

List of Exemptions to Private Limited Company

S.No.	Section	Particular	Effective from
1	2(68)	Now there is no requirement of minimum paid up capital for incorporation of the Company. Minimum Paid up Capital for Companies i.e 1 lakh for Private Company & 5 lakh for Public company has been removed.	26th May, 2015
2		There is no compulsion to adopt a Common Seal & hence it is optional to adopt the same. However the Company who has their Common Seal has to comply with provision of the Act in respect of the same.	26th May, 2015
3	11	Now there is no requirement of filling Form INC-21 for Commencement of Business.	26th May, 2015
4		If Company has not adopted any common seal, either 2 Directors or a director & Company Secretary is required to sign the documents requiring Common seal of the Company.	26th May, 2015
5	123	No Dividend shall be declared unless unabsorbed losses & accumulated depreciation of previous year are set off against the profits of the company.	26th May, 2015
6	117 read with 399	Any resolution which has been filed with registrar will not be available for inspection or copies of such resolution cannot be done	26th May, 2015
7	124	Any share in respect of which dividend is unclaimed for 7 years or more, the shares and the unclaimed dividend will be transferred to Investor Education & protection Fund. If any amount is claimed in between the 7 years it will not be transferred to IEPF.	26th May, 2015
8	134	The Financial Statements will include details of any fraud reported by Auditors other than those which are reportable to Government which are to be reported to the Audit Committee or BOD as well.	26th May, 2015
9	143(12)	If the Auditor in the course of his performance of his duties has reason to believe that an offence of fraud has been committed shall report it to the Central Government.	26th May, 2015
10	188	Now any contract with Related Party can be approved by way of passing Ordinary Resolution.	26th May, 2015
11	188	No approval is required for related party transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval	26th May, 2015

Amita Desai & Co., Company Secretaries, Mumbai- India

12	185	<p>a) A Holding company can provide loan or a guarantee or security to its Wholly subsidiary company without any approval.</p> <p>b) A Holding company can provide a guarantee or security to its Subsidiary company without any approval.</p> <p>However, the loan or guarantee given shall be utilized by subsidiary for its principle business activities.</p>	26th May, 2015
13		The Audit Committee can give omnibus approvals to related party transaction.	26th May, 2015
14	73 & 76	If any company fails to repay its Deposits or Interest on Deposit then the company shall be liable to pay fine Not less than 1 crore & not more than 10 crore. Every officer shall be liable for a term of 7 years imprisonment or fine of not less than 25 lakh rupees & not more than 2 crore rupees or both.	26th May, 2015
15	188	A Holding private company can enter into transaction with its subsidiary company or vice versa & hence section 188 does not apply to private company.	5th June, 2015
16	188	<p>No approval is required for entering into any transaction defined in section 188.</p> <p>If such transaction has been entered between</p> <p>a) A holding, subsidiary or an associate of any Company;</p> <p>b) A subsidiary of a holding Company to which it is also a subsidiary Company.</p>	5th June, 2015
17	43& 47	A private Company is exempt from Section 43(Kinds of Share Capital) and Section 47 (Voting Rights) unless the MOA or AOA of the Company shall provide for the same.	5th June, 2015
18	62(1)	A Private Company can issue further shares to its existing shareholders by letter of offer. The offer must be accepted within 15 – 30 days. However, if the 90% of the share holders agree in writing or in electronic mode the limit of 15-30 days and dispatch of notice 3 days prior to opening the issue does not apply.	5th June, 2015
19	62(2)	No need of passing special resolution to issue shares under Employees stock option.	5th June, 2015

Amita Desai & Co., Company Secretaries, Mumbai- India

20	67	<p>There is a Restriction on purchase by company or giving of loans by it for purchase of its own shares. The Section is not applicable to Private company if following conditions</p> <ol style="list-style-type: none"> 1. No other company has invested in such private company. 2. Such private company has borrowings from banks less than twice its paid up share capital or 50 crores whichever is lower. 3. No default in repayment of borrowings subsisting at the time of making transactions under this section. 	5th June, 2015
21	73	Private company can accept deposit upto 100% of its paid up share capital.	5th June, 2015
22	101-107 & 109	The new Exemption provides that the Private limited companies can formulate their own regulations in respect of section 101 to 107 & 109 of the Companies Act, 2013. They can get exemption from Notice, Quorum, chairman, proxies, voting rights, postal ballot, etc if Articles contain specific rules.	5th June, 2015
23	117	Clause (g) of sub-section (3) of section 117 relating to Resolutions and agreement to be filed with the ROC with regard to resolution passed in pursuance of the powers to be exercised by the Board of Directors at the meeting of the Board shall not apply to Private Limited Companies. Therefore the filing of Form MGT 14 is exempted to Private Limited Companies for the specified matters.	5th June, 2015
24	141	<p>Under Section 141, a Auditor will be disqualified to act as such if he has been Auditor for more than 20 companies. Now after Amendment the following companies are removed from the scope of 20 companies</p> <ol style="list-style-type: none"> 1. One Person companies. 2. Dormant Companies. 3. Small Companies. 4. Private companies having paid up share capital less than 100 crore. 	5th June, 2015
25	160	A Person other than Retiring Director can appointed as director of the Company now there is no requirement for a notice & a Deposit of Rs 1,00,000 is paid as required in section 160 of the Companies Act, 2013 .	5th June, 2015
26	162	Two or more Directors can be appointed by a single proposal. There is no need to move motion before such proposal & the Company can directly go ahead.	5th June, 2015
27	180	Section 180 with respect to restrictions on powers of Board has now been removed & Board need not take permission of members of the Company.	5th June, 2015

Amita Desai & Co., Company Secretaries, Mumbai- India

28	184	Interested Directors can participate in the meeting of the Board after disclosure of his interest. However his vote will not be counted for such contracts in which he is interested.	5th June, 2015
29	184	Section 184 provides that Interested directors shall not participate in the meeting. After amendment Interested Directors can participate in the meeting after disclosure of his interest. But his vote will not be counted for such contracts in which he is interested.	5th June, 2015
30	185	Private Limited Companies can provide loans to directors, directly or indirectly if the following conditions are satisfied 1. No other Body Corporate has invested in any money in share capital of the Company. 2. Borrowings from banks shall be less than twice its paid up share capital or 50 crores whichever is lower. 3. There shall be no default in repayment of borrowing subsisting at the time of making transaction under this section.	5th June, 2015
31	196	Now private Limited Companies can appoint Managing Director, Whole Time Director or Manager without the approval of the shareholders in the general meeting of the Company. There is no remuneration limits for such appointment and Schedule V (Appointment & Remuneration of Managerial Personnel) is not applicable to the Company.	5th June, 2015
