

Important Limits in Companies Act, 2013

Section	Provision	Limits
2(6)	Associate company	Significant Influence means control \geq 20% of the total VP or participation in business decisions under agreement.
2(45)	Government Company	<ul style="list-style-type: none"> ➤ PUSC \geq 51% held by CG, any SG, partly by CG + partly by 1 or more SG; ➤ Includes subsidiary of such CG.
2(85)	Small Company	Other than a public company having: <ul style="list-style-type: none"> ➤ PUSC \leq 4 crores, <u>and</u> ➤ T/O \leq Rs. 40 crores. Exception - Holding/subsidiary, special act co. and section 8 co.
2(87)	Subsidiary Company	A company in which the holding company: <ul style="list-style-type: none"> ➤ Controls <u>more than 1/2</u> of total VP on its own or with other suby; or ➤ Controls the composition of BOD.
40	Underwriting	Brokerage or commission rate - Max 5% of issue price (shares) or Max 2.5% of price (debenture) or rates as per AOA - Whichever is lower.
42	Private Placement	Identified Person shall \leq 200 in aggregate in a FY for each kind of security. Exclude QIB and employees to whom shares issued under ESOP
48	Variation in the rights of SH	Consent of \geq <u>3/4th</u> of issued shares of that class or by SR passed at a separate meeting. For other class of SH getting affected - Consent of 3/4th or SR . Appeal against variation to NCLT- Holders having \geq 10% issued shares of that class, did not give consent or voted in favour of the SR.
55	No. of years of pref. shares	<ul style="list-style-type: none"> ➤ Redeemable Preference shares for \leq 20 years. ➤ For <u>infra. co.</u> - 30 years + Redemption option \geq 10% from 21st year onwards on proportionate basis.
56(4)	Time for delivery of share certificate	Delivery of certificates of all securities, in case of: <ul style="list-style-type: none"> Subscribers to MOA within 2 months from date of incorporation. ➤ Allotment of shares within 2 months from date of allotment. ➤ Transfer/transmission - Within 1m from receipt of instrument. ➤ Allotment of debentures within 6 months from date of allotment.
67(3)(c)	Restrictions on purchase of own shares	Public co. cannot give loan to its employees \geq 6 months of their salary/wages to purchase or subscribe for fully paid-up shares in the co.
68	Buyback of securities	<ul style="list-style-type: none"> ➤ Exception to SR - Authorized by AoA + BR where \leq 10% of PUESC + FR ➤ Max buyback - 25% of PUSC + FR (In a FY) ➤ In case of equity shares, max BB = 25% of PUESC.
76	Deposit	<ul style="list-style-type: none"> ➤ DRR - At least 20% of deposits maturing the next year on or before April 30th of each year.

		<ul style="list-style-type: none"> > Less than 6m deposits? - May be accepted, but <u>min. 3m, up to: 10%</u> of <u>PUSC+ FR+SPA</u>. > Max amount of deposit that can be received by: From Public and member (<u>Sec 76</u>) Eligible Co: <u>Members - 10% of PUSC+FR+SPA</u>, <u>Public - 25% PUSC+FR+SPA</u> Eligible <u>Government Company: 35% of PUSC+FR+SPA</u> From members only (<u>Sec 73</u>): Other Co: <u>35% of PUSC+ FR+SPA</u>. <u>IFSC or Private Co: 100% of PUSC+ FR+SPA</u>
76	Deposits from public	<p>Eligible public co: <u>Net worth >= Rs. 100 crores</u> or <u>Turnover >= Rs. 500 crores</u> <u>Has passed SR [or OR in case where deposit is within limits u/s 180(1) (c)] and filed the same with ROC</u></p>
92(2)	Annual Return	<p>Annual return to be certified by <u>CS in practice</u> in case of: - <u>Listed Co.:</u> or - <u>Companies having PUSC >= 10 crore, or Turnover >= 50 crore.</u></p>
94	Place of registers	<p>Register or copies of annual return can be kept at any other place in <u>India</u> where > <u>1/10th members reside</u> subject to approval by <u>GM-SR</u>. <u>Index to be maintained if >= 50 members</u></p>
100(2)	EOGM	<p>Requisitionists for calling EGM: > Co. having SC, members having >= <u>1/10th of PUSC</u>. > Co. not having a SC, members having >= <u>10% total voting power</u>.</p>
101	Notice of meeting	<p>Shorter notice if consent of: > <u>AGM >= 95% members</u> entitled to vote; and > <u>Any other GM: Does company have share capital?</u> • Yes: Majority in No. + <u>95% total voting power</u> • No: <u>95% total voting power</u>.</p>
103	Quorum for meetings	<p>For Pvt Co. - <u>2 members personally present</u>. For Public Co: > No. of members <= <u>1,000</u> then Quorum = <u>5 personally present</u>. > No. of members > <u>1,000</u> but <= <u>5,000</u>; Quorum = <u>15 personally present</u>. > No. of members > <u>5,000</u> then Quorum = <u>30 members personally present</u>.</p>
108	Voting through e-means	<p>E-voting mandatory for: > <u>Listed Co. or</u> > <u>Every Co. having members >= 1,000</u>.</p>
109	Demand for Poll	<p>Demand of Poll by: > Co. having S/C >= <u>1/10th of total VP or PUSC of >= Rs. 5 lakhs</u>. > <u>Any other Co. >= 1/10th of total VP</u>.</p>

115	Special notice	Eligible members for Special Notice: ➤ Having $\geq 1\%$ of total VP; or PUSC of Rs. 5 lakhs.
121	AGM Report	Listed companies only. Report to ROC within 30 days in MGT 15.
123	Declaration of dividends Rule 3	Maximum dividend out of free reserves in case of inadequate profits: 1. Dividend rate \leq Average of last 3 years dividend rate. 2. Amount drawn $\leq 10\%$ (PUSC + FR). Losses set-off against amount drawn. 3. Balance of reserves $\geq 15\%$ PUSC. <i>[Interim divi, only from profit]</i>
132	NFRA	NFRA may undertake investigation of auditor of following: ➤ Listed co. in India or outside India. ➤ Unlisted Public co - PUSC ≥ 500 cr; T/O $\geq 1,000$ cr or O/S LDD ≥ 500 cr ➤ Insurance, banking, electricity co. or other special co. ➤ Any BC on a reference made by CG in public interest, ➤ BC incorporated o/s India which is subsidiary or associate of above companies if income or net worth $> 20\%$ of consolidated. <i>o/m ebn report</i>
135	CSR committee	CSR committee applicable to companies having: ➤ Net Worth \geq Rs. 500 crores; or ➤ Turnover \geq Rs. 1,000 crores; or ➤ Net Profits \geq Rs. 5 crores. (<u>take NP before tax</u>) Exception - Where CSR expense is \leq Rs. 50 lakhs - CSR committee N.A. However, if co. has any amount in unspent CSR A/C - CSR committee applies.
135	CSR	<u>Other limits:</u> Amount to be spent on CSR $\geq 2\%$ of average Net Profits for last 3 FYs. Admin overhead - Max 5% of CSR expense Impact assessment - Higher of 2% of CSR or Rs. 50 lakhs
136	Copy of FS in shorter period	FS to be sent to entitled person at least 21 days before GM. Exception - FS can be sent in shorter period if approved by: In case of co. having SC - Majority + 95% of PUSC (dual majority) In case of not having SC - 95% of VP
136	Mode of sending FS	In case of listed co. and public co. having NW $>$ Rs. 1 crore AND T/O $>$ Rs. 10 cr - Send FS via e-mode or other mode u/s 20.
137	Copy of FS to be filed with Registrar	XBRL filing mandatory for: ➤ Listed + their Indian subs. ➤ Co. with PUSC \geq Rs.5 crores. ➤ Co. with turnover \geq Rs.100 crores. ➤ Co. covered under Ind-AS Banks, Insurance, NBFCs & HFCs are exempt from AOC - 4 XBRL.

138	Internal audit	<ul style="list-style-type: none"> ➤ Internal Audit applicable on: ➤ Every Listed Company ➤ Every unlisted <u>public co.</u> having: <ul style="list-style-type: none"> • <u>O/s Deposit</u> \geq Rs.25 crores at any point of time during PFY • <u>PUSC</u> \geq Rs. 50 crores during PFY • <u>O/s Loans</u> $>$ Rs. 100 crores at any point of time during PFY • <u>Turnover</u> \geq Rs. 200 crores during PFY ➤ Every <u>Private co.</u> having: <ul style="list-style-type: none"> • <u>Turnover</u> \geq Rs. 200 crores during PFY • <u>O/s Loans</u> $>$ Rs. 100 crores at any point of time during PFY
139(2)	Rotation of auditors	Rotation is applicable on: <ul style="list-style-type: none"> - Listed Company - Unlisted Public Co. having PUSC \geq Rs. 10 crores. - Private Co. having PUSC \geq Rs. 50 crores. - Any Co. with Loans from banks or FI or Public Deposits \geq Rs.50 crores.
143(3) (i)	Reporting on IFC in Auditor's Report	N.A to: <ul style="list-style-type: none"> - OPC and Small co. - Pvt co - T/O $<$ Rs. 50 crores AND <u>Borrowing from banks/PFI</u> $<$ Rs. 25 crores.
143(3) (i)	Reporting on IFC in Auditor's Report	N.A to: <ul style="list-style-type: none"> - <u>OPC and Small co.</u> - <u>Pvt co - T/O</u> $<$ Rs. 50 crores AND Borrowing from banks/PFI $<$ Rs. 25 crores.
143(12)	Fraud	Amount \geq Rs. 1 crore - Report to CG Amount $<$ Rs. 1 crore - No need to report to CG Note - Reporting to CG applies where amount is exact Rs. 1 crore also.
148	Cost Record	Co. engaged in production of goods or service specified in Table A or Table B and overall turnover \geq Rs. 35 crores. N.A. - Micro and Small enterprise of MSME
	Cost Audit	Regulated sector - Overall turnover - Rs. 50 crores; Individual - Rs. 25 cr; Non-reg sector - Overall turnover - Rs. 100 crores; Individual - Rs. 35 cr.
149(4) And 177	Applicability of ID and Audit Committee	Independent Director and Audit committee shall apply to: <ul style="list-style-type: none"> ➤ Listed co. ➤ Unlisted public co - PUSC \geq 10 cr, T/O \geq 100 cr. or O/S loan, deposit or debenture exceeding Rs. 50 crores. Exception - JV, WOS and Dormant co.
180(1) (c)	Board to take SR	In case where existing and proposed borrowing exceeds 100% of (PUSC + FR + SPA), then SR is required. Otherwise, BR is enough. For above calculation, exclude temporary loan (6m or demand). However, loan used to finance capital expenditure is not temporary loan.