 Cr.
	Regulated	Non-regulated									
Overall Turnover	\geq 50 Crores	\geq 100 Crores									
Specified goods / service	\geq 25 Cr.	\geq 35 Cr.									



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paathashala