

# Handbook on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013



Corporate Laws & Corporate Governance Committee  
**The Institute of Chartered Accountants of India**  
*(Set up by an Act of Parliament)*  
**New Delhi**

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Edition : February 2026  
Board : Corporate Laws & Corporate Governance Committee  
E-mail : [clcg@icai.in](mailto:clcg@icai.in)  
Website : [www.icai.org](http://www.icai.org)  
Price : ₹180/-  
ISBN : 978-93-47892-43-1  
Published by : The Publication & CDS Directorate on behalf of The Institute of Chartered Accountants of India ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi – 110 002 (India)

# Foreword

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With more than two-thirds of India's active companies operating as private limited companies, this corporate form has emerged as the backbone of India's formal business ecosystem. Private limited companies play a crucial role in driving entrepreneurship, employment generation, and innovation across sectors of the economy. This widespread adoption is largely attributable to the regulatory framework under the Companies Act, 2013, which combines ease of operations with clearly defined governance and compliance requirements.

Recognising the need to encourage entrepreneurship and further enhance ease of doing business, the Government of India has, over the years, introduced a series of exemptions, relaxations, and procedural simplifications aimed at improving clarity and reducing compliance burdens, particularly for smaller enterprises. However, despite the availability of multiple exemptions and procedural relaxations, the absence of consolidated guidance often poses challenges to effective compliance for private limited companies.

In this backdrop, I commend the Corporate Laws & Corporate Governance Committee of the Institute of Chartered Accountants of India for bringing out this Handbook on Key Compliances and Exemptions for Private Limited Companies. The handbook has been meticulously prepared to serve practitioners, members of the profession, company directors, compliance officers, and other stakeholders as a practical, user friendly, and comprehensive reference on statutory compliances covering incorporation and ongoing operations through expansion along with the applicable exemptions and procedural aspects relevant to private limited companies.

I extend my sincere appreciation to CA. Babu Abraham Kallivayalil, Chairman, CA. Priti Paras Savla, Vice-Chairperson and all the other members of the Committee for their dedicated efforts in bringing out this valuable publication.

I am confident that the handbook will serve as a useful and reliable reference for professionals and corporates alike.

**CA. Charanjot Singh Nanda**  
President, ICAI

Date: 5<sup>th</sup> February 2026



# Preface

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Corporate governance forms the foundation of a transparent, accountable, and resilient corporate system. It provides the framework through which companies are directed and controlled, ensuring that decision-making aligns with statutory requirements, ethical standards, and stakeholder interests. Sound governance practices are therefore essential not only for large corporates but equally for smaller and closely held entities.

As on December 31, 2025, India has a total of 30,30,432 registered companies, of which 20,14,858 are active. Among these active companies, 19,40,404 are private limited companies, accounting for 96.31%, while the remaining 74,454 are public companies.

The data clearly reflects that the Indian corporate landscape is overwhelmingly driven by private companies. These entities are typically promoter-led, operate with lean organisational structures, and often function with limited financial and managerial resources. In many cases, compliance and governance responsibilities are handled alongside core business operations, rather than through dedicated compliance teams.

Frequent amendments to corporate laws, conditional exemptions, evolving regulatory expectations, procedural complexities, and dispersed regulatory guidance further intensify the compliance burden. As a result, private companies often face practical challenges in ensuring timely, accurate, and fully compliant adherence to statutory and governance requirements. In practice, these challenges often result in uncertainty regarding applicable requirements, inadvertent non-compliances, or excessive dependence on fragmented sources of information. The need for clarity, consolidation, and practical guidance is therefore particularly acute for private limited companies.

This book presents key compliances, exemptions, and procedural requirements applicable to private limited companies in a structured and accessible format, helping stakeholders navigate governance and compliance obligations with clarity and confidence.

We extend our sincere gratitude to **CA. Charanjot Singh Nanda, President, ICAI**, and **CA. Prasanna Kumar D., Vice President, ICAI**, for their continued support, guidance, and encouragement.

We would also like to acknowledge the insightful contributions of **CA.G. Gururaj Acharya** and **CA. Kamal Garg** on this publication. We appreciate the efforts of **Ms. Seema Jangid, Secretary to the Committee**, in facilitating this publication.

We sincerely hope that this publication will serve as a practical and reliable guide for stakeholders, particularly our members, in facilitating timely and accurate compliance. It is intended to support the structured implementation of statutory requirements and assist in navigating regulatory obligations with clarity, consistency, and confidence.

**CA. Babu Abraham Kallivayalil**  
**Chairman,**  
Corporate Laws & Corporate  
Governance Committee, ICAI

**CA. Priti Paras Savla**  
**Vice-Chairperson,**  
Corporate Laws & Corporate  
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Date: February 06, 2026

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# Introduction: Private Companies

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### 1.1 Overview of Companies in India

As per the data published by the Ministry of Corporate Affairs (MCA), a total of 30,30,432 companies were registered in India as on 31<sup>st</sup> December 2025, of which 66% (20,14,858 companies) were active. Private limited companies constitute nearly 96% of all active companies, accounting for approximately 39% of the total paid-up capital in the country.

The formation of a private limited company remains one of the most preferred forms of business organisation in India. Their widespread adoption can be attributed to advantages such as separate legal identity, limited liability, perpetual succession, structured governance, and the availability of various statutory exemptions.

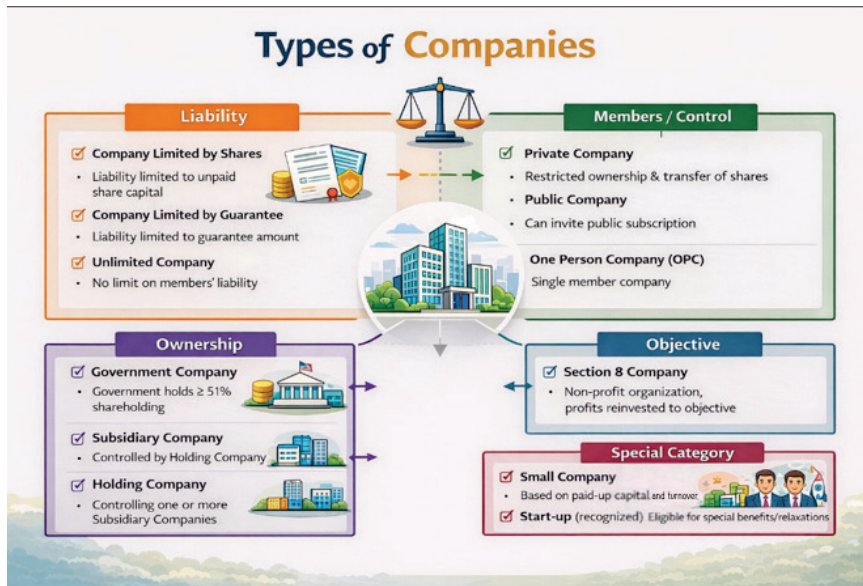
Companies in India are governed primarily by the **Companies Act, 2013**, along with rules, notifications, and circulars issued by the Ministry of Corporate Affairs (MCA).

The corporate form allows businesses to raise capital, limit the liability of owners, ensure continuity of operations, and operate under a regulated legal framework. Depending on their size, ownership, objectives, and control structure, companies are classified into different categories under the Companies Act, 2013.

### 1.2 Types of Companies in India

Under the Companies Act, 2013, companies can broadly be classified based on **liability, number of members, control, and objectives**. Each type of company is subject to a different level of regulatory compliance.

# HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013



Basis	Type of Company	Brief Description
Liability	<b>Company limited by shares</b>	Liability limited to unpaid share capital
	<b>Company limited by guarantee</b>	Liability limited to guarantee amount
	<b>Unlimited company</b>	No limit on members' liability
Members / Control	<b>Private company</b>	Restricted ownership and transfer of shares
	<b>Public company</b>	Can invite public subscription
	<b>One Person Company (OPC)</b>	Single member company. (Type of Private Company)
Ownership	<b>Government company</b>	Government holds ≥ 51% shareholding
	<b>Subsidiary company</b>	Controlled by Holding Company
	<b>Holding company</b>	Controlling a Subsidiary Company

## Introduction: Private Companies

<b>Objective</b>	<b>Section 8 company</b>	Non-profit organization. Profits to be ploughed back towards the objective
<b>Special Category</b>	<b>Small company</b>	Based on paid-up capital & turnover
	<b>Start-up (recognized)</b>	Eligible for special relaxations

### 1.3 Statistical Insights: Private Companies in India

1. The below table provides an overview of the active company landscape in India as on 31<sup>st</sup> December 2025, with particular emphasis on the prevalence of private companies. It presents a classification of active companies based on type of liability and ownership, distinguishing between government and non-government entities, and further categorises companies into public and private limited companies, including One Person Companies, along with aggregate totals.

S. No.	Particulars	Government	Non-Government	Total
<b>1</b>	<b>Companies Limited by Shares</b>	<b>2,442</b>	<b>19,95,235</b>	<b>19,97,677</b>
<b>a</b>	Public Limited	1,696	70,204	71,900
<i>i</i>	<i>Listed</i>	83	7,098	7,181
<i>ii</i>	<i>Unlisted</i>	1,613	63,106	64,719
<b>b</b>	Private Limited	746	19,25,031	19,25,777
	<i>One Person Company</i>	-	76,254	76,254
<b>2</b>	<b>Companies Limited by Guarantee</b>	<b>60</b>	<b>16,813</b>	<b>16,873</b>
<b>a</b>	Public Limited	15	2,499	2,514
<i>i</i>	<i>Listed</i>	1	13	14
<i>ii</i>	<i>Unlisted</i>	14	2,486	2,500
<b>b</b>	Private Limited	45	14,314	14,359
<b>3</b>	<b>Companies with Unlimited Liability</b>	<b>4</b>	<b>304</b>	<b>308</b>
	<b>Total</b>	<b>2,506</b>	<b>20,12,352</b>	<b>20,14,858</b>

**Source:** Monthly Information Bulletin issued by MCA for the month of December, 2025

2. This section provides an overview of the distribution of active companies in India as on 31<sup>st</sup> December 2025 based on their economic activity, along with the corresponding paid-up capital. The data distinguishes between private and public sector companies across major economic segments, offering a snapshot of the sectoral composition of the corporate landscape.

## HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013

S. No.	Economic Activity	Private		Public		Total	
		Number	Paid Up Capital	Number	Paid Up Capital	Number	Paid Up Capital
I	Agriculture and Allied Activities	88,055	33,711.27	2,373	23,484.40	90,428	57,195.67
II	Industry	5,57,998	11,91,630.18	25,785	23,84,437.73	5,83,783	35,76,067.92
I	Manufacturing	3,65,894	7,55,148.54	18,561	10,68,602.26	3,84,455	18,23,750.81
i	Metals & Chemicals, and products thereof	1,22,530	2,72,819.45	7,982	3,13,540.92	1,30,512	5,86,360.36
ii	Machinery & Equipments	87,916	3,26,133.32	3,743	6,18,084.92	91,659	9,44,218.24
iii	Textiles	41,977	40,419.86	2,486	49,984.96	44,463	90,404.82
iv	Food stuffs	59,774	67,009.33	2,540	53,623.79	62,314	1,20,633.12
v	Paper & Paper products, Publishing, printing and reproduction of recorded media	19,714	16,968.47	808	11,748.78	20,522	28,717.26
vi	Others	25,780	23,197.23	630	18,530.42	26,410	41,727.64
vii	Leather & products thereof	4,220	5,640.71	191	1,635.96	4,411	7,276.67
viii	Wood Products	3,983	2,960.18	181	1,452.52	4,164	4,412.69
2	Construction	1,47,180	1,94,954.27	4,382	2,69,313.73	1,51,562	4,64,268.01
3	Electricity, Gas & Water Supply companies	30,114	2,03,098.83	2,121	9,82,318.61	32,235	11,85,417.44
4	Mining & Quarrying	14,810	38,428.54	721	64,203.12	15,531	1,02,631.66
III	Services	12,91,591	13,84,404.34	45,947	17,02,381.00	13,37,538	30,86,785.34
1	Business Services	5,05,608	5,43,747.84	9,480	7,89,175.15	5,15,088	13,32,922.99
2	Trading	2,68,859	2,86,948.69	5,887	93,355.72	2,74,746	3,80,304.40
3	Real Estate and Renting	97,251	1,18,910.63	2,739	43,693.84	99,990	1,62,604.47
4	Community, personal & Social Services	2,81,706	1,14,993.11	6,150	1,97,828.04	2,87,856	3,12,821.15
5	Finance	57,864	1,69,539.07	19,882	3,08,234.33	77,746	4,77,773.40
6	Transport, storage and Communications	79,066	1,47,402.80	1,664	2,15,354.52	80,730	3,62,757.32
7	Insurance	1,237	2,862.21	145	54,739.40	1,382	57,601.61
IV	Others	2,760	3,589.52	349	3,929.71	3,109	7,519.23
	<b>Total</b>	<b>19,40,404</b>	<b>26,13,335.31</b>	<b>74,454</b>	<b>41,14,232.85</b>	<b>20,14,858</b>	<b>67,27,568.15</b>

**Source:** Monthly Information Bulletin issued by MCA for the month of December, 2025

### 1.4 Private Companies: as defined under the Companies Act, 2013

**Private company** is defined under section 2(68) of the Companies Act, 2013 as follows:

(68) “private company” means a company having a minimum paid-up share capital as may be prescribed, and which by its articles,—

- restricts the right to transfer its shares;
- except in case of One Person Company, limits the number of its members to two hundred:

**Provided** that where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single member:

**Provided further that:**

- (A) *persons who are in the employment of the company; and*
- (B) *persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased, shall not be included in the number of members; and*
- (iii) *prohibits any invitation to the public to subscribe for any securities of the company;*

**Key elements of the definition:**

- Restriction on transfer of shares
- Maximum 200 members (excluding specified employees)
- Prohibition on public issue of securities

**1.5 Why private limited companies are the preferred corporate form in India**

<b>Basis</b>	<b>Private Limited Company</b>	<b>LLP</b>	<b>Public Limited Company</b>
<b>Share in Corporate Registrations</b>	Largest category of corporate registrations in India, forming the majority of incorporations on the MCA portal	Registrations significantly lower compared to companies	Comparatively minimal registrations
<b>Legislative Intent</b>	Companies Act, 2013 provides specific exemptions and relaxations, indicating legislative preference	Governed under a separate statute with limited corporate governance framework	Subject to stricter provisions recognising higher public interest

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<b>Minimum Entry Threshold</b>	Low entry threshold: minimum 2 members and 2 directors (Sections 2(68) & 149)	Minimum 2 partners and 2 Designated partners.	Higher threshold: minimum 7 members and 3 directors
<b>Governance with Flexibility</b>	Structured governance with Board oversight and statutory filings, combined with exemptions suitable for MSMEs	Highly flexible but less structured	Highly structured with mandatory committees and extensive compliance
<b>Capital Formation Capability</b>	Enabled to raise capital through private placement, rights issue and ESOPs (Sections 42 & 62)	No share capital mechanism	Can raise public funds subject to heavy regulation
<b>Credibility in Financial System</b>	Mandatory audit and ROC filings enhance lender and investor confidence	Lower institutional acceptance	Strong credibility, generally suited for large entities
<b>Employment &amp; MSME Impact</b>	Major contributor to MSME-linked corporate employment	Limited scale employment	Employment concentrated in large enterprises
<b>Scalability Path</b>	Clear statutory pathway to convert into Public Company (Section 14)	Requires conversion into a company for scalability	Already positioned at a mature stage

## Introduction: Private Companies

<b>Regulatory Balance</b>	Balances ease of doing business with accountability; aligned with Startup India reforms	Maximum ease with minimal oversight	Maximum oversight with reduced flexibility
<b>Role in Corporate Ecosystem</b>	Acts as the foundational and feeder structure of Corporate India	Plays a complementary role	Apex corporate form serving capital markets

### 1.6 Government's objective behind granting special exemptions to Private Companies:

Under the Companies Act, 2013, various relaxations have been provided in the procedural and compliance requirements for private companies to reduce administrative burden without compromising governance standards. The intent of giving exemptions is:

- Ease of doing business
- Reduced compliance cost
- Faster decision-making
- Encouragement to start-ups and small businesses
- Avoiding unnecessary corporate governance requirements meant for public companies.

\*This is not intended to be an exhaustive publication of all compliances but presents certain key compliances as a ready reckoner and addresses the most common scenarios of Companies in Business as Usual Mode.

\*\*Users are advised to seek professional advice and refer to the provisions of the Act and the rules to ensure that all compliance requirements under the Act are achieved properly and on a timely basis and late fees and / penalties are avoided.

# Incorporation and Commencement

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**2.1** The Companies Act, 2013 provides detailed requirements relating to the incorporation of a company and the commencement of its business thereafter. This chapter explains the procedure and prerequisites for incorporating a company as a form of organization. Most of these requirements are uniform and apply irrespective of whether the company qualifies as a Private Company or otherwise. Accordingly, any person intending to set up a company must understand and comply with the provisions of the Companies Act, 2013 read with the rules framed thereunder.

## **2.2 Key MCA Forms used for Incorporation (MCA V3)**

<b>Form</b>	<b>Purpose</b>
<b>SPICe+ Part A</b>	Name Reservation
<b>SPICe+ Part B (INC-32)</b>	Incorporation + DIN + PAN + TAN
<b>e-MOA (INC-33)</b>	Memorandum of Association
<b>e-AOA (INC-34)</b>	Articles of Association
<b>AGILE-PRO-S (INC-35)</b>	GST, EPFO, ESIC, Bank Account, Shops & Establishment

**2.3** The below is the step-by-step process for incorporating a Private company.

### **STEP I: Get Digital Signature Certificate (DSC)**

- Visit the MCA portal ([www.mca.gov.in](http://www.mca.gov.in)).
- Log in using registered credentials.
- Create a Business User Account, if not already registered.
- Navigate to MCA Services → DSC Services → Associate DSC.
- Connect the DSC token and ensure the emBridge client is running.

- Select the appropriate DSC token and certificate.
- Enter the DSC password (token PIN) and submit.
- Upon successful validation, the DSC is associated with the MCA User ID.

*Once the DSC is associated, the user becomes eligible to proceed with SPICe+ and other incorporation filings on the MCA portal.*

Home About MCA Acts & Rules My Application **MCA Services** Additional Services Data & Reports Help & FAQs Contact Us

Global > Home > MCA Services > DSC Services > Associate DSC

### Associate DSC

Important Information

**\*Please ensure you have emBridge client running and DSC plugged in your device before proceeding.**

1.\*To download and install latest emBridge client click here

2.\*For the **New Token Users**: Please update your DSC PIN from the default before proceeding with association.

Cancel Associate DSC

## STEP II: Reservation of Name of Company (SPICe+ Part A)


- Log in to the MCA Portal.
- Navigate to MCA Services → Incorporation Services → SPICe+.
- Select SPICe+ Part A – Name Reservation.
- Choose the preferred form language (English / Hindi).

### 1. Fill Company Information

Under the Company Information section, select the appropriate details from the drop down lists:

- Type of Company
- Class of the Company
- Category of the Company
- Sub-category of the Company

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**SPICE+ Part A**  
**Name Reservation**

Pursuant to section 4(4) of the Companies Act, 2013 and Pursuant to rule 8 & rule 9 of the Companies (Incorporation) Rules 2014

Form Language  
 English  Hindi

[Refer instruction kit for filing the form](#)

All fields marked in \* are mandatory

Company Information

1(a)\*Type of company

\*Class of the company

\*Category of the company

\*Sub-category of the company

## 2. Select Industry / Business Activity

- In “Search and select industry sub-class”, search and select the relevant NIC sub-class.
- On selection:
  - Main NIC Code (sub-class) will auto-populate

Search and select industry sub-class

Search here

\*Main NIC Code (sub-class) of industrial activity of the company

\*Description of the main sub-class

\*Particulars of the proposed or approved name

I.

II.

[Check Domain](#) [Check Trademark](#)

Description of the main sub-class will auto-populate

## 3. Enter Proposed Name(s)

Under “Particulars of the proposed or approved name”:

- Enter the proposed company name(s) in the given fields
- Proposed name(s) must comply with the Companies Act, 2013 and Companies (Incorporation) Rules, 2014

### Important Instruction – Name Selection

- At least one proposed name is mandatory
- Maximum two names can be proposed
- Abbreviations like “PVT”, “PVT.”, “LTD”, “LTD.” are not permitted
- If the applicant chooses “Proceed for Incorporation”, only ONE proposed name should be entered in SPICe+ Part A.
- Entry of more than one name is permitted only when applying for name reservation alone.
- The system will not allow proceeding to SPICe+ Part B if more than one name is entered while choosing incorporation.

\*Particulars of the proposed or approved name

I.  II.

[Check Domain](#) [Check Trademark](#)

**Attachment**

Optional attachment(s) - if any

Max. 2 MB

#### 4. Upload Optional Attachments (if any)

Upload optional attachment(s), such as No Objection Certificate (NOC), if applicable

*The user may upload up to five optional attachments (PDF/JPG), each not exceeding 2 MB.*

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### 5. Review Name Similarity Alerts

- Review alerts displayed under:
  - Name Similarity Alerts
  - Trademark Similarity Alerts
- These alerts are informational in nature and should be reviewed carefully before submission

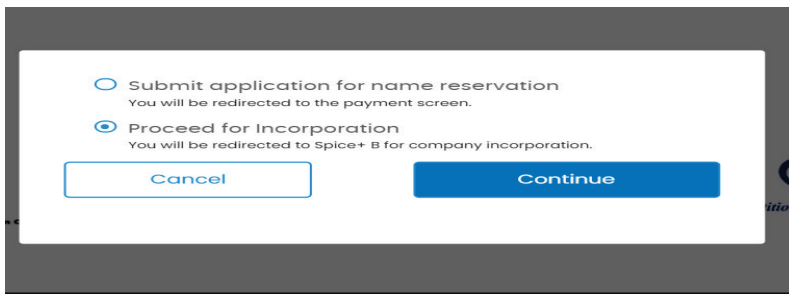
### 6. Submit the Application

- Click Submit
- Select one of the following options:

Submit application for name reservation (*redirects to payment page*)

OR

Proceed for Incorporation (*redirects to SPICe+ Part B*)



The screenshot shows a white rectangular form with a grey border. At the top, there are two radio button options. The first option is 'Submit application for name reservation' with the subtext 'You will be redirected to the payment screen.' The second option is 'Proceed for Incorporation' with the subtext 'You will be redirected to Spice+ B for company incorporation.' Below these options are two buttons: a white button with a blue border labeled 'Cancel' and a solid blue button labeled 'Continue'.

### 7. Payment

- Upon clicking Submit, a Service Request Number (SRN) is generated.
- The applicant is required to make payment of the prescribed fee against the generated SRN.

#### Fee for Name Reservation

Normal filing fee: ₹1,000 for reservation of name for 20 days (for new company incorporation).

#### Extension of Name Reservation (if required)

The validity of the reserved name may be extended on payment of additional fees, as per the following options:

- ₹1,000 – Extension from 20 days to 40 days
- ₹3,000 – Extension from 20 days to 60 days
- ₹2,000 – Extension from 40 days to 60 days

### Important Notes:

- Payment must be completed within 7 days from the date of SRN generation.
- In case payment is not completed within the stipulated time, the SRN shall be cancelled automatically.
- Upon successful payment:
  - An acknowledgement email is generated.
  - The application is forwarded for processing by the Central Registration Centre (CRC).
- The application is processed in Non-STP mode.

### STEP III: Commencement of Incorporation – SPICe+ Part B (INC-32)

#### General Information

- SPICe+ Part B is accessed after successful name approval (or directly if proceeding with incorporation using one name).
- The form opens as SPICe+ Part B – Simplified Proforma for Incorporating Company Electronically (INC-32).
- The user may select the Form Language (English / Hindi).
- A link to “Refer instruction kit for filling the form” is available on the screen.
- On opening SPICe+ Part B, a **system pop-up alert** is displayed. The alert informs that:
  - Associate DSC is a post-login service in MCA V3.
  - All first subscribers and/or directors who are required to affix their DSC in:
    - ✓ SPICe+ Part B
    - ✓ INC-9

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- ✓ eMoA (INC-33)
  - ✓ eAoA (INC-34)
  - ✓ AGILE-PRO-S (INC-35)
  - ✓ URC-1 (if applicable)
- They must be registered as a Business User and must associate their DSC with the MCA portal

**The form is divided into multiple sequential sections, visible as tabs/progress indicators at the top:**

- A. Structure of the Company
- B. Address of the Company
- C. Subscriber and Directors Details
- D. Non-individual Subscriber & Individual Subscriber other than Subscriber-cum-Directors
- E. Individual Subscriber-cum-Director & Director other than Subscribers
- F. OPC Nomination (if applicable)
- G. Stamp Duty
- H. PAN / TAN Information
- I. Attachments
- J. Declaration
- K. All fields marked with \* are mandatory.

### **A. Structure of the Company (SPICe+ Part B)**

#### **1. Entrenchment of Articles of Association (AOA)**

- Select whether the **Articles of Association are entrenched:**
- **Yes** or **No**

If entrenchment is selected as **Yes**, provide:

- Number of Articles to which entrenchment provisions apply
- Details of such Articles including:

- Article number
- Brief description of the entrenched clause

All fields marked in \* are mandatory.

Structure of the Company

(a) \*Whether AOA is entrenched?  
 Yes  No

(b) Number of Articles to which provisions of  
entrenchment is applicable

Details of such articles

Sr. No.	Article number	Short description on entrenchment of the clause
<input type="text" value="1"/>	<input type="text" value="Enter Here"/>	<input type="text" value="Enter Here"/>

### 2. Whether the Company has Share Capital

- Specify whether the company:
  - Has share capital, or
  - Does not have share capital
- Based on this selection, the capital structure fields become applicable.

2 \*Company is

Having share capital

Not having share capital

### 3. Capital Structure of the Company

- Provide details of the capital structure, as applicable:
  - Authorized Share Capital
  - Subscribed Share Capital
- Enter details relating to:

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- Equity share capital
- Preference share capital (if any)
- The system auto-calculates and displays:
  - Total authorized share capital
  - Total classified and unclassified authorized capital
  - Total subscribed share capital

3A Capital structure of the company

Total authorized share capital (in INR)

Total classified authorized share capital (in INR)

Total subscribed share capital (in INR)

Total unclassified authorized share capital (in INR)

3A(i) Equity share capital

Number of classes

Description of equity share capital

Class of shares	Authorized capital	Subscribed capital
<input type="text" value="Enter Here"/>	<input type="text" value="Enter Here"/>	<input type="text" value="Enter Here"/>
Number of equity shares	<input type="text" value="Enter Here"/>	<input type="text" value="Enter Here"/>
Nominal amount per share (in INR)	<input type="text" value="Enter Here"/>	<input type="text" value="Enter Here"/>
Total amount (in INR)	<input type="text" value="Enter Here"/>	<input type="text" value="Enter Here"/>

3A(ii) Preference share capital

Number of classes

Enter Here

Description of Preference share capital

Class of shares	Authorized capital	Subscribed capital
Enter Here		
Number of preference shares	Enter Here	Enter Here
Nominal amount per share (in INR)	Enter Here	Enter Here
Total amount (in INR)	Enter Here	Enter Here

Save

Next

### B. Address of the Company (SPICe+ Part B)

#### 4. Correspondence Address of the Company

- Enter the correspondence address of the company, including:
  - Address Line 1 and Line 2
  - Area / Locality
  - City and District
  - State / UT
  - PIN Code
- Provide contact details:
  - Phone number (with STD code), if applicable
  - Mobile number (OTP verification required)
  - Email ID of the company (OTP verification required)

## HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013

4 Address of the Company

4A Correspondence address

*Line 1 Enter Here	Line 2 Enter Here	*Pin code Enter Here
*Area/Locality Select Here	*City Enter Here	*District Enter Here
*State/UT Select Here	Contact Details: Phone No. (with STD Code) Enter Here	Fax Enter Here

Contact details: Mobile No.

▼	Enter Here	Send OTP
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\*Enter OTP for Mobile Number

Enter OTP	Verify OTP
-----------	------------

\*Email ID of the company

Enter Here	Send OTP
------------	----------

\*Enter OTP for Email ID

Enter OTP	Verify OTP
-----------	------------

- **Whether Correspondence Address is the Registered Office Address**

Specify whether the correspondence address is the same as the registered office address by selecting: **Yes or No**

- If **Yes** is selected: Enter Longitude and Latitude details of the address
- Upload the required address proof documents, such as:
  - Proof of office address with NOC, if applicable
  - Copy of utility bill (not older than two months)

4B \* Whether the address for correspondence is the address of registered office of the company

Yes  No

*(In case Yes is selected, please provide Longitude and Latitude details)*

Longitude

Enter Here

Latitude

Enter Here

**Attachments:**

1 Proof of Office address along with NOC, if applicable (Conveyance/ Lease deed/ Rent Agreement along with rent receipts);

2 Copy of the utility bills(not older than two months);

Max 2 MB

Choose file

Max 2 MB

Choose file

### • Selection of Registrar of Companies (RoC)

Select the name of the Registrar of Companies with which the proposed company is to be registered from the drop-down list.

4C \*Name of the office of the Registrar of Companies in which the proposed company is to be registered

Select Here

Previous

Save

Next

### C. Subscriber and Directors Details (SPICe+ Part B)

#### 5. Number of First Subscriber(s) to MOA and Directors of the Company

##### 5(a) Total Number of First Subscribers

- Enter the total number of first subscribers (individual + non-individual).
- Details are to be provided separately for:
  - Having valid DIN

## **HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

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- Not having valid DIN

### **5(b) Number of Non-Individual First Subscriber(s)**

- Enter the number of non-individual first subscribers, if any.
- Details are to be provided separately for:
  - Having valid DIN
  - Not having valid DIN

### **5(c) Number of Individual First Subscriber(s)-cum-Director(s)**

- Enter the number of individual first subscribers who are also directors.
- Details are to be provided separately for:
  - Having valid DIN
  - Not having valid DIN

### **5(d) Total Number of Directors**

- Enter the total number of directors of the company, including:
  - Directors who are not subscribers, and
  - Subscribers who are also directors.
- Details are to be provided separately for:
  - Having valid DIN
  - Not having valid DIN

*All fields marked in \* are mandatory.*

**5 Number of first subscriber(s) to MOA and directors of the company**

	Having valid DIN	Not having valid DIN
(a) *Total number of first subscribers (non-individual + individual)	<input type="text"/>	<input type="text"/>
(b) *Number of non-individual first subscriber(s)	Enter Here	<input type="text"/>
(c) *Number of individual first subscriber(s) cum director(s)	<input type="text"/>	<input type="text"/>
(d) *Total number of directors (director(s) who is/are not subscriber(s) + subscriber(s) cum director(s) as mentioned in above Row no. 3)	<input type="text"/>	<input type="text"/>

### D. Subscriber and Directors Details (SPICE+ Part B)

#### 6. Particulars of Non-Individual Subscribers / Individual Subscribers other than Subscriber(s)-cum-Directors

##### 6(a) Individual Subscriber (Not Having DIN)

- Click Add/Edit to enter details of individual subscribers who do not have a DIN.
- Enter the required personal and identification details as prompted in the form.

##### 6(b) Non-Individual Subscriber

- Click Add/Edit to enter details of non-individual subscribers (such as body corporate, LLP, etc.), if any.
- Enter the required entity and authorized representative details as prompted in the form.

# HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013

COMPANY DIRECTORS

All fields marked in \* are mandatory.

6 Particulars of Non- Individual Subscribers / Individual Subscribers other than Subscriber(s) cum Directors

Individual Subscriber (Not Having DIN)	<input type="button" value="Add/Edit"/>
Individual Subscriber (Not Having DIN)	<input type="button" value="Add/Edit"/>

## E. Subscriber and Directors Details (SPICe+ Part B)

### 7. Particulars of Subscriber(s)-cum-Directors / Directors other than Subscriber(s)-cum-Directors

- Particulars of Subscriber(s) cum Directors (having valid DIN) (Director details, designation/category, share capital)
- Declaration of entities in which Subscribers cum directors have interest
- Particulars of Subscriber(s) cum Directors (not having valid DIN) (Personal, address, proofs, share capital)
- Particulars of Directors (having valid DIN) (Director details and declaration of interest)
- Particulars of Directors (not having DIN) (Personal, address, proofs, declaration of interest)

COMPANY DIRECTORS

All fields marked in \* are mandatory.

7 Particulars of Subscriber(s) cum Directors / Directors other than Subscriber cum Directors

Directors other than subscribers(Having valid DIN)	<input type="button" value="Add/Edit"/>
Directors other than subscribers(Having valid DIN)	<input type="button" value="Add/Edit"/>
Directors other than Subscribers (Not Having valid DIN)	<input type="button" value="Add/Edit"/>
Directors other than Subscribers (Not Having valid DIN)	<input type="button" value="Add/Edit"/>

Note :- Please fill all the blocks in Section 7 to proceed to next section.

**F. OPC Nomination (SPICe+ Part B)**

**8. OPC Nomination**

- Enter details of the Nominee (applicable only in case of One Person Company).

**G. Particulars of payment of Stamp Duty (SPICe+ Part B)**

**9. Stamp Duty**

- Stamp duty is calculated based on the State/UT selected.
- Details are auto-populated in the form.
- Verify the stamp duty details before proceeding.

**9 Particulars of payment of stamp duty**

9A State or union territory in respect of which stamp duty is paid or to be paid

9B \*Whether stamp duty is to be paid electronically through MCA 21 system

- Yes
  No
  Not applicable

**9B(i) Details of stamp duty to be paid**

Type of document/ Particulars	Form	Memorandum of association	Articles of association
Amount of stamp duty to be paid (in Rs.)	<input style="width: 80%; height: 20px;" type="text"/>	<input style="width: 80%; height: 20px;" type="text"/>	<input style="width: 80%; height: 20px;" type="text"/>

## HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013

9B(ii) Provide details of stamp duty already paid

Type of document/ Particulars	Form	Memorandum of association	Articles of association	Others
Total amount of stamp duty paid (in Rs.)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Mode of payment of stamp duty	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of vendor or treasury or Authority or any other competent agency authorized to collect stamp duty or to sell stamp papers or to emboss the documents or to dispense stamp vouchers on behalf of the Government	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Serial number of embossing or stamps or stamp paper or treasury challan number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Registration number of vendor	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Date of purchase of stamps or stamp paper or payment of stamp duty (DD/MM/YYYY)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Place of purchase of stamps or stamp paper or payment of stamp duty	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

### H. PAN / TAN Information (SPICe+ Part B)

#### 10. PAN / TAN Information

- Apply for **PAN and TAN** through SPICe+ Part B.
- Details are forwarded to the **Income Tax Department**.
- Verify the information before submission.

# Incorporation and Commencement

## 10 \*Additional Information for applying Permanent Account Number (PAN) and Tax Deduction Account Number (TAN) Information specific to PAN

Area Code	AO type	Range Code	AO No.
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

## Information specific to TAN

Area Code	AO type	Range Code	AO No.
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

## \*Source of Income

- Income from Business/profession       Capital Gains       Income from house property
- Income from other source       No Income

## Declaration

- I have gone through the provisions of the Companies Act, 2013, the rules thereunder and prescribed guidelines framed thereunder in respect of reservation of name, understood the meaning thereof and the proposed name is in conformity thereof.
- I have used the search facilities available on the portal of the Ministry of Corporate Affairs (MCA) for checking the resemblance of the proposed name with the companies and Limited Liability Partnerships (LLPs) respectively already registered or the names already approved. I have also used the search facility for checking the resemblances of the proposed name with registered trademarks and trade mark subject of an application under the Trade Marks Act, 1999 and other relevant search for checking the resemblance of the proposed name to satisfy myself with the compliance of the provisions of the Act for resemblance of name and Rules thereof.
- The proposed name is not in violation of the provisions of Emblems and Names (Prevention of Improper Use) Act, 1950 as amended from time to time.
- The proposed name is not offensive to any section of people, e.g. proposed name does not contain profanity or words or phrases that are generally considered a slur against an ethnic group, religion, gender or heredity.
- The proposed name is not such that its use by the company will constitute an offence under any law for the time being in force.
- I undertake to be fully responsible for the consequences in case the name is subsequently found to be in contravention of the provisions of section 4(2) and section 4(4) of the Companies Act, 2013 and rules thereto and I have also gone through and understood the provisions of section 4(5) (ii) (a) and (b) of the Companies Act, 2013 and rules thereunder and fully declare myself responsible for the consequences thereof.
- I \*
- person named in the articles as a director of the company has been duly authorised by the promoters of the company to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of Director Identification Number (DIN), registration of the company and matters precedent or incidental thereto have been complied with.
- I am authorized by the promoter subscribing to the Memorandum of Association and Articles of Association and the first director(s) to give this declaration and to sign and submit this Form.
- I further declare that, company shall not commence its business, unless all the required approval from the sectoral Regulators such as RBI, SEBI etc. have been obtained.
- I further declare that the company shall not commence the business of Nidhi, unless all the required approval including the declaration be issued under section 406 of the Act have been obtained from Central Government;

# HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013

*Business/Profession code	<input type="text"/>
<b>Attachments</b>	
(a) Memorandum of association	MAX 2MB <input type="text"/>
(b) Articles of association	MAX 2MB <input type="text"/>
(c) Declaration by first subscriber(s) and director(s); (Affidavit is not required to be attached);	MAX 2MB <input type="text"/>
(d) Copy of certificate of incorporation of the foreign body corporate and resolution passed by foreign company or authority given through constitutional document;	MAX 2MB <input type="text"/>
(e) Resolution passed by promoter company;	MAX 2MB <input type="text"/>
(f) Interest of first director(s) in other entities	MAX 2MB <input type="text"/>
(g) Optional attachment(s) (if any)	<input type="text"/>

I, on behalf of the promoters and the first directors, hereby declare that the registered office is capable of receiving and acknowledging all communications and notices addressed to the proposed company on incorporation, shall be maintained at the given address at item 4 (a) of this form;

\*I, on behalf of all the first director(s) named in the Articles of Association of the proposed company, solemnly declare, that the declaration given herein as stated above are true to the best of my knowledge and belief, the information given in this integrated application form for incorporation and attachments thereto are correct and complete, and nothing relevant to this form has been suppressed. All the required attachments have been completely, correctly and legibly attached to this form and are as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

I, on behalf of the proposed Directors whose particulars for allotment of DIN are filled as above, hereby confirm and declare that they are not restrained, disqualified, removed for being appointed as Director of a company under the provisions of the Companies Act, 2013 including sections 164 and 169, and have not been declared as proclaimed offender by any Economic Offence Court or Judicial Magistrate Court or High Court or any other Court, and not been already allotted a Director Identification Number (DIN) under section 154 of the Companies Act, 2013, and I further declare that I have read and understood the provisions of Sections 154, 155, 447 and 448 read with Sections 449, 450 and 451 of the Companies Act, 2013.

I, on behalf of the proposed directors, hereby declare that person seeking appointment is a national of a country which shares a land border with India, necessary security clearance from Ministry of Home Affairs, Government of India shall be attached with the consent.  Yes  No (if yes is opted, a copy of the security clearance is to be attached)

DIN/PAN/Passport Number

The MoA and AoA attached to the form in hard copy is exactly similar to e-MoA and e-AoA to be attached with the form.

I hereby declare as per Rule 5(iv) of Companies (Authorized to Register) Rules that the said LLP applying for conversion in this  Part of the Act has filed all documents which are required to be filed under the LLP Act, 2008 with the Registrar LLP.

a  having Membership number

and/or certificate of practice number

has been engaged to give declaration under section 7(1) (b) and such declaration is provided below.

**\*To be digitally signed by director**

\*DIN/PAN

## I. Attachments (SPICe+ Part B)

### 11. Declaration and Certification by Professional

- Declaration by Subscribers and Directors.
- Certification by Practising Professional (CA / CS / CMA).
- Affix Digital Signature Certificates (DSC) as required.

### Submission

- Save the form.
- Submit SPICe+ Part B.
- Fill the other supporting forms (e-MOA, e-AOA & AGILE PRO)

- Generate and upload the PDF.
- Make payment of applicable fees.
- Filing is completed after successful payment and acknowledgement

Who is engaged in the formation of the company declare that I have been duly engaged for the purpose of certification of this form. It is hereby also certified that I have gone through the provisions of the Companies Act, 2013 and rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that;

- i The draft memorandum and articles of association have been drawn up in conformity with the provisions of sections 4 and 5 and rules made thereunder; and
- ii All the requirements of Companies Act, 2013 and the rules made thereunder relating to registration of the company under section 7 of the Act and matters precedent or incidental thereto have been complied with.
- iii The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order;
- iv I have opened all the attachments to this form and have verified these to be as per requirements, complete and legible;
- v I further declare that I have personally visited the premises of the proposed registered office given in the form at the address mentioned herein above and verified that the said proposed registered office of the company will be functioning for the business purposes of the company (wherever applicable in respect of the proposed registered office has been given).
- vi It is understood that I shall be liable for action under Section 448 of the Companies Act, 2013 for wrong certification, if any found at any stage.
- vii The draft memorandum and articles of association have been drawn up in conformity with the provisions of section 8 and rules made thereunder; and
- viii All the requirements of Companies Act, 2013 and the rules made thereunder relating to registration of the company under section 8 of the Act and matters precedent or incidental thereto have been complied with.

To be digitally signed by

- Chartered accountant (in whole-time practice) or
- Company secretary (in whole-time practice)
- Cost accountant (in whole-time practice) or
- Advocate

Whether associate or fellow:

- Associate
- Fellow

Membership number

### 11 Declaration and Certification by Professional

I  member of  
 having office at\*

## HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013

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Certificate of practice number	<input type="text"/>
Income-tax PAN	<input type="text"/>
<hr/>	
<b>For office use only:</b>	
eForm Service request number (SRN) / Reference Number	<input type="text"/>
eForm filing date (DD/MM/YYYY)	<input type="text"/>
<b>Digital signature of the authorizing officer</b>	
This eForm is hereby registered	
Date of signing (DD/MM/YYYY)	<input type="text"/>
<i>Note: Attention is drawn to the provisions of sections 7(5) and 7(6) which, inter-alia, provides that furnishing of any false or incorrect particulars of any information or suppression of any material information shall attract punishment for fraud under section 447. Attention is also drawn to provisions of section 448 and 449 which provide for punishment for false statement and punishment for false evidence respectively.</i>	

Once the filing is complete, the Registrar of Companies (RoC) will review the application and upon approval, a Certificate of Incorporation (COI) is issued.

# Exemptions/Carve Outs for Private Companies

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Private companies, in particular, enjoy a more relaxed regulatory framework compared to public companies. This is because they usually operate with a smaller group of members, do not solicit funds from the public, and have a closely-held ownership structure. With lower associated risks, lawmakers have the flexibility to ease certain legal obligations navigating complex compliance procedures for such companies.

Under the Companies Act, 1956, several provisions expressly stated that certain sections would not apply to a private company, except where such private company was a subsidiary of a public company. Thus, the statute itself incorporated exclusionary carve-outs as per the nature of private companies.

Where there are certain carve outs that have been provided in the Companies Act, 2013, at the same time, the Companies Act, 2013 did not contain similar in-built exclusions. In the absence of such statutory exemptions, private companies became subject, in principle, to the full rigour of the Act.

It was therefore considered necessary to grant specific relaxations to private companies to preserve the policy intent of differential regulation. The Exemption Notification was issued to address this gap and to provide appropriate relief from certain provisions of the Act, thereby ensuring regulatory proportionality while maintaining essential governance standards.

Section 462 of the Companies Act, 2013 empowers the Central Government to dispense with, and exempt any class of companies from, applicability of any provision of the Act. Sub-section (1) of Section 462 reads as follows:

“(1) The Central Government may in the public interest, by notification direct that any of the provisions of this Act,—

- (a) shall not apply to such class or classes of companies; or
- (b) shall apply to the class or classes of companies with such exceptions, modifications and adaptations as may be specified in the notification.”

## **HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

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This section empowers the Central Government to either grant total exemption or partial exemption

These carve outs and exemptions touch almost every facet of corporate governance i.e. from fewer board and shareholder requirements to simplified reporting and disclosure norms. By lightening the regulatory load, the law empowers private companies to operate efficiently, invest in growth, and innovate with greater freedom.

Accordingly, relaxations have been primarily provided through:

- I. Section-based carve-outs under the Companies Act, 2013 and the Rules thereof.
- II. Exemptions to Private Companies vide Notifications issued by the MCA
- III. Special provisions for start-ups and small companies

### **I. Section-based carve-outs under the Companies Act, 2013**

Section-based exemptions are provisions within the Companies Act, 2013 that do not apply to private companies as either fully exempt or conditionally exempt or offering certain exemptions, offering built-in relaxations rather than separate exemptions as part of any exemption notification.

<b>Section</b>	<b>Subject</b>	<b>Nature of Carve Out</b>
<b>2(68)</b>	<b>Transfer of Shares/ Minimum Share Capital</b>	Private companies must restrict transfer.  Currently no minimum capital is prescribed for Private Companies.
<b>3</b>	<b>Formation of Company</b>	A company may be formed for any lawful purpose by two or more persons, where the company to be formed is to be a private company;
<b>5</b>	<b>Entrenchment in AOA</b>	The articles may contain provisions for entrenchment to the effect that specified

## Exemptions/Carve Outs for Private Companies

Section	Subject	Nature of Carve Out
		<p>provisions of the articles may be altered only if conditions or procedures as that are more restrictive than those applicable in the case of a special resolution, are met or complied with.</p> <p>The provisions for entrenchment referred to in sub-section (3) shall only be made either on formation of a company, or by an amendment in the articles agreed to by all the members of the company in the case of a private company</p>
23-41	<b>Prospectus / Public Offer</b>	<p>Private companies cannot make public offer.</p> <p>A private company may issue securities—</p> <p>(a) by way of rights issue or bonus issue in accordance with the provisions of the Companies Act, 2013; or</p> <p>(b) through private placement by complying with the provisions of Part II of Chapter III.</p>
58	<b>Refusal of Transfer or Transmission of Shares and appeal against refusal.</b>	<p>If a private company limited by shares refuses, whether in pursuance of any power of the company under its articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a member in the company, it shall</p>

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

Section	Subject	Nature of Carve Out
		within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the company, send notice of the refusal to the transferor and the transferee or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.
92(2)	<b>Annual Return Certification</b>	Only listed / certain specified companies: The annual return, filed by a listed company or a company having paid-up share capital of ten crore rupees or more or turnover of fifty crore rupees or more, shall be certified by a Company Secretary in practice and the certificate shall be in Form No. MGT-8
103	<b>Quorum</b>	Unless the articles of the company provide for a larger number, In the case of a private company, two members personally present, shall be the quorum for a meeting of the company.
138 r/w Rule 13	<b>Companies Required to Appoint Internal Auditor</b>	Only listed / Unlisted Public Company/ certain specified Private companies are required to appoint Internal Auditor: Only the following class of

## Exemptions/Carve Outs for Private Companies

Section	Subject	Nature of Carve Out
		<p>private companies shall be required to appoint an internal auditor which may be either an individual or a partnership firm or a body corporate, namely:-</p> <p>(c) every private company having-</p> <p>(i) turnover of two hundred crore rupees or more during the preceding financial year; or</p> <p>(ii) outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year:</p> <p>Therefore, other than these private companies are not required to appoint Internal Auditor.</p>
139(2)	<b>Rotation of Auditors</b>	<p>Applicable only to listed / prescribed companies which are as under:</p> <p>(a) all unlisted public companies having paid up share capital of rupees ten crore or more;</p> <p>(b) all private limited companies having paid up share capital of rupees fifty crore or more;</p> <p>(c) all companies having paid up share capital of below threshold limit mentioned in (a) and (b) above, but having public borrowings from financial institutions, banks or public</p>

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

<b>Section</b>	<b>Subject</b>	<b>Nature of Carve Out</b>
		deposits of rupees fifty crores or more.
<b>149(1)</b>	<b>Minimum no of Board of Directors</b>	Every company shall have a Board of Directors consisting of individuals as Directors and shall have—  (a) a minimum number of two Directors in the case of a private company, and one director in the case of a One Person Company
<b>149(4)</b>	<b>Appointment of Independent Directors</b>	Applies only to listed / specified public companies
<b>149(1) proviso</b>	<b>Appointment of Woman Director</b>	Applies only to listed / specified public companies
<b>152(6)</b>	<b>Retirement of Directors by Rotation</b>	Applies only to public companies
<b>164</b>	<b>Disqualifications for Appointment of Director</b>	(3) A private company may by its articles provide for any disqualifications for appointment as a director in addition to those specified in sub-sections (1) and (2).  Provided that the disqualifications referred to in clauses (d), (e) and (g) of sub-section (1) shall continue to apply even if the appeal or petition has been filed against the order of conviction or disqualification.
<b>165</b>	<b>No of Directorships</b>	No person, after the commencement of this Act, shall

## Exemptions/Carve Outs for Private Companies

Section	Subject	Nature of Carve Out
		<p>hold office as a director, including any alternate Directorship, in more than twenty companies at the same time:</p> <p>Provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed ten.</p> <p>Explanation I — For reckoning the limit of public companies in which a person can be appointed as director, Directorship in private companies that are either holding or subsidiary company of a public company shall be included.</p> <p>Explanation II—For reckoning the limit of Directorships of twenty companies, the Directorship in a dormant company shall not be included.</p>
167	<b>Vacation of Office of Director</b>	A private company may, by its articles, provide any other ground for the vacation of the office of a director in addition to those specified in sub-section (1).
177	<b>Audit Committee</b>	Mandatory only for listed / prescribed public companies
178	<b>NRC &amp; Stakeholders Committee</b>	Mandatory only to listed / prescribed public companies
177(9)	<b>Vigil Mechanism</b>	Mandatory only for listed / prescribed companies to

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

Section	Subject	Nature of Carve Out
		<p>establish vigil mechanism: Every listed company and the companies belonging to the following class or classes shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances-</p> <p>(a) the Companies which accept deposits from the public;</p> <p>(b) the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.</p>
190	<b>Contract of employment with managing or whole-time directions.</b>	Not applicable to private companies
197(1)	<b>Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits</b>	Applies only to public companies.
204(1)	<b>Secretarial Audit</b>	Mandatory only for listed companies, prescribed public companies and companies having outstanding loans or borrowings from banks or public financial institutions of one

**Exemptions/Carve Outs for Private Companies**

<b>Section</b>	<b>Subject</b>	<b>Nature of Carve Out</b>
		hundred crore rupees or more.
<b>Rule 3 of the Companies (Acceptance of Deposits), Rules 2014</b>	<b>Acceptance of Deposits</b>	<p>Provided further that the maximum limit in respect of deposits to be accepted from members shall not apply to following classes of private companies, namely:-</p> <p>(i) a private company which is a start-up, for ten years from the date of its incorporation;</p> <p>(ii) a private company which fulfils all of the following conditions, namely:-</p> <p>(a) which is not an associate or a subsidiary company of any other company;</p> <p>(b) the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is less ; and</p> <p>(c) such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under section 73:</p> <p>Provided also that all the companies accepting deposits shall file the details of monies so accepted to the Registrar in Form DPT-3</p>
<b>Rule 16A</b>	<b>Disclosures in the</b>	(1) Every company, other than a

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Section	Subject	Nature of Carve Out
<p><b>The Companies (Acceptance of Deposits) Rules, 2014</b></p>	<p><b>Financial Statement</b></p>	<p>private company, shall disclose in its financial statement, by way of notes, about the money received from the director.</p> <p>(2) Every private company shall disclose in its financial statement, by way of notes, about the money received from the directors, or relatives of directors.</p>
<p><b>The Companies (Auditor's Report) Order, 2020.</b></p>	<p><b>Applicability of CARO 2020</b></p>	<p>It shall apply to every company including a foreign company as defined in clause (42) of section 2 of the Companies Act, 2013 (18 of 2013) hereinafter referred to as the Companies Act, except:</p> <p>(i) a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949);</p> <p>(ii) an insurance company as defined under the Insurance Act, 1938 (4 of 1938);</p> <p>(iii) a company licensed to operate under section 8 of the Companies Act;</p> <p>(iv) a One Person Company as defined in clause (62) of section 2 of the Companies Act and a small company as defined in clause (85) of section 2 of the Companies Act; and</p> <p>(v) a private limited company,</p>

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Section	Subject	Nature of Carve Out
		not being a subsidiary or holding company of a public company, having a paid up capital and reserves and surplus not more than one crore rupees as on the balance sheet date and which does not have total borrowings exceeding one crore rupees from any bank or financial institution at any point of time during the financial year and which does not have a total revenue as disclosed in Scheduled III to the Companies Act (including revenue from discontinuing operations) exceeding ten crore rupees during the financial year as per the financial statements.
<b>Rule 10</b>	<b>Closure of Register of Members or Debenture Holders or Other Security Holders: Prior Notice, Publish in Newspaper and company's website.</b>	The provisions contained in sub-rule (1) shall not be applicable to a private company provided that the notice has been served on all members of the private company not less than seven days prior to closure of the register of members or debenture holders or other security holders.

### II. Exemptions to private Companies vide Notifications issued by MCA

In addition to the carve outs embedded within the Companies Act, 2013, the Ministry of Corporate Affairs (MCA) also issues notifications and circulars that provide relaxations specifically for private companies. The notifications provide separate relaxations for private companies, offering administrative or regulatory exemptions beyond those already specified in the Companies Act, 2013.

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<b>Section</b>	<b>Subject</b>	<b>Exemption/ Modification/ Adaptation Available</b>	<b>Notification Reference</b>
2(40)	<b>Preparation of Cash Flow Statement</b>	<p>Provided that the financial statement, with respect to one person company, small company, dormant company and private company (if such private company is a start-up) may not include the cash flow statement.</p> <p>Note: CASR 2006 exempted SMCs from preparing the Cash Flow Statement, whereas CASR 2021 exempts Small Companies from preparing the Cash Flow statement.</p> <p>So if a Company is an SMC but is not a small company, then such a company must prepare a Cash Flow statement.</p>	Notification dated 13th June 2017
2(76)(viii)	<b>Related Party</b>	<p>Clause viii of section 2(76) shall not apply with respect to section 188 for Private Companies.</p> <p>(viii) any company which is—</p>	Notification dated 5th June 2015

**Exemptions/Carve Outs for Private Companies**

		<p>(A) a holding, subsidiary or an associate company of such company; or</p> <p>(B) a subsidiary of a holding company to which it is also a subsidiary;</p> <p>(C) an investing company or the venturer of the company;"</p> <p>Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.]</p>	
<b>4(1)(a)</b>	<b>Name clause in Memorandum</b>	In case of Government company, last name shall be “Limited” even if incorporated as private company.	Notification dated 5th June 2015
<b>43</b>	<b>Kinds of Share Capital</b>	Section 43 shall not apply where memorandum or articles of association of the private company so provides.	Notification dated 5th June 2015
<b>47</b>	<b>Voting Rights</b>	Section 47 shall not	Notification

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		apply where memorandum or articles of association of the private company so provides i.e. Voting rights may be restricted by AoA.	dated 5th June 2015
<b>62(1)(a)(i)</b>	<b>Rights Issue- Minimum Timeline for Offer</b>	<p>The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.</p> <p>However, in case ninety percent, of the members of a private company have given their consent in writing or in electronic mode, the periods lesser than those specified in the said sub- clause or sub-section shall apply.</p>	Notification dated 5th June 2015
<b>62(1)(b)</b>	<b>Rights Issue- ESOP</b>	In clause (b), for the words “special resolution”, the words “ordinary resolution”	Notification dated 5th June 2015

## Exemptions/Carve Outs for Private Companies

		<p>shall be substituted.</p> <p>1) where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—</p> <p>b) to employees under a scheme of employees' stock option, subject to <b>ordinary resolution</b> passed by company and subject to such conditions as may be prescribed; or</p>	
67	<p><b>Restrictions on Purchase by Company or Giving of Loans by it for Purchase of its Shares</b></p>	<p>Shall not apply to private companies -</p> <p>(a) in whose share capital no other body corporate has invested any money;</p> <p>(b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice its paid up share capital or fifty crore rupees, whichever is lower; and</p> <p>(c) such a company is not in default in repayment of such</p>	<p>Notification dated 5th June 2015</p>

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		borrowings subsisting at the time of making transactions under this section.	
<b>73(2)</b>	<b>Acceptance of Deposits</b>	<p>Deposits from members allowed (subject to conditions)</p> <p>Clauses “a” to “e” of section 73(2) is not applicable for Private Companies:</p> <p>(A) which accepts from its members monies not exceeding one hundred per cent. of aggregate of the paid up share capital, free reserves and securities premium account; or</p> <p>(B) which is a start-up, for five years from the date of its incorporation; or</p> <p>(C) which fulfils all of the following conditions, namely:-</p> <p>(a) which is not an associate or a subsidiary company of any other company;</p> <p>(b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up</p>	Notification dated 13th June 2017

## Exemptions/Carve Outs for Private Companies

		<p>share capital or fifty crore rupees, whichever is lower; and</p> <p>(c) such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under this section:</p> <p>Provided that the company referred to in clauses (A), (B) or (C) shall file the details of monies accepted to the Registrar in such manner as may be specified.”</p>	
<b>92(1)</b>	<b>Annual Return</b>	<p>Clause (g) of Sub-Section (1) of section 92 shall apply to private companies namely:-</p> <p>“(g) “aggregate amount of remuneration drawn by Directors;</p>	<p>Notification dated 13th June 2017</p>
<b>92(1)</b>	<b>Annual Return-Signing of Annual Return</b>	<p>Substitution of Proviso</p> <p>Provided that in relation to One Person Company, small company and private company (if such private company is a start-up), the annual return shall be signed by the company secretary, or where</p>	<p>Notification dated 13th June 2017</p>

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		there is no company secretary, by the director of the company.	
<b>101</b>	<b>Notice of General Meeting</b>	Section 101 shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.	Notification dated 5th June 2015
<b>102</b>	<b>Explanatory Statement</b>	Section 102 shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.	Notification dated 5th June 2015
<b>103</b>	<b>Quorum</b>	Ssection 103 shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.	Notification dated 5th June 2015
<b>104</b>	<b>Chairman of Meetings</b>	Section 104 shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.	Notification dated 5th June 2015
<b>105</b>	<b>Proxies</b>	Section 105 shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.	Notification dated 5th June 2015

## Exemptions/Carve Outs for Private Companies

<b>106</b>	<b>Restriction on Voting Rights</b>	Section 106 shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.	Notification dated 5th June 2015
<b>107</b>	<b>Voting by Show of Hands</b>	Section 107 shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.	Notification dated 5th June 2015
<b>109</b>	<b>Demand for Poll</b>	Section 109 shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.	Notification dated 5th June 2015
<b>117(3)(g)</b>	<b>Filing of Board Resolutions</b>	Section 117(3)(g) shall not apply to private companies i.e. Resolutions passed in pursuance of sub-section (3) of section 179.	Notification dated 5th June 2015
<b>141(3)(g)</b>	<b>Disqualifications of Auditor-modified clause (g) in case of appointment of Auditor in Private Companies</b>	Shall apply with the modification that words "other than one person companies, dormant companies, small companies and private companies having paid-up share capital less than one hundred crore rupees" shall be inserted after the words	Notification dated 5th June 2015

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		<p>“twenty companies”</p> <p>Accordingly, the following persons shall not be eligible for appointment as an auditor of a company, namely:</p> <p>(g) a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as auditor of more than twenty companies other than one person companies, dormant companies, small companies and private companies having paid-up share capital less than one hundred crore rupees.</p>	
143(3)(i)	<b>Reporting of IFC w.r.t. Financial Statement</b>	<p>Shall not apply to a private company:-</p> <p>(i) which is a one person company or a small company; or</p> <p>(ii) which has turnover less than rupees fifty crores as per latest audited financial</p>	Notification dated 13th June 2017

## Exemptions/Carve Outs for Private Companies

		statement and which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than rupees twenty five crore.	
160	<b>Right of Persons Other than retiring Directors to Stand for Directorship</b>	The section shall not apply in case of Private Company.	Notification dated 5th June 2015
162	<b>Appointment of Directors to be voted individually</b>	The section shall not apply in case of Private Company.	Notification dated 5th June 2015
173(5)	<b>Meetings of Board</b>	(5) A One Person Company, small company, dormant company and a private company (if such private company is a start-up) shall be deemed to have complied with the provisions of this section if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the gap between the two meetings is not	Notification dated 13th June 2017

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		less than ninety days: Provided that nothing contained in this sub-section and in section 174 shall apply to One Person Company in which there is only one director on its Board of Directors.	
<b>174(3)</b>	<b>Quorum for meetings of Board</b>	Shall apply with the exception that the interested director may also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.	Notification dated 13th June 2017
<b>180</b>	<b>Restrictions on Power of Board</b>	This section shall not apply to Private Companies	Notification dated 5th June 2015
<b>184(2)</b>	<b>Disclosure of Interest by Director</b>	Section 184(2) shall apply with the exception that the interested director may participate in such meeting after disclosure of his interest.	Notification dated 5th June 2015
<b>185</b>	<b>Loan to Directors</b>	Section 185 shall not apply to a private company- (a) in whose share capital no other body corporate has invested	Notification dated 13th June 2017

## Exemptions/Carve Outs for Private Companies

		<p>any money;</p> <p>(b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is lower; and</p> <p>(c) such a company has no default in repayment of such borrowings subsisting at the time of making transactions under this section.</p>	
<b>188(1)</b>	<b>Related Party Transactions</b>	<p>Second proviso to Sub-section (1) of section 188 shall not apply to Private Company.</p> <p>“Provided further that no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.”</p>	Notification dated 5th June 2015
<b>196(4),(5)</b>	<b>MD/WTD Appointment</b>	Sub section 4 and 5 of Section 196 shall not be applicable to Private Company.	Notification dated 5th June 2015

**Notification dated 13<sup>th</sup> June 2017:** The exceptions, modifications and adaptations provided in column (3) of the aforesaid Table shall be applicable

## **HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

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to a private company which has not committed a default in filing its financial statements under section 137 of the said Act or annual return under section 92 of the said Act with the Registrar.

### **III. Special provisions for start-ups and small companies**

**Please refer to Handbook for Company form of Organisation:  
Compliances by Small Companies-**

<https://resource.cdn.icai.org/76943clcg61972.pdf>

# Key Compliances under the Companies Act, 2013 for Private Companies

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Compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder is a fundamental requirement for persons choosing to conduct their affairs through a corporate form of organisation.

The following is the list of certain key compliance requirements under the Companies Act 2013 for Private Companies.

The Compliances can be divided into:

- Compliances to be adhered to immediately after the incorporation,
- Annual Compliances,
- Key General Compliances
- Key Event Based Compliances
- Threshold Based Compliances

A company incorporated outside India can incorporate a subsidiary either as a public company or a private company- MCA circular no 23/2014 dated 25-6-2014.

## A. Compliances to be adhered to by a Private Company Immediately after the incorporation

Section	Immediately after Incorporation
10A <b>Commencement of Business</b>	<p>A company having a share capital shall not commence any business or exercise any borrowing powers unless:</p> <ul style="list-style-type: none"><li>• a declaration is filed by a director within a period of 180 days of the date of incorporation of the company in INC-20A, with the Registrar that every subscriber to the memorandum has paid the value of the shares agreed to be taken by him on the date of making of such declaration; and</li></ul>

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<b>Section</b>	<b>Immediately after Incorporation</b>
	<ul style="list-style-type: none"> <li>• The company has filed with the Registrar a verification of its registered office within a period of 30 days of its incorporation in form INC-22.</li> </ul>
<p>12 <b>Registered Office</b></p>	<p>A company shall, within thirty days of its incorporation and at all times thereafter, have a registered office capable of receiving and acknowledging all communications and notices as may be addressed to it.</p> <p>The company shall furnish to the Registrar verification of its registered office within a period of thirty days of its incorporation in form INC-22.</p> <p>Every company shall:</p> <ol style="list-style-type: none"> <li>Display its name and registered office address prominently outside every office/place of business, in legible letters and in the local language if required.</li> <li>Engrave its name on the common seal, if the company has one.</li> <li>Print its name, registered office address, CIN, contact details (phone, fax, email, website) on all business letters, billheads, letterheads, notices and official publications.</li> <li>Print its name on hundies, promissory notes, bills of exchange and other prescribed documents.</li> </ol>
<p>21 <b>Authentication of Documents, Proceedings and Contracts</b></p>	<p>Save as otherwise provided in this Act, a document or proceeding requiring authentication by a company; or contracts made by or on behalf of a company, may be signed by any key managerial personnel or an officer or employee of the company duly authorised by the Board in this behalf.</p>
<p>45 <b>Numbering of</b></p>	<p>Every share in a company having a share capital shall be distinguished by its distinctive number:</p>

## Key Compliances under the Companies Act, 2013 for Private Companies

Section	Immediately after Incorporation
<b>Shares</b>	Provided that nothing in this section shall apply to a share held by a person whose name is entered as holder of beneficial interest in such share in the records of a depository.
46 <b>Certificate of Shares.</b>	A certificate, issued under the common seal, if any, of the company or signed by two Directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary, specifying the shares held by any person, shall be prima facie evidence of the title of the person to such shares.
56 <b>Allotment, Transfer and Transmission of Securities</b>	4) Every company shall, unless prohibited by any provision of law or any order of Court, Tribunal or other authority, deliver the certificates of all securities allotted, transferred or transmitted— (a) within a period of two months from the date of incorporation, in the case of subscribers to the memorandum;
Rule 9B(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 <b>Private company other than small company and Government company to convert existing shares into demat form</b>	A private company, which as on last day of a financial year, ending on or after 31st March, 2023, is not a small company as per audited financial statements for such financial year, shall, within eighteen months of closure of such financial year, comply with the provisions of rule 9B.  Every private company referred to in rule 9B(2) making any offer for issue of any securities or buyback of securities or issue of bonus shares or rights offer, after the date when it is required to comply with rule 9B, shall ensure that before making such offer, entire holding of securities of its promoters, directors, key managerial personnel has been dematerialised in accordance with the provisions of the Depositories Act, 1996 and regulations made thereunder - Rule 9B(3)  Every holder of securities of the private company

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<b>Section</b>	<b>Immediately after Incorporation</b>
	<p>referred to in rule 9B(2) - (a) who intends to transfer such securities on or after the date when the company is required to comply with rule 9B, shall get such securities dematerialised before the transfer; or (b) who subscribes to any securities of the concerned private company whether by way of private placement or bonus shares or rights offer on or after the date when the company is required to comply with rule 9B shall ensure that all his securities are held in dematerialised form before such subscription - Rule 9B(4)</p> <p>Such private company shall also submit Form PAS-6 to the Registrar with such fee as provided in Companies (Registration Offices and Fees) Rules, 2014 within sixty days from the conclusion of each half year duly certified by a company secretary in practice or chartered accountant in practice.</p>
<p>96 <b>First Annual General Meeting</b></p>	<p>The first annual general meeting shall be held within a period of nine months from the date of closing of the first financial year of the company.</p>
<p>139 <b>Appointment of First Auditor</b></p>	<p>The first auditor of a company (other than a Government company) shall be appointed by the Board of Directors within thirty days from the date of registration of the company and in the case of failure of the Board to appoint such auditor, it shall inform the members of the company, who shall within ninety days at an EGM appoint such auditor and such auditor shall hold office till the conclusion of the first annual general meeting.</p>
<p>152 <b>Appointment of First Director</b></p>	<p>Where no provision is made in the articles of a company for the appointment of the first director, the subscribers to the memorandum who are individuals shall be deemed to be the first Directors of the</p>

## Key Compliances under the Companies Act, 2013 for Private Companies

Section	Immediately after Incorporation
	company until the Directors are duly appointed and in case of a One Person Company an individual being member shall be deemed to be its first director until the director or Directors are duly appointed by the member in accordance with the provisions of this section.
170 <b>Register of directors and key managerial personnel and their shareholding</b>	Every company shall keep at its registered office a register containing such particulars of its Directors and key managerial personnel, which shall include the details of securities held by each of them in the company or its holding, subsidiary, subsidiary of company's holding company or associate companies.
173 <b>First Board Meeting</b>	Every company shall hold the first meeting of the Board of Directors within thirty days of the date of its incorporation
184 <b>Disclosure of Interest of Director at the First Meeting of the Board</b>	Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed.

### B. Annual Compliances

Section	Annual Compliances
<b>Rule 16 of the Companies (Acceptance of Deposits)</b>	Every Company to which the Rule applies is required to file with the Registrar, a return in Form DPT-3 along with the fee on or before the 30th day of June, of every year, and the information shall be furnished as on the 31st day of March of that year duly audited by the auditor of the

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Section	Annual Compliances
<b>Rules, 2014</b>	company and declaration to that effect shall be submitted by the auditor in Form DPT-3.
92 <b>Annual Return</b>	<p>Every company shall prepare a return (hereinafter referred to as the annual return) in the prescribed form containing the particulars as they stood on the close of the financial year regarding:</p> <ul style="list-style-type: none"> <li>(a) its registered office, principal business activities, particulars of its holding, subsidiary and associate companies;</li> <li>(b) its shares, debentures and other securities and shareholding pattern;</li> <li>(c) <b>***</b></li> <li>(d) its members and debenture-holders along with changes therein since the close of the previous financial year;</li> <li>(e) its promoters, directors, key managerial personnel along with changes therein since the close of the previous financial year</li> <li>(f) meetings of members or a class thereof, Board and its various committees along with attendance details;</li> <li><del>(g) remuneration of directors and key managerial personnel;</del> aggregate amount of remuneration drawn by directors (For Private Company)</li> <li>(h) penalty or punishment imposed on the company, its directors or officers and details of compounding of offences and appeals made against such penalty or punishment;</li> <li>(i) matters relating to certification of compliances, disclosures as may be prescribed;</li> <li>(j) details, as may be prescribed, in respect of shares held by or on behalf of the Foreign Institutional Investors and</li> <li>(k) such other matters as may be prescribed</li> </ul>

## Key Compliances under the Companies Act, 2013 for Private Companies

Section	Annual Compliances
	<p>and signed by a director and the company secretary, or where there is no company secretary, by a company secretary in practice</p> <p>The annual return, filed by a listed company or a company having paid-up share capital of ten crore rupees or more or turnover of fifty crore rupees or more, shall be certified by a Company Secretary in practice and the certificate shall be in Form No. MGT.8.</p> <p>Every company shall file its annual return in Form MGT-7 except OPC and small Company. OPCs and Small Company shall file annual return in form MGT-7A with ROC.</p>
96 <b>Annual General Meeting</b>	<p>Every company other than a One Person Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of a company and that of the next.</p> <p>The first annual general meeting shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months, from the date of closing of the financial year.</p> <p>Every AGM shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated. An unlisted company may hold its AGM at any place in India if the members give their consent in advance in writing or by electronic mode (as permitted under Companies (Management &amp; Administration) Rules).</p>
129	At every AGM of a company, the Board of Directors of the

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Section	Annual Compliances
<b>Financial Statement</b>	<p>company shall lay before such meeting financial statements for the financial year.</p> <p>The financial statements shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under section 133 and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III.</p> <p>Where a company has one or more subsidiaries, it shall, also prepare a consolidated financial statement of the company and of all the subsidiaries in the same form and manner as that of its own and which shall also be laid before the AGM of the company.</p>
134 <b>Financial statement, Board's report, etc.</b>	<p>The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board by the chairperson of the company where he is authorised by the Board or by two Directors out of which one shall be managing director, if any, and the Chief Executive Officer, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, or in the case of One Person Company, only by one director, for submission to the auditor for his report thereon.</p> <p>There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors and the Auditors' Report.</p> <p>Further, the Central Government has prescribed an abridged Board's report, for One Person Company and small company.</p> <p>The Board's Report of Small Company shall be prepared based on standalone financial statement of the company which shall be in abridged form.</p>
137 <b>Copy of financial</b>	<p>Every company shall file the financial statements with Registrar together with Form AOC-4 and the consolidated financial statements, if any, with form AOC-4 CFS.</p>

## Key Compliances under the Companies Act, 2013 for Private Companies

Section	Annual Compliances
<b>statement to be filed with Registrar</b>	
<b>139 Appointment of auditors</b>	<p>Every company shall, at the first AGM, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. The Company shall intimate the Registrar about the appointment of Auditor in form ADT-1.</p> <p>The provision of rotation of auditor is applicable only to listed / prescribed companies which are as under:</p> <p>(a) all unlisted public companies having paid up share capital of rupees ten crore or more;</p> <p>(b) all private limited companies having paid up share capital of rupees fifty crore or more;</p> <p>(c) all companies having paid up share capital of below threshold limit mentioned in (a) and (b) above, but having public borrowings from financial institutions, banks or public deposits of rupees fifty crores or more.</p>
<b>Order 2 and 3 dated 22 January, 2019 issued under Section 405 of the Companies Act, 2013</b>	<p>All companies, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed 45 days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of section 9 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), shall submit a half yearly return to the Ministry of Corporate Affairs in form MSME-1</p> <p>If no dues beyond 45 days exist for the half-year, no MSME-1 filing is required.</p>
<b>Rule 12A of the Companies (Appointment</b>	<p>Every individual who holds a Director Identification Number (DIN) as on 31st March of a financial year shall file KYC intimation in Form No. DIR-3 KYC/ Web to the Central Government on or before the 30th June of the</p>

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<b>Section</b>	<b>Annual Compliances</b>
<b>and Qualification of Directors) Rules, 2014*</b>	<p>immediately following every third consecutive financial year.*</p> <p>Every individual holding a Director Identification Number shall, in the event of change in his personal mobile number, email address or residential address, submit Form No. DIR-3 KYC Web within a period of thirty days of such change along with fee as provided under the Companies (Registration Offices and Fees) Rules, 2014.</p> <p>*Earlier this requirement was yearly.</p>

**C. Key General Compliances which the company needs to undertake**

<b>Section</b>	<b>Key General Compliance</b>
<b>12 Registered Office</b>	<p>A company shall, within thirty days of its incorporation and at all times thereafter, have a registered office capable of receiving and acknowledging all communications and notices as may be addressed to it.</p>
<b>56 Allotment, Transfer and Transmission of Securities</b>	<p>Every company shall, unless prohibited by any provision of law or any order of Court, Tribunal or other authority, deliver the certificates of all securities allotted, transferred or transmitted—</p> <p>(a) within a period of two months from the date of incorporation, in the case of subscribers to the memorandum;</p> <p>(b) within a period of two months from the date of allotment, in the case of any allotment of any of its shares;</p> <p>(c) within a period of one month from the date of receipt by the company of the instrument of transfer under sub-section (1) or, as the case may be, of the intimation of transmission under sub-section (2), in the case of a transfer or transmission of securities;</p> <p>(d) within a period of six months from the date of</p>

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	<p style="text-align: center;">allotment in the case of any allotment of debenture:</p> <p><b>Provided</b> that where the securities are dealt with in a depository, the company shall intimate the details of allotment of securities to depository immediately on allotment of such securities.</p>
<p>73</p> <p><b>Prohibition on acceptance of deposits from public</b></p>	<p>(1) On and after the commencement of this Act, no company shall invite, accept or renew deposits under this Act from the public.</p> <p>(2) A company may, subject to the passing of a resolution in general meeting and subject to such rules as may be prescribed in consultation with the Reserve Bank of India, accept deposits from its members on such terms and conditions, including the provision of security, if any, or for the repayment of such deposits with interest, as may be agreed upon between the company and its members, subject to the fulfilment of the following conditions, namely:</p> <p>(a) issuance of a circular to its members including therein a statement showing the financial position of the company, the credit rating obtained, the total number of depositors and the amount due towards deposits in respect of any previous deposits accepted by the company and such other particulars in such form and in such manner as may be prescribed</p> <p>(b) filing a copy of the circular along with such statement with the Registrar within thirty days before the date of issue of the circular</p> <p>(c) depositing, on or before the thirtieth day of April each year, such sum which shall not be less than twenty per cent of the amount of its deposits maturing during the following financial year and kept in a scheduled bank in a separate bank account to be called deposit</p>

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	<p>repayment reserve account</p> <p>(d) <b>[Omitted]</b></p> <p>(e) certifying that the company has not committed any default in the repayment of deposits accepted either before or after the commencement of this Act or payment of interest on such deposits and where a default had occurred, the company made good the default and a period of five years had lapsed since the date of making good the default; and</p> <p>(f) providing security, if any for the due repayment of the amount of deposit or the interest thereon including the creation of such charge on the property or assets of the company.</p> <p>However, in case where a company does not secure the deposits or secures such deposits partially, then, the deposits shall be termed as “unsecured deposits” and shall be so quoted in every circular, form, advertisement or in any document related to invitation or acceptance of deposits.</p> <p>(3) Every deposit accepted by a company under sub-section (2) shall be repaid with interest in accordance with the terms and conditions of the agreement referred to in that sub-section.</p> <p>(4) Where a company fails to repay the deposit or part thereof or any interest thereon under sub-section (3), the depositor concerned may apply to the thereof or any interest thereon under sub-section (3), the depositor concerned may apply to the Tribunal for an order directing the company to pay the sum due or for any loss or damage incurred by him as a result of such non-payment and for such other orders as the Tribunal may deem fit.</p> <p>(5) The deposit repayment reserve account referred to in clause (c) of sub-section (2) shall not</p>

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	<p>be used by the company for any purpose other than repayment of deposits.</p> <p><b>Clause (a) to (e) of Sub-section 2 of section 73 is not applicable to private Companies.</b></p> <p><b>(A) which accepts from its members monies not exceeding one hundred per cent. of aggregate of the paid up share capital, free reserves and securities premium account; or</b></p> <p><b>(B) which is a start-up, for five years from the date of its incorporation; or</b></p> <p><b>(C) which fulfils all of the following conditions, namely:-</b></p> <p><b>(a) which is not an associate or a subsidiary company of any other company;</b></p> <p><b>(b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid up share capital or fifty crore rupees, whichever is lower; and</b></p> <p><b>(c) such a company has not defaulted in the repayment of such borrowings subsisting at the time of accepting deposits under this section:</b></p> <p><b>Provided that the company referred to in clauses (A), (B) or (C) shall file the details of monies accepted to the Registrar in such manner as may be specified.”</b></p>
85 <b>Company's Register of Charges</b>	<p>Every company shall keep at its registered office a register of charges in form CHG-7, which shall include therein all charges and floating charges affecting any property or assets of the company or any of its undertakings, indicating in each case such particulars as may be prescribed.</p> <p>A copy of the instrument creating the charge shall also be kept at the registered office of the company</p>

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	along with the register of charges.
<p>88</p> <p><b>Register of Members, etc.</b></p>	<p>Every company shall keep and maintain the following registers in such form and in such manner as may be prescribed, namely-</p> <p>(a) register of members indicating separately for each class of equity and preference shares held by each member residing in or outside India;</p> <p>(b) register of debenture-holders; and</p> <p>(c) register of any other security holders.</p>
<p>90</p> <p><b>Register of Significant Beneficial Owners in a Company</b></p>	<p>Every company shall maintain a register of the interest declared by the significant beneficial owner and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed.</p> <p>The Company receives declaration of beneficial interest in form BEN-1. Company should maintain the register in BEN-3 format.</p> <p>Every company shall file a return of significant beneficial owners of the company and changes therein with the Registrar in Form No- BEN-2 containing names, addresses and other details as may be prescribed within thirty days from the date of receipt of such declaration.</p>
<p>94</p> <p><b>Place of Keeping and Inspection of Registers, Returns, etc.</b></p>	<p>The registers are required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92 shall be kept at the registered office of the company.</p> <p>Such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members resides, if approved by a special resolution passed at a general meeting of the</p>

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	<p>company. The company is also required to inform the Registrar of Companies (ROC) about the location of the alternate place in the prescribed manner. Members of the company have the right to inspect these registers or copies of the annual return at the registered office or at the alternate location (if approved), subject to the provisions of the Companies Act.</p>
<p>100 <b>Calling of Extraordinary General Meeting</b></p>	<p>The Board of Directors of a company may, whenever it deems necessary, call an Extraordinary General Meeting (EGM) of the company.</p> <p>In addition, the Board shall call an EGM of the company in case the requisition is made by the following by submitting a written request specifying the objectives of the meeting.</p> <p>(a) In the case of a company having a share capital, such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting;</p> <p>(b) in the case of a company not having a share capital, such number of members who have, on the date of receipt of the requisition, not less than one-tenth of the total voting power of all the members having on the said date a right to vote,—</p> <p>Upon receipt of such requisition, the Board is required to convene the EGM within 21 days, and the meeting must be held within 45 days from the date of requisition.</p> <p>If the above timeline is not adhered to in case of a valid requisition in regard to any matter, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.</p>

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	<p>Every EGM, except in the case of a wholly owned subsidiary of a foreign company, must be held at a place within India. The EGM serves as a forum for members to consider and decide on urgent or special matters that cannot be deferred until the next Annual General Meeting.</p>
<p>101 <b>Notice of Meeting</b></p>	<p>A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed.</p> <p>However, a general meeting may be called after giving shorter notice than that specified above, if consent, in writing or by electronic mode, is accorded thereto—</p> <ul style="list-style-type: none"> <li>(i) in the case of an annual general meeting, by not less than 95% of the members entitled to vote there at; and</li> <li>(ii) in the case of any other general meeting, by members of the company— <ul style="list-style-type: none"> <li>(a) holding, if the company has a share capital, majority in number of members entitled to vote and who represent not less than 95% of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or</li> <li>(b) having, if the company has no share capital, not less than 95% of the total voting power exercisable at that meeting:</li> </ul> </li> </ul> <p>However, where any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for those purposes of this sub section in respect of the former resolution or resolutions and not in respect of the latter.</p> <p>Every notice of a meeting shall specify the place,</p>

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	<p>date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.</p> <p>The notice of every meeting of the company shall be given to every member of the company, legal representative of any deceased member or the assignee of an insolvent member; the auditor or auditors of the company; and every director of the company.</p> <p>In case of private company - Section 101 is applicable, unless otherwise specified in respective sections or the articles of the company provide otherwise.</p>
<p>102</p> <p><b>Statement to be Annexed to Notice</b></p>	<p>A statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely:</p> <p>(a) the nature of concern or interest, financial or otherwise in respect of each item of every director and the manager, if any; every other key managerial personnel; and relatives of such persons</p> <p>(b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon</p> <p>In case of private company - Section 102 is applicable, unless otherwise specified in respective sections or the articles of the company provide otherwise.</p>
<p>103</p> <p><b>Quorum for Meetings</b></p>	<p>Unless the articles of the company provide for a larger number, two members personally present, shall be the quorum for a meeting of a private company.</p> <p>In case of private company - Section 103 is</p>

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<b>Section</b>	<b>Key General Compliance</b>
	<p>applicable, unless otherwise specified in respective sections or the articles of the company provide otherwise.</p>
<p>104 <b>Chairman of Meetings</b></p>	<p>Unless the articles of the company otherwise provide, the members personally present at the meeting shall elect one of themselves to be the Chairman thereof on a show of hands.</p> <p>If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of this Act and the Chairman elected on a show of hands under sub-section (1) shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the meeting.</p> <p>In case of private company - Section 104 is applicable, unless otherwise specified in respective sections or the articles of the company provide otherwise.</p>
<p>105 <b>Proxies</b></p>	<p>Any member of a company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person as a proxy to attend and vote at the meeting on his behalf.</p> <p>However, a proxy shall not have the right to speak at such meeting and shall not be entitled to vote except on a poll.</p> <p>In every notice calling a meeting of a company which has a share capital, or the articles of which provide for voting by proxy at the meeting, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.</p> <p>In case of private company - Section 105 is</p>

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	applicable, unless otherwise specified in respective sections or the articles of the company provide otherwise.
106 <b>Restriction on Voting Rights</b>	<p>The articles of a company may provide that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the company has exercised any right of lien.</p> <p>In case of private company - Section 106 is applicable, unless otherwise specified in respective sections or the articles of the company provide otherwise.</p>
114 <b>Ordinary and Special Resolutions</b>	<p>A resolution is considered to be an ordinary resolution if the notice required under this Act has been duly given and it is required to be approved or passed by a simple majority i.e., more than 50%.</p> <p>A resolution shall be a special resolution when the votes cast in favour of the resolution, whether on a show of hands, or electronically or on a poll, as the case may be, by members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting ( that is not less than 75% of the members entitled and voting should approve matters which are required to be approved by a special resolution )</p> <p>The intention to propose the resolution as a special resolution shall be duly specified in the notice calling the general meeting or other intimation given to the members of the resolution and such a notice required under the Act has been duly given as required.</p>
117 <b>Resolutions and</b>	<p>The provisions of this section shall apply to:</p> <p>(a) special resolutions;</p>

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<p><b>agreements to be filed</b></p>	<p>(b) resolutions which have been agreed to by all the members of a company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;</p> <p>(c) any resolution of the Board of Directors of a company or agreement executed by a company, relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director;</p> <p>(d) resolutions or agreements which have been agreed to by any class of members but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by a specified majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind such class of members though not agreed to by all those members;</p> <p>(f) resolutions requiring a company to be wound up voluntarily passed in pursuance of section 59 of the Insolvency and Bankruptcy Code, 2016.</p> <p>(g) resolutions passed in pursuance of sub-section (3) of section 179.( this is not applicable to a Private Company)</p> <p>(h) any other resolution or agreement as may be prescribed and placed in the public domain.</p> <p>A copy of every resolution or any agreement, in respect of matters specified above shall be filed with the Registrar within thirty days of the passing or making thereof in form MGT-14 along with fees.</p>
<p>119 <b>Inspection of</b></p>	<p>The books containing the minutes of the proceedings of any general meeting of a company or of a</p>

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<b>minute-books of general meeting</b>	<p>resolution passed by postal ballot, shall be kept at the registered office of the company; and be open, during business hours, to the inspection by any member without charge, subject to such reasonable restrictions as the company may, by its articles or in general meeting, impose, so, however, that not less than two hours in each business day are allowed for inspection.</p>
<b>123 Declaration of Dividend</b>	<p>No dividend shall be declared or paid by a company for any financial year except-</p> <p>(a) out of the profits of the company for that year arrived at after providing for depreciation, or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both.</p> <p>While computing profits any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded; or</p> <p>(b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.</p> <p>However, a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:</p> <p>Further where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits</p>

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	<p>earned by it in previous years and transferred by the company to the free reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf.</p> <p>No dividend shall be declared or paid by a company from its reserves other than free reserves.</p> <p>Also no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.</p>
<p>124 <b>Unpaid Dividend Account</b></p>	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.</p> <p>The company shall, within a period of ninety days of making any transfer of an amount as aforementioned to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the web-site of the company, if any, and also on any other web-site of the company, if any, and also on any other web-site approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.</p> <p>Where dividend transferred to an unpaid dividend account has remained unclaimed / unpaid for over 7 years from the date of such transfer, such dividend amount along with any interest accrued thereon have to be transferred to the Investor Education and Protection Fund. along with a statement containing</p>

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	such details as may be prescribed:
128 <b>Books of account, etc., to be kept by company</b>	<p>Every company shall prepare and keep books of account and other relevant books and papers and financial statement at its registered office for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.</p> <p>All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place:</p> <p>The company may keep such books of account or other relevant papers in electronic mode in such manner as prescribed.</p>
140 <b>Removal, resignation of auditor and giving of special notice</b>	<p>The auditor may be removed from his office before the expiry of his term only by a special resolution of the company, and after obtaining the previous approval of the Central Government through ADT-2 along with fees. However, before taking any such action, the auditor concerned shall be given a reasonable opportunity of being heard.</p> <p>The auditor who has resigned from the company shall file within a period of thirty days from the date of resignation, a statement in the prescribed form with the company and the Registrar.</p>
141 <b>Eligibility, qualifications</b>	(1) A person shall be eligible for appointment as an auditor of a company only if he is a chartered accountant:

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<p><b>and disqualifications of auditors</b></p>	<p>Provided that a firm whereof majority of partners practising in India are qualified for appointment as aforesaid may be appointed by its firm name to be auditor of a company.</p> <p>Where a firm including a limited liability partnership is appointed as an auditor of a company, only the partners who are chartered accountants shall be authorised to act and sign on behalf of the firm.</p> <p>The following persons shall not be eligible for appointment as an auditor of a company, namely: —</p> <ul style="list-style-type: none"> <li>(a) a body corporate other than a limited liability partnership registered under the Limited Liability Partnership Act, 2008</li> <li>(b) an officer or employee of the company;</li> <li>(c) a person who is a partner, or who is in the employment, of an officer or employee of the company;</li> <li>(d) a person who, or his relative or partner— <ul style="list-style-type: none"> <li>(i) is holding any security of or interest in the company or its subsidiary, or of its holding or associate company or a subsidiary of such holding company. The relative may hold security or interest in the company of face value not exceeding one thousand rupees or such sum as may be prescribed;</li> <li>(ii) is indebted to the company, or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of such amount as may be prescribed; or</li> <li>(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, or its subsidiary, or its holding or associate company or a subsidiary of such holding company, for such amount as may be prescribed;</li> </ul> </li> </ul>

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	<p>(e) a person or a firm who, whether directly or indirectly, has business relationship with the company, or its subsidiary, or its holding or associate company or subsidiary of such holding company or associate company of such nature as may be prescribed;</p> <p>(f) a person whose relative is a director or is in the employment of the company as a director or key managerial personnel;</p> <p>(g) a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as auditor of more than twenty companies other than one person companies, dormant companies, small companies and private companies having paid-up share capital less than one hundred crore rupee; <b>(modified clause for Private Company)</b></p> <p>(h) a person who has been convicted by a court of an offence involving fraud and a period of ten years has not elapsed from the date of such conviction;</p> <p>(i) a person who, directly or indirectly, renders any service referred to in section 144 to the company or its holding company or its subsidiary company.</p> <p>Explanation.—For the purposes of this clause, the term “directly or indirectly” shall have the meaning assigned to it in the Explanation to section 144.</p> <p>Where a person appointed as an auditor of a company incurs any of the disqualifications mentioned above after his appointment, he shall vacate his office as such auditor and such vacation shall be deemed to be a casual vacancy in the office</p>

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	<p>of the auditor.</p> <p>(3) The following persons shall not be eligible for appointment as an auditor of a company, namely:—</p> <p>(g) a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as auditor of more than twenty companies;</p> <p>In case of private company – modified clause (g) of sub-section 3 is applicable which is as under: The following persons shall not be eligible for appointment as an auditor of a company, namely:—</p> <p>(g) a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as auditor of more than twenty companies other than one person companies, dormant companies, small companies and private companies having paid-up share capital less than one hundred crore rupee;</p>
<p>142 <b>Remuneration of Auditors</b></p>	<p>(1) The remuneration of the auditor of a company shall be fixed in its general meeting or in such manner as may be determined therein.</p> <p>However, the Board may fix remuneration of the first auditor appointed by it.</p> <p>(2) The remuneration shall in addition to the fee payable to an auditor, include the expenses, if any, incurred by the auditor in connection with the audit of the company and any facility extended to him but does not include any remuneration paid to him for any other service rendered by him at the request of the company.</p>

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<p>143</p> <p><b>Powers and duties of auditors and auditing standards</b></p>	<p>The duties and powers of Auditor is prescribed in section 143 of the Companies Act, 2013 read with rules thereunder to ensure that the Auditors have adequate power to examine company records.</p> <p>Section -143(3)(i) i.e. reporting of IFC wr.t. Financial Statement shall not apply to the following private companies:</p> <ol style="list-style-type: none"> <li>1. which is a one person company or a small company; or</li> <li>2. which has turnover less than rupees fifty crores as per latest audited financial statement and which has aggregate borrowings from banks or financial institutions or anybody corporate at any point of time during the financial year less than rupees twenty five crore.</li> </ol>
<p>144</p> <p><b>Auditor not to render certain services</b></p>	<p>An auditor shall provide to the company only such other services as are approved by the Board of Directors or the audit committee, but which shall not include any of the following services (whether such services are rendered directly or indirectly to the company), company or its holding company or subsidiary company, namely:-</p> <ul style="list-style-type: none"> <li>• accounting and book keeping services;</li> <li>• internal audit;</li> <li>• design and implementation of any financial information system;</li> <li>• actuarial services;</li> <li>• investment advisory services;</li> <li>• investment banking services;</li> <li>• rendering of outsourced financial services;</li> <li>• management services; and</li> <li>• any other kind of services as may be prescribed.</li> </ul>
<p>146</p>	<p>All notices of, and other communications relating to,</p>

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<p><b>Auditors to attend general meeting</b></p>	<p>any general meeting shall be forwarded to the auditor of the company, and the auditor shall, unless otherwise exempted by the company, attend either by himself or through his authorised representative, who shall also be qualified to be an auditor, any general meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.</p>
<p>148 <b>Central Government to specify audit of items of cost in respect of certain companies</b></p>	<p>Cost Audit shall be conducted by a Cost Accountant who shall be appointed by the Board on such remuneration as may be determined by the members.</p> <p>Person appointed as an auditor of the company shall NOT be appointed for conducting the audit of cost records.</p> <p>Cost Audit shall be applicable to only specified category of companies as prescribed by the Central Government in this regard.</p> <p>Cost Audit shall be in addition to audit conducted u/s 143 of the Companies Act, 2013.</p>
<p>149 (r/w Rule 3 and Rule 4, Companies (Appointment and Qualification of Directors) Rules, 2014) <b>Board of Directors</b></p>	<p>Every Private Company shall have a Board of Directors consisting of individuals as Directors and shall have two Directors in the case of a private company, and one director in the case of a One Person Company; and a maximum of fifteen Directors.</p> <p>A company may appoint more than fifteen directors after passing a special resolution.</p> <p>Every company shall have at least one director who has stayed in India for a total period of not less than one hundred and eighty-two days during the financial year:</p> <p>In case of a newly incorporated company the requirement as above shall apply proportionately at the end of the financial year in which it is</p>

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Section	Key General Compliance
	<p>incorporated.</p> <p>Appointment of Independent Director and Woman Director is not applicable in case of Private Company.</p>
<p>152</p> <p><b>Appointment of directors</b></p>	<p>Where no provision is made in the articles of a company for the appointment of the first director, the subscribers to the memorandum who are individuals shall be deemed to be the first Directors of the company until the Directors are duly appointed and in case of a One Person Company an individual being member shall be deemed to be its first director until the director or Directors are duly appointed by the member in accordance with the provisions of this section.</p> <p>Every director shall be appointed by the company in general meeting, unless otherwise expressly provided in the Act.</p> <p>No person shall be appointed as a Director unless he has been allotted a DIN.</p>
<p>161</p> <p><b>Appointment of Additional Director, Alternate Director and Nominee Director</b></p>	<p>The articles of a company may confer on its Board of Directors the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an Additional Director at any time who shall hold office up to the date of the next AGM or the last date on which the AGM should have been held, whichever is earlier.</p> <p>The Board of Directors of a company may, if so authorised by its articles or by a resolution passed by the company in general meeting, appoint a person, not being a person holding any alternate Directorship for any other director in the company, or holding Directorship in the same company, to act as an alternate director for a director during his absence for a period of not less than three months from India.</p> <p>Subject to the articles of a company, the Board may</p>

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	<p>appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.</p>
<p>164 <b>Disqualifications for appointment of director</b></p>	<p>A person shall not be eligible for appointment as a director of a company, if —</p> <ul style="list-style-type: none"> <li>(a) he is of unsound mind and stands so declared by a competent court;</li> <li>(b) he is an undischarged insolvent;</li> <li>(c) he has applied to be adjudicated as an insolvent and his application is pending;</li> <li>(d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence. If a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;</li> <li>(e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;</li> <li>(f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;</li> <li>(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or</li> <li>(h) he has not complied with section 152(3).</li> </ul>

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	<p>(i) he has not complied with the section 165(1)</p> <p>No person who is or has been a director of a company which—</p> <p>(a) has not filed financial statements or annual returns for any continuous period of three financial years; or</p> <p>(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more,</p> <p>shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.</p> <p>However, where a person is appointed as a director of a company which is in default of clause (a) or clause (b), he shall not incur the disqualification for a period of six months from the date of his appointment.</p> <p>A private company may by its articles provide for any disqualifications for appointment as a director in addition to those specified in sub-sections (1) and (2) of section 164.</p> <p>The disqualifications referred to in clauses (d), (e) and (g) of sub-section (1) shall continue to apply even if the appeal or petition has been filed against the order of conviction or disqualification.</p>
<p>165</p> <p><b>Number of directorships</b></p>	<p>A person, shall not hold office as a director, including any alternate Directorship, in more than twenty companies at the same time:</p> <p>The maximum number of public companies in which a person can be appointed as a director shall not exceed ten.</p>

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	<ul style="list-style-type: none"> <li>• For reckoning the limit of public companies in which a person can be appointed as director, Directorship in private companies that are either holding or subsidiary company of a public company shall be included.</li> <li>• For reckoning the limit of Directorships of twenty companies, the Directorship in a dormant company shall not be included</li> </ul>
<p>166</p> <p><b>Duties of Director</b></p>	<p>Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.</p> <p>(a) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.</p> <p>(b) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.</p> <p>(c) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.</p> <p>(d) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.</p> <p>(e) A director of a company shall not assign his office and any assignment so made shall be void.</p>

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Section	Key General Compliance
<p>170</p> <p><b>Register of Directors and KMP</b></p>	<p>Every company shall keep at its registered office a register containing such particulars of its Directors and key managerial personnel as may be prescribed, which shall include the details of securities held by each of them in the company or its holding, subsidiary, subsidiary of company's holding company or associate companies.</p>
<p>173</p> <p><b>Meetings of Board</b></p>	<p>Every company shall hold the first meeting of the Board of Directors within thirty days of the date of its incorporation and thereafter hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:</p> <p>A One Person Company, small company, dormant company and a private company (if such private company is a start-up) shall be deemed to have complied with the provisions, if at least one meeting of the Board of Directors has been conducted in each half of a calendar year and the gap between the two meetings is not less than ninety days.</p>
<p>174</p> <p><b>Quorum meetings of Board</b></p>	<p>The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.</p> <p>Where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of Directors who are not interested Directors and present at the meeting, being not less than two, shall be the quorum during such time.</p> <p>In case of Private Company this provision shall apply with the exception that the interested director may</p>

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<b>Section</b>	<b>Key General Compliance</b>
	also be counted towards quorum in such meeting after disclosure of his interest pursuant to section 184.
<p>175</p> <p><b>Passing of resolution by circulation</b></p>	<p>Resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, only when the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the Directors or members, who are entitled to vote on the resolution.</p> <p>However, where not less than one-third of the total number of Directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.</p> <p>The above resolution shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.</p>
<p>179</p> <p><b>Powers of Board</b></p>	<p>The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely: —</p> <ul style="list-style-type: none"> <li>• to make calls on shareholders in respect of money unpaid on their shares;</li> <li>• to authorise buy-back of securities under section 68;</li> <li>• to issue securities, including debentures, whether in or outside India;</li> </ul>

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Section	Key General Compliance
	<ul style="list-style-type: none"> <li>• to borrow monies;</li> <li>• to invest the funds of the company;</li> <li>• to grant loans or give guarantee or provide security in respect of loans;</li> <li>• to approve financial statement and the Board's report;</li> <li>• to diversify the business of the company;</li> <li>• to approve amalgamation, merger or reconstruction;</li> <li>• to take over a company or acquire a controlling or substantial stake in another company;</li> <li>• to make political contributions;</li> <li>• to appoint or remove key managerial personnel (KMP);</li> <li>• to appoint internal auditors and secretarial auditor.</li> </ul>
<p>184</p> <p><b>Disclosure of interest by director</b></p>	<p>(1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed.</p> <p>(2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:</p> <p>(a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a</p>

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	<p>promoter, manager, Chief Executive Officer of that body corporate; or</p> <p>(b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be,</p> <p>shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting.</p> <p>In case of private company - section 184 (2) is applicable; with the exception that the interested director may participate in such meeting after disclosure of his interest.</p>
<p>185 <b>Loan to directors, etc.</b></p>	<p>No company shall, directly or indirectly, advance any loan, including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by,—</p> <p>(a) any director of company, or of a company which is its holding company or any partner or relative of any such director; or</p> <p>(b) any firm in which any such director or relative is a partner.</p> <p>A company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that—:</p> <p>(a) a special resolution is passed by the company in general meeting:</p> <p>Provided that the explanatory statement to the notice for the relevant general meeting shall disclose the full particulars of the loans given, or guarantee given or security provided and the purpose for which the loan or guarantee or</p>

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Section	Key General Compliance
	<p>security is proposed to be utilised by the recipient of the loan or guarantee or security and any other relevant fact; and</p> <p>(b) the loans are utilised by the borrowing company for its principal business activities.</p> <p>Explanation.-For the purposes of this sub-section, the expression “any person in whom any of the director of the company is interested” means—:</p> <p>(a) any private company of which any such director is a director or member;</p> <p>(b) any body corporate at a general meeting of which not less than twenty-five per cent. of the total voting power may be exercised or controlled by any such director, or by two or more such Directors, together; or</p> <p>(c) any body corporate, the Board of Directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or Directors, of the lending company.</p> <p>Nothing contained in sub-sections (1) and (2) above shall apply to—</p> <p>(a) the giving of any loan to a managing or whole-time director—</p> <p style="padding-left: 40px;">(i) as a part of the conditions of service extended by the company to all its employees; or</p> <p style="padding-left: 40px;">(ii) pursuant to any scheme approved by the members by a special resolution; or</p> <p>(b) a company which in the ordinary course of its business provides loans or gives guarantees or securities for the due repayment of any loan and in respect of such loans an interest is charged at a rate not less than the rate of prevailing yield of one year, three years, five</p>

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	<p>years or ten years Government security closest to the tenor of the loan; or</p> <p>(c) any loan made by a holding company to its wholly owned subsidiary company or any guarantee given or security provided by a holding company in respect of any loan made to its wholly owned subsidiary company; or</p> <p>(d) any guarantee given or security provided by a holding company in respect of loan made by any bank or financial institution to its subsidiary company:</p> <p>Provided that the loans made under clauses (c) and (d) are utilised by the subsidiary company for its principal business activities.</p> <p>(4) If any loan is advanced or a guarantee or security is given or provided or utilised in contravention of the provisions of this section,</p> <p>(i) the company shall be punishable with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees;</p> <p>(ii) every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees; and</p> <p>(iii) the director or the other person to whom any loan is advanced or guarantee or security is given or provided in connection with any loan taken by him or the other person, shall be punishable with imprisonment which may extend to six months or with fine which shall not be less than five lakh rupees but which may extend to twenty-five lakh rupees, or with both.</p> <p><b>Section 185 shall not apply to a private company-</b></p>

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Section	Key General Compliance
	<p>(a) in whose share capital no other body corporate has invested any money;</p> <p>(b) if the borrowings of such a company from banks or financial institutions or any body corporate is less than twice of its paid-up share capital or fifty crore rupees, whichever is lower; and</p> <p>(c) such a company has no default in repayment of such borrowings subsisting at the time of making transactions under this section.</p>
<p>186</p> <p><b>Loan and investment by company</b></p>	<p>No company shall directly or indirectly —</p> <ul style="list-style-type: none"> <li>• give any loan to any person or other body corporate;</li> <li>• give any guarantee or provide security in connection with a loan to any other body corporate or person; and</li> <li>• acquire by way of subscription, purchase or otherwise, the securities of any other body corporate,</li> </ul> <p>exceeding sixty per cent. of its paid-up share capital, free reserves and securities premium account or one hundred per cent. of its free reserves and securities premium account, whichever is more. For the purposes of this sub-section, the word “person” does not include any individual who is in the employment of the company.</p> <p>Where the aggregate of the loans and investment so far made, the amount for which guarantee or security so far provided to or in all other bodies corporate along with the investment, loan, guarantee or security proposed to be made or given by the Board, exceed the limits specified under sub-section (2), no investment or loan shall be made or guarantee shall be given or security shall be provided unless</p>

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<b>Section</b>	<b>Key General Compliance</b>
	<p>previously authorised by a special resolution passed in a general meeting</p> <p>The company shall disclose to the members in the financial statement the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security.</p>
<p>188</p> <p><b>Related party transactions</b></p>	<p>(1) No company shall enter into any contract or arrangement with a related party with respect to the following, except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed:</p> <ul style="list-style-type: none"> <li>(a) sale, purchase or supply of any goods or materials;</li> <li>(b) selling or otherwise disposing of, or buying, property of any kind;</li> <li>(c) leasing of property of any kind;</li> <li>(d) availing or rendering of any services;</li> <li>(e) appointment of any agent for purchase or sale of goods, materials, services or property;</li> <li>(f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and</li> <li>(g) underwriting the subscription of any securities or derivatives thereof, of the company</li> </ul> <p>No contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by a resolution. This requirement shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose</p>

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Section	Key General Compliance
	<p>accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</p> <p>No member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party. However, this proviso is not applicable to the companies in which ninety per cent. or more members, in number, are relatives of promoters or are related parties. Also, this proviso is not applicable to Private Companies.</p> <p>It may be noted that anything contained above shall not apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis:</p>
<p>189</p> <p><b>Register of contracts or arrangements in which directors are interested</b></p>	<p>Every company shall keep one or more registers giving separately the particulars of all contracts or arrangements to which sub-section (2) of section 184 or section 188 applies, in Form MBP-4 containing particulars as prescribed and after entering the particulars, such register or registers shall be placed before the next meeting of the Board and signed by all the Directors present at the meeting.</p>
<p>196</p> <p><b>Appointment of managing director, whole-time director or manager</b></p>	<p>(1) A company shall not appoint or employ at the same time a managing director and a manager.</p> <p>(2) It shall not appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time. Also, no re-appointment shall be made earlier than one year before the expiry of his term.</p> <p>(3) Further, it shall not appoint or continue the employment of any person as managing director, whole-time director or manager who:</p> <p>(a) is below the age of twenty-one years or has</p>

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Section	Key General Compliance
	<p>attained the age of seventy years:                      However, appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;                      In case where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.</p> <p>(b) is an undischarged insolvent or has at any time been adjudged as an insolvent</p> <p>(c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or</p> <p>(d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.</p>
<p>446B  <b>Lesser Penalties for OPC or Small Companies</b></p>	<p>Notwithstanding anything contained in this Act, if penalty is payable for non-compliance of any of the provisions of this Act by a One Person Company, small company, start-up company or Producer Company, or by any of its officer in default, or any other person in respect of such company, then such company, its officer in default or any other person, as the case may be, shall be liable to a penalty which shall not be more than one-half of the penalty specified in such provisions subject to a maximum of two lakh rupees in case of a company and one lakh rupees in case of an officer who is in default or any</p>

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Section	Key General Compliance
	other person, as the case may be.
447 <b>Punishment for Fraud</b>	<p>Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.</p> <p>Where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.</p> <p>However, where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.</p>
448 <b>Punishment for false statement</b>	<p>If in any return, report, certificate, financial statement, prospectus, statement or other document required by, or for, the purposes of any of the provisions of this Act or the rules made thereunder, any person makes a statement, which is false in any material particulars, knowing it to be false; or which omits any material fact, knowing it to be material, he shall be liable under section 447 for punishment of fraud.</p>
455 <b>Dormant company</b>	<p>Where a company is formed and registered under this Act for a future project or to hold an asset or intellectual property and has no significant</p>

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Section	Key General Compliance
	<p>accounting transaction, such a company or an inactive company may make an application to the Registrar in such manner as may be prescribed for obtaining the status of a dormant company.</p> <p>A dormant company shall have such minimum number of Directors, file such documents and pay such annual fee as may be prescribed to the Registrar to retain its dormant status in the register and may become an active company on an application made in this behalf accompanied by such documents and fee as may be prescribed.</p>
<p>462 <b>Power to exempt class or classes of companies from provisions of this Act</b></p>	<p>The Central Government has power to exempt certain class or classes of companies from provisions of the Companies Act 2013.</p> <p><i>Through exercise of this power, the Central Govt has released Notifications dated 5th June, 2015 and 13th June, 2017 to provide for exemptions to Private Companies under various provisions of the Act.</i></p>

## Key Compliances under the Companies Act, 2013 for Private Companies

### D. Key Event Based Compliances

Section	Key Event Based
12 <b>Registered Office</b>	Notice of every change of the situation of the registered office, verified in the manner prescribed, after the date of incorporation of the company, shall be given to the Registrar through INC-22 within thirty days of the change, who shall record the same.
13 <b>Alteration of Memorandum</b>	Alteration of the Memorandum of Association (MOA) of a company is governed primarily by <b>Section 13 of the Companies Act, 2013</b> , and the procedure depends on the specific clause being altered. A company may alter its <b>Name Clause, Object Clause, Registered Office Clause or Capital clause</b>
14 <b>Alteration of Articles</b>	Subject to the provisions of the Companies Act, 2013 and the conditions contained in its memorandum, a company may, by passing a <b>special resolution</b> , alter its Articles of Association, including alterations having the effect of <b>conversion of a private company into a public company or a public company into a private company</b> . Forms are also required to be filed to ROC.
23 and 42 r/w Rule 14 <b>Private Placement</b>	A private company may issue securities by rights issue, bonus issue and private placement. In case of private placement, such letter of offer shall be sent to a maximum of 200 persons in the aggregate in the financial year and the Return of Allotment shall be filed with the Registrar in Form PAS-3 within 15 days of allotment. The offer letter should be issued in PAS-4 format and the company shall maintain a record of private placements in PAS-5 format. It is also important to note that the private

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Section	Key Event Based
	placement subscription amounts must be received only through banking channels and kept in a separate ear marked account which will be used only after filing PAS-3
46: <b>Certificate of Shares</b>	A duplicate certificate of shares may be issued, if such certificate — (a) is proved to have been lost or destroyed; or (b) has been defaced, mutilated or torn and is surrendered to the company.
51 <b>Payment of dividend in proportion to amount paid-up.</b>	A company may, if so authorised by its articles, pay dividends in proportion to the amount paid- up on each share.
54 <b>Issue of Sweat Equity Shares:</b>	Except for Sweat Equity Shares, shares can never be issued at a discount and issuance of sweat equity shares shall comply with the following : (a) the issue is authorised by a special resolution passed by the company; (b) the resolution specifies the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued; (c) omitted (d) where the equity shares of the company are listed on a recognised stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board in this behalf and if they are not so listed, the sweat equity shares are issued in accordance with Rule 8 of the Companies (Share Capital and Debentures)

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Section	Key Event Based
	Rules, 2014.
<p>56</p> <p><b>Transfer and Transmission of Securities</b></p>	<p>Every company shall, unless prohibited by any provision of law or any order of Court, Tribunal or other authority, deliver the certificates of all securities allotted, transferred or transmitted</p> <ul style="list-style-type: none"> <li>(a) within a period of two months from the date of incorporation, in the case of subscribers to the memorandum</li> <li>(b) within a period of two months from the date of allotment, in the case of any allotment of any of its shares;</li> <li>(c) within a period of one month from the date of receipt by the company of the instrument of transfer or, as the case may be, of the intimation of transmission of securities</li> <li>(d) within a period of six months from the date of allotment in the case of any allotment of debenture</li> </ul>
<p>61, 64 r/w Rule 15</p> <p><b>Power of Limited Company to Alter its Share Capital</b></p>	<p>A limited company having a share capital may, if so authorised by its articles, alter its memorandum in its general meeting to—</p> <ul style="list-style-type: none"> <li>(a) increase its authorised share capital by such amount as it thinks expedient;</li> <li>(b) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares:  However, no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;</li> <li>(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> </ul>

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

<b>Section</b>	<b>Key Event Based</b>
	<p>(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;</p> <p>(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.</p> <p>The cancellation of shares as above shall not be deemed to be a reduction of share capital.</p> <p>Where a company alters its share capital in any manner specified in sub-section (1) of section 61, or an order is passed by the Government increasing the authorized capital of the company in pursuance of sub-section (4) read with sub-section (6) of section 62 or a company redeems any redeemable preference shares or a company not having share capital increases number of its members, the notice of such alteration, increase or redemption shall be filed by the company with the Registrar in Form No. SH.7 along with the fee.</p>
<p>62 <b>Further Issue of Share Capital</b></p>	<p>Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following</p>

## Key Compliances under the Companies Act, 2013 for Private Companies

Section	Key Event Based
	<p>conditions, namely:—</p> <p>(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p><b>*However, in case ninety percent, of the members of a private company have given their consent in writing or in electronic mode, the periods lesser than those specified in the said sub-clause or sub-section shall apply.</b></p> <p>(ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;</p> <p>(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;</p> <p>(b) to employees under a scheme of employees'</p>

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

Section	Key Event Based
	<p>stock option, subject to <b>*ordinary resolution passed by a private company</b> and subject to such conditions as may be prescribed; or</p> <p>(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in (a) or (b) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed.</p> <p>The notice referred to in sub-clause (i) of clause (a) of sub-section (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.</p> <p><i>* Exemptions provided to Private Company</i></p>
<p>63 <b>Issue of Bonus Shares</b></p>	<p>A company may issue fully paid-up bonus shares to its members, in any manner whatsoever, out of—</p> <p>(i) its free reserves;</p> <p>(ii) the securities premium account; or</p> <p>(iii) the capital redemption reserve account:</p> <p>No issue of bonus shares shall be made by capitalising reserves created by the revaluation of assets.</p> <p>(2) No company shall capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares under sub-section (1), unless—</p> <p>(a) it is authorised by its articles;</p> <p>(b) it has, on the recommendation of the Board,</p>

## Key Compliances under the Companies Act, 2013 for Private Companies

Section	Key Event Based
	<p>been authorised in the general meeting of the company;</p> <p>(c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it;</p> <p>(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;</p> <p>(e) the partly paid-up shares, if any outstanding on the date of allotment, are made fully paid-up;</p> <p>(f) it complies with such conditions as may be prescribed.</p> <p>(3) The bonus shares shall not be issued in lieu of dividend.</p>
<p>66</p> <p><b>Reduction of Share Capital</b></p>	<p>Subject to confirmation by the Tribunal on an application by the company, a company limited by shares or limited by guarantee and having a share capital may, by a special resolution, reduce the share capital in any manner and in, particular, may—</p> <p>(a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or</p> <p>(b) either with or without extinguishing or reducing liability on any of its shares,—</p> <p>(i) cancel any paid-up share capital which is lost or is unrepresented by available assets; or</p> <p>(ii) pay off any paid-up share capital which is in excess of the wants of the company,</p> <p>alter its memorandum by reducing the amount of its share capital and of its shares accordingly:</p> <p>However, no such reduction shall be made if the</p>

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

Section	Key Event Based
	company is in arrears in the repayment of any deposits accepted by it, either before or after the commencement of this Act, or the interest payable thereon.
<p>68</p> <p><b>Buy-Back of Shares</b></p>	<p>A company may purchase its own shares or other specified securities (hereinafter referred to as buy-back) out of—</p> <ul style="list-style-type: none"> <li>(a) its free reserves;</li> <li>(b) the securities premium account; or</li> <li>(c) the proceeds of the issue of any shares or other specified securities:</li> </ul> <p>However, no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.</p> <p>No company shall purchase its own shares or other specified securities, unless—</p> <ul style="list-style-type: none"> <li>(a) the buy-back is authorised by its articles;</li> <li>(b) a special resolution has been passed at a general meeting of the company authorising the buy-back: Nothing in this clause shall apply to a case where the buy-back is, ten per cent or less of the total paid-up equity capital and free reserves of the company; and such buy-back has been authorised by the Board by means of a resolution passed at its meeting;</li> <li>(c) the buy-back is twenty-five per cent. or less of the aggregate of paid-up capital and free reserves of the company. In respect of the buy-back of equity shares in any financial year, the reference to twenty-five per cent. in this clause shall be construed with respect to its total paid-up equity capital in that financial year;</li> </ul>

## Key Compliances under the Companies Act, 2013 for Private Companies

Section	Key Event Based
	<p>(d) the ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is not more than twice the paid-up capital and its free reserves: The Central Government may, by order, notify a higher ratio of the debt to capital and free reserves for a class or classes of companies;</p> <p>(e) all the shares or other specified securities for buy-back are fully paid-up;</p> <p>(f) the buy-back of the shares or other specified securities listed on any recognised stock exchange is in accordance with the regulations made by the SEBI in this behalf; and</p> <p>(g) the buy-back in respect of shares or other specified securities other than those specified in clause (f) is in accordance with such rules as may be prescribed:</p> <p>Provided that no offer of buy-back under this sub-section shall be made within a period of one year reckoned from the date of the closure of the preceding offer of buy-back, if any.</p> <p>Extinguishment: Shares or securities bought back must be physically destroyed/extinguished within seven days of the last date of completion.</p> <p>Restrictions: A company cannot buy back its own shares through a subsidiary or if it has defaulted on deposits, interest, debt, or dividend payments.</p> <p>Cooling period: Further issues of the same kind of shares are prohibited for 6 months (with exceptions), and a new buy-back cannot occur within one year.</p> <p>Procedural requirements and other related provisions for buy back may be referred to in section 68 r/w rules thereunder.</p>

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

<b>Section</b>	<b>Key Event Based</b>
<p>71 <b>Issue of Debentures:</b></p>	<p>A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption.</p> <p>The issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.</p> <p>No company shall issue any debentures carrying any voting rights.</p>
<p>77 <b>Duty of Register Charges, etc.</b></p>	<p>It shall be the duty of every company creating a charge within or outside India, on its property or assets or any of its undertakings, whether tangible or otherwise, and situated in or outside India, to register the particulars of the charge signed by the company and the charge-holder together with the instruments, if any, creating such charge in web form CHG-1/CHG-9, on payment of such fees and in such manner as may be prescribed, with the Registrar within thirty days of its creation.</p>
<p>82 <b>Company Report Satisfaction Charge</b></p>	<p>A company shall give intimation to the Registrar in the web form CHG-4, of the payment or satisfaction in full of any charge registered under this Chapter within a period of thirty days from the date of such payment or satisfaction.</p> <p>However, the Registrar may, on an application by the company or the charge holder, allow such intimation of payment or satisfaction to be made within a period of three hundred days of such payment or satisfaction on payment of such additional fees as may be prescribed.</p>
<p>89 <b>Declaration in Respect of Beneficial Interest</b></p>	<p>Where any declaration under this section in respect of beneficial interest in share is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty</p>

## Key Compliances under the Companies Act, 2013 for Private Companies

Section	Key Event Based				
<b>in any Share</b>	days from the date of receipt of declaration by it, Form No. MGT-6 with the Registrar in respect of such declaration with fee.				
<b>168 Resignation of director</b>	<p>A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice intimate the ROC within thirty days from the date of receipt of notice of resignation from a director, in Form DIR-12 and post the information on its website, if any.</p> <p>It shall also place the fact of such resignation in the report of Directors laid in the immediately following general meeting by the company.</p>				
<b>169 Removal of director</b>	<p>A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard.</p> <p>A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.</p>				
<b>170 Appointment/Change in particulars of Director and KMP</b>	<p>A return containing the particulars of appointment of director or KMP and changes therein, shall be filed with the Registrar in Form DIR-12 along with fees within thirty days of such appointment or change, as the case may be.</p> <p><b>Applicability of KMP</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%; padding: 5px;">Company Secretary</td> <td style="width: 50%; padding: 5px;">Where the company has paid up share capital of Rs.10 crore or more</td> </tr> <tr> <td style="width: 50%; padding: 5px;">MD/CEO/CFO /WTD/Manager</td> <td style="width: 50%; padding: 5px;">Applicable to a private company – only if it is a deemed public company and then meets the thresholds provided</td> </tr> </tbody> </table>	Company Secretary	Where the company has paid up share capital of Rs.10 crore or more	MD/CEO/CFO /WTD/Manager	Applicable to a private company – only if it is a deemed public company and then meets the thresholds provided
Company Secretary	Where the company has paid up share capital of Rs.10 crore or more				
MD/CEO/CFO /WTD/Manager	Applicable to a private company – only if it is a deemed public company and then meets the thresholds provided				

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

**E. Threshold Based Compliances**

<b>Section</b>	<b>Threshold Based</b>
<p>135 <b>Corporate Social Responsibility</b></p>	<p>Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director.</p> <p>Where a company is not required to appoint an independent director, it shall have in its Corporate Social Responsibility Committee two or more Directors.</p> <p>The Board of every company as referred above, shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.</p> <p>If the company fails to spend such amount, the Board shall, in its report made under section 134(3)(o), specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.</p> <p>Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any</p>

## Key Compliances under the Companies Act, 2013 for Private Companies

<b>Section</b>	<b>Threshold Based</b>
	<p>scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.</p> <p>Companies which have spent on CSR in excess of the limits may carry it forward and adjust against the subsequent year CSR spends.</p>
<p>138 <b>Internal audit</b></p>	<p>Every private company having turnover of 200 crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding 100 crore rupees or more at any point of time during the preceding financial year, shall be required to appoint an internal auditor which may be either an individual or a partnership firm or a body corporate.</p> <p>The Internal Auditor can either be a chartered accountant or a cost accountant, or such other professional as may be decided by the Board to conduct internal audit of the functions and activities of the company.</p>

## Chapter 5

# Compliance Tracker for Private Companies: Immediately Post Incorporation

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### Compliance Tracker for Immediate after Post-Incorporation Compliances

S N o	Section	Compliance Description	Compliance required	Timeline / Due Date	Authority / Whom to Send	Frequency	Status of Completion
1.	10A – Commencement of Business	Declaration that subscribers have paid share capital	File INC-20A	INC-20A: within 180 days of incorporation	Registrar of Companies (ROC)	One-time (Post incorporation)	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
2.	10A – Commencement of Business r/w 12 – Registered Office	Verification of Registered Office post incorporation of company	File INC-22 with address proof	INC-22: within 30 days of incorporation	Registrar of Companies (ROC)	One-time (Post incorporation)	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
3.	12 – Registered Office	Every company shall: (a) display its name and registered office address at all offices and in local language also (if req); (b) engrave its name on the common seal, if any; (c) print	-	Post Incorporation	Internal	Ongoing (Post incorporation)	<input type="checkbox"/> Pending <input type="checkbox"/> Completed

## Compliance Tracker for Private Companies: Immediately Post Incorporation

S N o	Section	Compliance Description	Compliance required	Timeline / Due Date	Authority / Whom to Send	Frequency	Status of Completi on
		name, RO address, CIN and contact details on all official documents; and (d) print its name on negotiable instruments.					
4.	21 – Authenticatio n of Documents	KMP/Authorize officer or Employee to sign documents and contracts	Board Resolution authorising signatory	At first Board Meeting / As required	Internal records	Ongoing	<input type="checkbox"/> Pending <input type="checkbox"/> Complete d
5.	45 Numbering of Shares*	Every share in a company having a share capital shall be distinguished by its distinctive number.	Share Capital to be distinguished by its distinctive number.	Upon allocation of Shares	To Shareholder	Ongoing	<input type="checkbox"/> Pending <input type="checkbox"/> Complete d
6.	56- Allotment of Securities*	Unless prohibited by any provision of law or any order of Court, Tribunal or other authority, deliver the certificates of all securities allotted, transferred or	Deliver the certificates of all securities allotted,	Within a period of two months from the date of incorporation in the case of subscribers to the memorandum	To Shareholders	Ongoing	<input type="checkbox"/> Pending <input type="checkbox"/> Complete d

## HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013

S No	Section	Compliance Description	Compliance required	Timeline / Due Date	Authority / Whom to Send	Frequency	Status of Completion
		transmitted within a period of two months from the date of incorporation, in the case of subscribers to the memorandum;					
7.	139 – Appointment of First Auditor	Appointment of first statutory auditor	Board Resolution + file ADT-1	Appointment of First Auditor: Within 30 days of incorporation by Board of Directors (or 90 days by members if Board fails)  ADT-1: Within 15 days of appointment	Registrar of Companies (ROC)	One-time	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
8.	170 – Register of Directors & KMP	Maintain register of Directors, KMP and their shareholding	Maintain statutory register at registered office	Immediately after appointment and update on change in particulars	Internal records	Ongoing	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
9.	173 – First Board Meeting	Hold first Board Meeting	Issue notice and record minutes	Within 30 days of incorporation	Internal records	One-time	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
10.	184- Disclosure of	Every director shall	Disclosure of Interest	At the first meeting of	Internal Records	One-time and	<input type="checkbox"/> Pending

## Compliance Tracker for Private Companies: Immediately Post Incorporation

S N o	Section	Compliance Description	Compliance required	Timeline / Due Date	Authority / Whom to Send	Frequency	Status of Completi on
	Interest of Director at the First Meeting of the Board	at the first meeting of the Board in which he participates as a director shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed.	of Director at the First Meeting of the Board	the Board		Ongoing	<input type="checkbox"/> Completed
11.	96- Annual General Meeting	Hold First AGM	Conduct AGM during business hours at permitted place	First AGM: within 9 months from end of first FY	Internal	Ongoing	<input type="checkbox"/> Pending <input type="checkbox"/> Completed

*\* Rule 9B(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 relating to dematerialization of shares has been introduced recently. Readers are requested to read the Rules and plan their actions accordingly.*

## Chapter 6

# Compliance Tracker for Private Companies: Annual Compliances

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### Compliance Tracker for Annual Compliances

S No	Section	Compliance Description	Compliance Required	Timeline / Due Date	Authority / Whom to Send	Frequency	Status
1	Rule 16 – Deposits	Filing of Return of Deposits	File Form DPT-3 (audited), if applicable	On or before 30 June every year	ROC	Annual	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
2	92- Annual Return	Preparation and Filing of Annual Return (Other than OPC & Small Company)	File Form MGT-7 with ROC	Within 60 days of AGM/due date of AGM	ROC	Annual	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
3	92-Annual Return	Preparation and Filing of Annual Return (OPC & Small Company)	File Form MGT-7A with ROC	Within 60 days from due date of AGM	ROC	Annual	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
4	96- AGM	Holding of Annual General Meeting (AGM)	Conduct AGM during business hours at permitted place	First AGM: within 9 months from end of first FY; Subsequent AGM: within 6 months from end of FY (max gap 15 months)	Members of Company	Annual	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
5	129-	Preparation	Prepare	At every	Members	Annual	<input type="checkbox"/>

## Compliance Tracker for Private Companies: Annual Compliances

S No	Section	Compliance Description	Compliance Required	Timeline / Due Date	Authority / Whom to Send	Frequency	Status
	Financial Statement	& Laying of Financial Statements	financial statements (Standalone & CFS, if applicable) and lay before AGM	AGM	of Company		Pending <input type="checkbox"/> Completed
6	129-Financial Statement	Preparation of Consolidated Financial Statements	Prepare and present CFS where company has subsidiaries . Check for exemptions for preparation of CFS. #	Along with standalone financial statements at AGM	Members of Company	Annual	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
7	134-Financial Statement	Approval & Signing of Financial Statements	Get financial statements approved by Board and signed as prescribed	Before submission to Auditor and AGM	Auditor / Members	Annual	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
8	134-Board Report	Board's Report	Prepare and attach Board's Report (Abridged for OPC & Small Company)	To be attached with financial statements at AGM	Members of Company	Annual	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
9	137-Copy of financial statement to be filed with Registrar	Filing of Financial Statements	File Form AOC-4 (Standalone FS) with ROC	Within 30 days of AGM	ROC	Annual	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
10	137-Copy of financial statement to be filed with	Filing of Consolidated Financial Statements	File Form AOC-4 CFS with ROC (if applicable)	Within 30 days of AGM	ROC	Annual	<input type="checkbox"/> Pending <input type="checkbox"/> Completed

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

S No	Section	Compliance Description	Compliance Required	Timeline / Due Date	Authority / Whom to Send	Frequency	Status
	Registrar						d
11	139(1) r/w Rule 4(2) of the Companies (Audit and Auditors) Rules, 2014	Intimation to ROC by company about appointment of Auditor	ADT-1	Within 15 days of appointment of the Auditor	ROC	On appointment of Auditor	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
12	Order 2 and 3 dated 22 January, 2019 issued under Section 405 of the Companies Act, 2013	To report the outstanding payments the companies have with MSME suppliers beyond 45 days  To furnish half yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprises beyond 45 days	MSME-1	30 April-For October to March period  31 October-For April to September Period	ROC	Half Yearly (if payments are outstanding to MSME suppliers beyond 45 days)	<input type="checkbox"/> Pending <input type="checkbox"/> Completed
13	Rule 12A of the Companies (Appointment and Qualification of Directors) Rules, 2014	Every holder of DIN to file eform DIR-3 KYC/web.^	DIR-3 KYC*	Once every three years or within 30 days of change in mobile / email / address	ROC	Once every three years (applicable from 31 <sup>st</sup> March 2026)	<input type="checkbox"/> Pending <input type="checkbox"/> Completed

*# Exemption from preparation of CFS is applicable only if the following conditions are met:*

## **Compliance Tracker for Private Companies: Annual Compliances**

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- (i) *it is a wholly-owned subsidiary, or is a partially-owned subsidiary of another company and all its other members, including those not otherwise entitled to vote, having been intimated in writing and for which the proof of delivery of such intimation is available with the company, do not object to the company not presenting consolidated financial statements;*
- (ii) *it is a company whose securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India and*
- (iii) *its ultimate or any intermediate holding company files consolidated financial statements with the Registrar which are in compliance with the applicable Accounting Standards.*

*^ If no change in particulars since last filing, DIR-3 KYC-Web may be used; otherwise DIR-3 KYC (e-form) is required.*

*\* Earlier DIR-3 KYC/web was required to be filed annually. Now this requirement has been amended to once every three years.*

# Compliance Tracker for Private Companies: Registers to be Maintained

## Compliance Tracker for Maintenance of Registers

Nature of Register	Format as prescribed in	Status
Register of Members for Company Limited by Shares	MGT-1	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained
Register of Members for Company Not having Share Capital	Particulars as specified in Rule-3 of Companies (Management and Administration) Rules, 2014	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained
Register of Debenture Holders and Any Other Security Holder	MGT-2	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained
Foreign Register	Same format as Principal Register in India	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained
Register of Significant Beneficial Owners in a	Particulars as specified in section 90	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not

## Compliance Tracker for Private Companies: Registers to be Maintained

Company		<input type="checkbox"/> updated <input type="checkbox"/> Not- Maintained
Register of Loans/ Guarantee/ Security	MBP-2	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained
Register of Directors and KMP and their Shareholding	Particulars as specified in Section 170 read with Rule 17 of Companies (Appointment and Qualification of Directors) Rules, 2014	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained
Register of Contracts and arrangements in which Directors are interested	MBP-4	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained
Register of Charges	CHG-7	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained
<b>Event Based Registers</b> <i>(Select 'Not-Required' only if the company has not undertaken the corresponding action)</i>		
Register of Renewed and Duplicate Share Certificates	SH-2	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained

**HB on Key Compliances and Exemptions for Private Limited Company under the Companies Act, 2013**

		<input type="checkbox"/> Not- Required
Register of Sweat Equity Shares	SH-3	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained <input type="checkbox"/> Not- Required
Register of Employee Stock Options	SH-6	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained <input type="checkbox"/> Not- Required
Register of Shares and Securities which have been bought back	SH-10	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained <input type="checkbox"/> Not- Required
Register of Investments not held in its own name by the Company	MBP-3	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained <input type="checkbox"/> Not- Required
Register of Deposits	Format as specified in Rule 14 of the Companies (Deposit of Acceptance) Rules, 2014	<input type="checkbox"/> Maintained and updated <input type="checkbox"/> Maintained and not updated <input type="checkbox"/> Not- Maintained <input type="checkbox"/> Not- Required

# Commonly Applicable Penalties for Non- Compliances by Private Companies

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In the event of non-compliance with any of the provisions of the Companies Act 2013, the Act prescribes penalties, which may be section-specific or general in nature, depending on the nature of the default.

Among these, certain penalties are commonly applicable to Private Companies and are frequently encountered in practice. A select list of such penalties is set out below for ease of reference.

It is clarified that the penalties discussed in this chapter are illustrative and not exhaustive. In addition to the penalties mentioned herein, several other penalties may also become applicable to Private Companies depending on the specific provisions contravened and the facts and circumstances of each case.

### Commonly Applicable Penalties applicable to Private Companies in instances of Non-Compliance

Non-Compliance Type	Penalty for the Company	Penalty for Directors/Officers	Consequences
<p><b>If at any time the number of members of a company is reduced, in the case of a private company, below two, and the company carries on</b></p>		<p>Every person who is a member of the company during the time that it so carries on business after those six months and is cognizant of the fact that it is carrying on business with less than two members, as the case may</p>	<p>Members cognizant of carrying on business with membership below the statutory minimum are severally liable for company debts during that period.</p>

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<b>Non-Compliance Type</b>	<b>Penalty for the Company</b>	<b>Penalty for Directors/Officers</b>	<b>Consequences</b>
<p>business for more than six months while the number of members is so reduced, every person who is a member of the company during the time that it so carries on business after those six months and is cognizant of the fact that it is carrying on business with less than two members, as the case may be. [Section 3A]</p>		<p>be shall be severally liable for the payment of the whole debts of the company contracted during that time, and may be severally sued therefor</p>	
<p><b>If any default is made in complying with the requirements of section 10A,</b></p>	<p>The company shall be liable to a penalty of fifty thousand rupees and</p>	<p>Every officer who is in default shall be liable to a penalty of one thousand rupees for each day during which such</p>	<p>Where no declaration has been filed with the Registrar under section 10A(1)(a) within a period of 180 days of the</p>

**Commonly Applicable Penalties for Non- Compliances by Private Companies**

<b>Non-Compliance Type</b>	<b>Penalty for the Company</b>	<b>Penalty for Directors/Officers</b>	<b>Consequences</b>
[Section 10A]		default continues but not exceeding an amount of one lakh rupees.	date of incorporation of the company and the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may, without prejudice to the provisions of section 10A(2), initiate action for the removal of the name of the company from the register of companies under Chapter XVIII.
<b>If any default is made in complying with the requirements of this section 12</b> [Section 12]	The company who is in default shall be liable to a penalty of one thousand rupees for every day during which the default continues but not exceeding one lakh rupees.	Every officer who is in default shall be liable to a penalty of one thousand rupees for every day during which the default continues but not exceeding one lakh rupees.	If the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may cause a physical verification of the registered office of the company in such manner as may be prescribed

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Non-Compliance Type	Penalty for the Company	Penalty for Directors/Officers	Consequences
			and if any default is found to be made in complying with the requirements of sub-section (1), he may without prejudice to the provisions of section 12(8), initiate action for the removal of the name of the company from the register of companies under Chapter XVIII.
[Section 56]	Where any default is made in complying with the provisions of sub-sections (1) to (5) of section 56, the company who is in default shall be liable to a penalty of fifty thousand rupees	Where any default is made in complying with the provisions of sub-sections (1) to (5) of section 56, every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees	
Late Filing of Annual Return	Initial penalty of ₹10,000,	Initial penalty of ₹10,000, plus	Directors can be disqualified under

**Commonly Applicable Penalties for Non- Compliances by Private Companies**

<b>Non-Compliance Type</b>	<b>Penalty for the Company</b>	<b>Penalty for Directors/Officers</b>	<b>Consequences</b>
(Form MGT-7) [Section 92(5)]	plus ₹100 per day of delay (maximum ₹2,00,000).	₹100 per day of delay (maximum ₹50,000 per officer).	Section 164(2)(a) if returns are not filed for three consecutive financial years.
Failure to Maintain Statutory Registers	Fine of ₹50,000 (maximum ₹3,00,000) and a further fine of ₹1,000 per day for continuing failure.	Fine of ₹50,000 (maximum ₹1,00,000) and a further fine of ₹1,000 per day for continuing failure.	
Failure to Hold AGM (Section 99)	Fine up to ₹1,00,000, with a further fine of ₹5,000 per day for continuing default under section 99.	Fine up to ₹1,00,000, with a further fine of ₹5,000 per day for continuing default under section 99.	
Failure to file Board / Special Resolutions (Section 117)	Such company shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for	Every officer of the company who is in default including liquidator of the company, if any, shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for	

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Non-Compliance Type	Penalty for the Company	Penalty for Directors/Officers	Consequences
	each day after the first during which such failure continues, subject to a maximum of two lakh rupees	each day after the first during which such failure continues, subject to a maximum of fifty thousand rupees	
Failure to make disclosures in Board's Report (Section 134)	The company shall be liable to a penalty of three lakh rupees	Every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees	
Late Filing of Financial Statements (Form AOC-4) [Section 137(3)]	Initial penalty of ₹10,000, plus ₹100 per day of delay (maximum ₹2,00,000).	The managing director and the Chief Financial Officer of the company, if any, and, in the absence of the managing director and the Chief Financial Officer, any other director who is charged by the Board with the responsibility of complying with the provisions of this section, and, in the absence of any such director, all the Directors of the	If a company fails to file its financial statements or annual returns for two consecutive financial years, it may be regarded as an inactive company under Sections 455(1) and 455(4) of the Companies Act, 2013. In such cases, the Registrar of Companies may, after issuing due notice, take action to mark the company as

**Commonly Applicable Penalties for Non- Compliances by Private Companies**

Non-Compliance Type	Penalty for the Company	Penalty for Directors/Officers	Consequences
		company, shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of fifty thousand rupees	dormant or proceed further in accordance with the Act. Continued non-compliance also empowers the Registrar to initiate strike-off proceedings under Section 248, subject to the prescribed procedure and opportunity of being heard. While the Act itself does not provide for automatic freezing of bank accounts due to inactivity or non-filing, such practical consequences may arise independently due to banking or regulatory compliance requirements.
Non-Filing of DIR-3 KYC (Rule 12A, Companies (Appointment and	Not applicable to the company as this is a director specific	Mandatory late fee of ₹5,000 per director payable at the time of filing DIR-3 KYC after the due date.	If DIR-3 KYC is not filed by the due date, the DIN is marked as "Deactivated due to non-filing of

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Non-Compliance Type	Penalty for the Company	Penalty for Directors/Officers	Consequences
Qualification of Directors) Rules, 2014) Read with Fees Rules	compliance.		DIR-3 KYC.”
Appointment of a disqualified director (Sec. 164 / 165)	-	No person who is or has been a director of a company which— (a) has not filed financial statements or annual returns for any continuous period of three financial years; or (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or	Director Disqualification

**Commonly Applicable Penalties for Non- Compliances by Private Companies**

<b>Non-Compliance Type</b>	<b>Penalty for the Company</b>	<b>Penalty for Directors/Officers</b>	<b>Consequences</b>
		appointed in other company for a period of five years from the date on which the said company fails to do so.	
General non-compliance where no specific penalty provided (Section 450)	If a company contravenes any of the provisions of this Act or the rules made thereunder, or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, and for which no penalty or punishment is	If any officer of a company or any other person contravenes any of the provisions of this Act or the rules made thereunder, or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, and for which no penalty or punishment is provided elsewhere in this Act, every officer of the company	

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<b>Non-Compliance Type</b>	<b>Penalty for the Company</b>	<b>Penalty for Directors/Officers</b>	<b>Consequences</b>
	<p>provided elsewhere in this Act, the company in default shall be liable to a penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one thousand rupees for each day after the first during which the contravention continues, subject to a maximum of two lakh rupees</p>	<p>who is in default or such other person shall be liable to a penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one thousand rupees for each day after the first during which the contravention continues, subject to a maximum of fifty thousand rupees in case of an officer who is in default or any other person</p>	

ISBN: 978-93-47892-43-1

