

[To be Published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (i)]

**Government of India
Ministry of Corporate Affairs
NOTIFICATION**

New Delhi, dated

G.S.R -- In exercise of the powers conferred under clause (a) (ii) of section 43, sub-clause (d) of sub-section (1) of section 54, sub-section (2) of 55, sub-section (1) of section 56, sub-section (3) of section 56, sub-section (1) of section 62, sub-section (2) of section 42, clause (f) of sub-section (2) of section 63, sub-section (1) of section 64 , clause (b) of sub-section 3 of section 67, sub-section (2) of section 68 sub-section (6) of section 68, sub-section (9) of section 68, sub-section (10) of section 68, sub-section (3) of section 71, sub-section (6) of section 71, sub-section (13) of section 71 and sub-sections (1) and (2) of section 72, read with sub-section (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013) and in supersession of the Companies (Central Government's) General Rules and Forms, 1956 or any other relevant rules prescribed under the Companies Act, 1956 (1 of 1956) on matters covered under these rules, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely: -

1. Short title and commencement.-

- (1) These rules may be called the Companies (**Share Capital and Debentures**) Rules, 2014.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.- (1) In these rules, unless the context otherwise requires,-

- (a) "Act" means the Companies Act, 2013 (18 of 2013);
- (b) "Annexure" means the Annexure to these rules;
- (c) "Fees" means the fees as specified in the Companies (Registration offices and fees) Rules, 2014;

- (d) "Form" or "e-form" means a form set forth in Annexure to these rules which shall be used for the matter to which it relates;
- (e) "Regional Director" means the person appointed by the Central Government in the Ministry of Corporate Affairs as a Regional Director;
- (f) "section" means the section of the Act.

(2) Words and expressions used in these rules but not defined and defined in the Act or in **Companies (Specification of definitions details) Rules, 2014** shall have the meanings respectively assigned to them in the Act and **said** rules.

3. Application.- The provisions of these rules shall apply to

- (a) all unlisted public companies;
 - (b) all private companies; and
 - (c) listed companies,
- so far as they do not contradict or conflict with any other provision framed in this regard by the Securities and Exchange Board of India.

4. Equity shares with differential rights.-

- (1) No company limited by shares shall issue equity shares with differential rights as to dividend, voting or otherwise, unless it complies with the following conditions, namely:-
- (a) the articles of association of the company authorizes the issue of shares with differential rights;
 - (b) the issue of shares is authorized by an ordinary resolution passed at a general meeting of the shareholders:
Provided that where the equity shares of a company are listed on a recognized stock exchange, the issue of such shares shall be approved by the shareholders through postal ballot ;
 - (c) the shares with differential rights shall not exceed twenty-six percent of the total post-issue paid up equity share capital including equity shares with differential rights issued at any point of time;

- (d) the company having consistent track record of distributable profits for the last three years;
 - (e) the company has not defaulted in filing financial statements and annual returns for three financial years immediately preceding the financial year in which it is decided to issue such shares;
 - (f) the company has no subsisting default in the payment of a declared dividend to its shareholders or repayment of its matured deposits or redemption of its preference shares or debentures that have become due for redemption or payment of interest on such deposits or debentures or payment of dividend;
 - (g) **the company has not defaulted in payment of** the dividend on preference shares or repayment of any term loan from a public financial institution or State level financial institution or scheduled Bank that has become repayable or interest payable thereon or dues with respect to statutory payments relating to its employees to any authority or default in crediting the amount in Investor Education and Protection Fund to the Central Government;
- (h) the company has not been penalized by Court or Tribunal during the last three years of any offence under the Reserve Bank of India Act, 1934 , the Securities and Exchange Board of India Act, 1992, the Securities Contracts Regulation Act, 1956, the Foreign Exchange Management Act, 1999 or any other special Act, under which such companies being regulated by sectoral regulators.

(2) The explanatory statement to be annexed to the notice of the general meeting in pursuance of section 102 or of a postal ballot in pursuance of section 110 shall contain the following particulars, namely:-

- (a) the total number of shares to be issued with differential rights;
- (b) the details of the differential rights ;
- (c) the percentage of the shares with differential rights to the total post issue paid up equity share capital including equity shares with differential rights issued at any point of time;
- (d) the reasons or justification for the issue;
- (e) the price at which such shares are proposed to be issued either at par or at premium;
- (f) the basis on which the price has been arrived at;
- (g) (i) in case of private placement or preferential issue-
 - (a) details of total number of shares proposed to be allotted to promoters, directors and key managerial personnel;
 - (b) details of total number of shares proposed to be allotted to persons other than promoters, directors and key managerial personnel and their relationship if any with any promoter, director or key managerial personnel;
- (ii) in case of public issue - reservation, if any, for different classes of applicants including promoters, directors or key managerial personnel;
- (h) the percentage of voting right which the equity share capital with differential voting right shall carry to the total voting right of the aggregate equity share capital;

- (i) the scale or proportion in which the voting rights of such class or type of shares shall vary;
 - (j) the change in control, if any, in the company that may occur consequent to the issue of equity shares with differential voting rights;
 - (k) the diluted Earning Per Share pursuant to the issue of such shares, calculated in accordance with the applicable accounting standards;
 - (l) the pre and post issue shareholding pattern along with voting rights as per clause 35 of the listing agreement issued by Security Exchange Board of India from time to time.
- (3) The company shall not convert its existing equity share capital with voting rights into equity share capital carrying differential voting rights and *vice-versa*.
- (4) The Board of Directors shall, *inter alia*, disclose in the Board's Report for the financial year in which the issue of equity shares with differential rights was completed, the following details, namely:-
- (a) the total number of shares allotted with differential rights;
 - (b) the details of the differential rights relating to voting rights and dividends;
 - (c) the percentage of the shares with differential rights to the total post issue equity share capital with differential rights issued at any point of time and percentage of voting rights which the equity share capital with differential voting right shall carry to the total voting right of the aggregate equity share capital;
 - (d) the price at which such shares have been issued;

- (e) the particulars of promoters, directors or key managerial personnel to whom such shares are issued;
 - (f) the change in control, if any, in the company consequent to the issue of equity shares with differential voting rights;
 - (g) the diluted Earning Per Share pursuant to the issue of each class of shares, calculated in accordance with the applicable accounting standards;
 - (h) the pre and post issue shareholding pattern along with voting rights in the format specified under sub-rule (2) of rule 4.
- (5) The holders of the equity shares with differential rights shall enjoy all other rights such as bonus shares, rights shares etc., which the holders of equity shares are entitled to, subject to the differential rights with which such shares have been issued.
- (6) Where a company issues equity shares with differential rights, the Register of Members maintained under section 88 shall contain all the relevant particulars of the shares so issued along with details of the shareholders.

Explanation.- For the purposes of this rule, it is hereby clarified that differential rights attached to such shares issued by any company under the provisions of Companies Act, 1956, shall continue till such rights are converted with the differential rights in accordance with the provisions of the Companies Act, 2013.

5. Certificate of shares (where shares are not in demat form).-

(1) Where a company issues any share capital, no certificate of any share or shares held in the company shall be issued, except-

- (a) in pursuance of a resolution passed by the Board; and
- (b) on surrender to the company of the letter of allotment or fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation, or in cases of issue of bonus shares:

Provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as to seek supporting evidence and indemnity and the payment of out-of-pocket expenses incurred by the company in investigating evidence, as it may think fit.

(2) Every certificate of share or shares shall be in **Form No. SH.1** or as near thereto as possible and shall specify the name(s) of the person(s) in whose favor the certificate is issued, the shares to which it relates and the amount paid-up thereon.

(3) Every share certificate shall be issued under the seal of the company, which shall be affixed in the presence of, and signed by-

- (a) two directors duly authorized by the Board of Directors of the company for the purpose or the committee of the Board, if so authorized by the Board; and
- (b) the secretary or any person authorised by the Board for the purpose:

Provided that, in companies wherein a Company Secretary is appointed under the provisions of the Act, he shall be deemed to be authorised for the purpose of this rule:

Provided further that, if the composition of the Board permits of it, at least one of the aforesaid two directors shall be a person other than the managing or whole-time director:

Provided also that, in case of a One Person Company, every share certificate shall be issued under the seal of the company, which shall be affixed in the presence of and signed by one director or a person authorized by the Board of Directors of the company for the purpose and the Company Secretary, or any other person authorized by the Board for the purpose.

Explanation.- For the purposes of this sub-rule, a director shall be deemed to have signed the share certificate if his signature is printed thereon as a facsimile signature by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, or digitally signed, but not by means of a rubber stamp, provided that the director shall be personally responsible for permitting the affixation of his signature thus and the safe custody of any machine, equipment or other material used for the purpose.

- (4) The particulars of every share certificate issued in accordance with sub-rule (1) shall be entered in the Register of Members maintained in accordance with the provisions of section 88 along with the name(s) of person(s) to whom it has been issued, indicating the date of issue.

6. Issue of renewed or duplicate share certificate.-

(1) the certificate of any share or shares shall not be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, mutilated, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the company:

Provided that the company may charge such fee as the Board thinks fit, not exceeding fifty rupees per certificate issued on splitting or consolidation of share certificate(s) or in replacement of share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out:

(b) Where a certificate is issued in any of the circumstances specified in this sub-rule, it shall be stated on the face of it and be recorded in the Register maintained for the purpose, that it is *"Issued in lieu of share certificate No..... sub-divided/replaced/on consolidation"* and also that no fee shall be payable pursuant to scheme of arrangement sanctioned by the High Court or Central Government:

(c) A company may replace all the existing certificates by new certificates upon sub-division or consolidation of shares or merger or demerger or any reconstitution without requiring old certificates to be surrendered subject to compliance with clause (a) of sub-rule (1) rule 5, sub-rule (2) of rule 5 and sub-rule (3) of rule 5.

(2)(a) The duplicate share certificate shall be not issued in lieu of those that are lost or destroyed, without the prior consent of the Board and without payment of such fees as the Board thinks fit, not exceeding rupees fifty per certificate and on such reasonable terms, such as furnishing supporting evidence and indemnity and the payment of out-of-pocket expenses incurred by the company in investigating the evidence produced:

(b) Where a certificate is issued in any of the circumstances specified in this sub-rule, it shall be stated prominently on the face of it and be recorded in the Register maintained for the purpose, that it is "*duplicate issued in lieu of share certificate No.....*". and the word "duplicate" shall be stamped or printed prominently on the face of the share certificate:

(c) In case unlisted companies, the duplicate share certificates shall be issued within a period of three months and in case of listed companies such certificate shall be issued within fifteen days, from the date of submission of complete documents with the company respectively.

(3)(a) The particulars of every share certificate issued in accordance with sub-rules (1) and (2) shall be entered forthwith in a Register of Renewed and Duplicate Share Certificates maintained in **Form No.SH.2** indicating against the name(s) of the person(s) to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross-references in the "Remarks" column.

- (b) The register shall be kept at the registered office of the company or at such other place where the Register of Members is kept and it shall be preserved permanently and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for the purpose.
- (c) All entries made in the Register of Renewed and Duplicate Share Certificates shall be authenticated by the company secretary or such other person as may be authorised by the Board for the purposes of sealing and signing the share certificate under the provisions of sub-rule (3) of rule 5.

7. Maintenance of share certificate forms and related books and documents.-

- (1) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board and the blank form shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the secretary or such other person as the Board may authorise for the purpose; and the company secretary or other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (2) The following persons shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates, including the blank forms of share certificates referred to in sub-rule (1), namely:—
 - (a) the committee of the Board, if so authorized by the Board or where the company has a company secretary, the company secretary; or
 - (b) where the company has no company secretary, a Director specifically authorised by the Board for such purpose.

- (3) All books referred to in sub-rule (2) shall be preserved in good order not less than thirty years and in case of disputed cases, shall be preserved permanently, and all certificates surrendered to a company shall immediately be defaced by stamping or printing the word "cancelled" in bold letters and may be destroyed after the expiry of three years from the date on which they are surrendered, under the authority of a resolution of the Board and in the presence of a person duly appointed by the Board in this behalf:

Provided that nothing in this sub-rule shall apply to cancellation of the certificates of securities, under sub-section (2) of section 6 of the Depositories Act, 1996 (22 of 1996), when such certificates are cancelled in accordance with sub-regulation (5) of regulation 54 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, made under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 25 of the Depositories Act, 1996 (22 of 1996).

8. Issue of sweat equity shares.-

- (1) A company other than a listed company, which is not required to comply with the Securities and Exchange Board of India Regulations on sweat equity, shall not issue sweat equity shares to its directors or employees at a discount or for consideration other than cash, for their providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called, unless the issue is authorised by a special resolution passed by the company in general meeting.

Explanation.- For the purposes of this rule-

- (i) the expressions "Employee" means-
 - (a) a permanent employee of the company who has been working in India or outside India, for at least last one year; or
 - (b) a director of the company, whether a whole time director or not; or
 - (c) an employee or a director as defined in sub-clauses (a) or (b) above of a subsidiary, in India or outside India, or of a holding company of the company;

 - (ii) the expression 'Value additions' means actual or anticipated economic benefits derived or to be derived by the company from an expert or a professional for providing know-how or making available rights in the nature of intellectual property rights, by such person to whom sweat equity is being issued for which the consideration is not paid or included in the normal remuneration payable under the contract of employment, in the case of an employee.
- (2) The explanatory statement to be annexed to the notice of the general meeting pursuant to section 102 shall contain the following particulars, namely:-
- (a) the date of the Board meeting at which the proposal for issue of sweat equity shares was approved;
 - (b) the reasons or justification for the issue;
 - (c) the class of shares under which sweat equity shares are intended to be issued;

- (d) the total number of shares to be issued as sweat equity;
- (e) the class or classes of directors or employees to whom such equity shares are to be issued;
- (f) the principal terms and conditions on which sweat equity shares are to be issued, including basis of valuation ;
- (g) the time period of association of such person with the company;
- (h) the names of the directors or employees to whom the sweat equity shares will be issued and their relationship with the promoter or/and Key Managerial Personnel;
- (i) the price at which the sweat equity shares are proposed to be issued;
- (j) the consideration including consideration other than cash, if any to be received for the sweat equity;
- (k) the ceiling on managerial remuneration, if any, be breached by issuance of such sweat equity and how it is proposed to be dealt with;
- (l) a statement to the effect that the company shall conform to the applicable accounting standards; and
- (m) diluted Earning Per Share pursuant to the issue of sweat equity shares , calculated in accordance with the applicable accounting standards.

- (3) The special resolution authorising the issue of sweat equity shares shall be valid for making the allotment within a period of not more than twelve months from the date of passing of the special resolution.
- (4) The company shall not issue sweat equity shares for more than fifteen percent of the existing paid up equity share capital in a year or shares of the issue value of rupees five crores, whichever is higher:

Provided that the issuance of sweat equity shares in the Company shall not exceed twenty five percent, of the paid up equity capital of the Company at any time.

- (5) The sweat equity shares issued to directors or employees shall be locked in/non transferable for a period of three years from the date of allotment and the fact that the share certificates are under lock-in and the period of expiry of lock in shall be stamped in bold or mentioned in any other prominent manner on the share certificate.
- (6) The sweat equity shares to be issued shall be valued at a price determined by a registered valuer as the fair price giving justification for such valuation.
- (7) The valuation of intellectual property rights or of know how or value additions for which sweat equity shares are to be issued, shall be carried out by a registered valuer, who shall provide a proper report addressed to the Board of directors with justification for such valuation.

- (8) A copy of gist along with critical elements of the valuation report obtained under clause (6) and clause (7) shall be sent to the shareholders with the notice of the general meeting.
- (9) Where sweat equity shares are issued for a non-cash consideration on the basis of a valuation report in respect thereof obtained from the registered valuer, such non-cash consideration shall be treated in the following manner in the books of account of the company-
- (a) where the non-cash consideration takes the form of a depreciable or amortizable asset, it shall be carried to the balance sheet of the company in accordance with the accounting standards; or
 - (b) where clause (a) is not applicable, it shall be expensed as provided in the accounting standards.
- (10) The amount of sweat equity shares issued shall be treated as part of managerial remuneration for the purposes of sections 197 and 198 of the Act, if the following conditions are fulfilled, namely.-
- (a) the sweat equity shares are issued to any director or manager; and
 - (b) they are issued for consideration other than cash, which does not take the form of an asset which can be carried to the balance sheet of the company in accordance with the applicable accounting standards.
- (11) In respect of sweat equity shares issued during an accounting period, the accounting value of sweat equity shares shall be treated as a form of compensation to the employee or the director in the financial statements of the company, if the sweat equity shares are not issued pursuant to acquisition of an asset.

(12) If the shares are issued pursuant to acquisition of an asset, the value of the asset, as determined by the valuation report, shall be carried in the balance sheet as per the Accounting Standards and such amount of the accounting value of the sweat equity shares that is in excess of the value of the asset acquired, as per the valuation report, shall be treated as a form of compensation to the employee or the director in the financial statements of the company.

Explanation.- For the purposes of this sub-rule, it is hereby clarified that the Accounting value shall be the fair value of the sweat equity shares as determined by a registered valuer under sub-rule (6)

(13) The Board of Directors shall, *inter alia*, disclose in the Directors' Report for the year in which such shares are issued, the following details of issue of sweat equity shares namely:-

- (a) the class of director or employee to whom sweat equity shares were issued;
- (b) the class of shares issued as Sweat Equity Shares;
- (c) the number of sweat equity shares issued to the directors, key managerial personnel or other employees showing separately the number of such shares issued to them , if any, for consideration other than cash and the individual names of allottees holding one percent or more of the issued share capital;
- (d) the reasons or justification for the issue;
- (e) the principal terms and conditions for issue of sweat equity shares, including pricing formula;
- (f) the total number of shares arising as a result of issue of sweat equity shares;

- (g) the percentage of the sweat equity shares of the total post issued and paid up share capital;
- (h) the consideration (including consideration other than cash) received or benefit accrued to the company from the issue of sweat equity shares;
- (i) the diluted Earnings Per Share (EPS) pursuant to issuance of sweat equity shares.

(14)(a) The company shall maintain a Register of Sweat Equity Shares in **Form No. SH.3** and shall forthwith enter therein the particulars of Sweat Equity Shares issued under section 54.

- (b) The Register of Sweat Equity Shares shall be maintained at the registered office of the company or such other place as the Board may decide.
- (c) The entries in the register shall be authenticated by the Company Secretary of the company or by any other person authorized by the Board for the purpose.

9. Issue and redemption of preference shares.-

(1) A company having a share capital may, if so authorised by its articles, issue preference shares subject to the following conditions, namely:-

- (a) the issue of such shares has been authorized by passing a special resolution in the general meeting of the company
- (b) the company, at the time of such issue of preference shares, has no subsisting default in the redemption of preference shares issued either before or after the commencement of this Act or in payment of dividend due on any preference shares.

- (2) A company issuing preference shares shall set out in the resolution, particulars in respect of the following matters relating to such shares, namely:-
- (a) the priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares;
 - (b) the participation in surplus fund;
 - (c) the participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
 - (d) the payment of dividend on cumulative or non-cumulative basis.
 - (e) the conversion of preference shares into equity shares.
 - (f) the voting rights;
 - (g) the redemption of preference shares.
- (3) The explanatory statement to be annexed to the notice of the general meeting pursuant to section 102 shall, *inter-alia*, provide the complete material facts concerned with and relevant to the issue of such shares, including-
- (a) the size of the issue and number of preference shares to be issued and nominal value of each share;
 - (b) the nature of such shares i.e. cumulative or non - cumulative, participating or non - participating , convertible or non - convertible
 - (c) the objectives of the issue;
 - (d) the manner of issue of shares;
 - (e) the price at which such shares are proposed to be issued;
 - (f) the basis on which the price has been arrived at;
 - (g) the terms of issue, including terms and rate of dividend on each share, etc.;

- (h) the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion;
 - (i) the manner and modes of redemption;
 - (j) the current shareholding pattern of the company;
 - (k) the expected dilution in equity share capital upon conversion of preference shares.
- (4) Where a company issues preference shares, the Register of Members maintained under section 88 shall contain the particulars in respect of such preference share holder(s).
- (5) A company intending to list its preference shares on a recognized stock exchange shall issue such shares in accordance with the regulations made by the Securities and Exchange Board of India in this behalf.
- (6) A company may redeem its preference shares only on the terms on which they were issued or as varied after due approval of preference shareholders under section 48 of the Act and the preference shares may be redeemed:-
- (a) at a fixed time or on the happening of a particular event;
 - (b) any time at the company's option; or
 - (c) any time at the shareholder's option.

10. Issue and redemption of preference shares by company in infrastructural projects.-

A company engaged in the setting up and dealing with of infrastructural projects may issue preference shares for a period exceeding twenty years but not exceeding thirty years, subject to the redemption of a minimum ten percent of such preference shares per year from the twenty first year onwards or earlier, on proportionate basis, at the option of the preference shareholders.

11. Instrument of transfer.-

- (1) An instrument of transfer of securities held in physical form shall be in Form **No.SH.4** and every instrument of transfer with the date of its execution specified thereon shall be delivered to the company within sixty days from the date of such execution.
- (2) In the case of a company not having share capital, provisions of sub-rule (1) shall apply as if the references therein to securities were references instead to the interest of the member in the company.
- (3) A company shall not register a transfer of partly paid shares, unless the company has given a notice in **Form No. SH.5** to the transferee and the transferee has given no objection to the transfer within two weeks from the date of receipt of notice.

12. Issue of employee stock options.-

A company, other than a listed company, which is not required to comply with Securities and Exchange Board of India Employee Stock Option Scheme Guidelines shall not offer shares to its employees under a scheme of employees' stock option (hereinafter referred to as "Employees Stock Option Scheme"), unless it complies with the following requirements, namely:-

- (1) the issue of Employees Stock Option Scheme has been approved by the shareholders of the company by passing a special resolution.

Explanation: For the purposes of clause (b) of sub-section (1) of section 62 and this rule "Employee" means-

- (a) a permanent employee of the company who has been working in India or outside India; or
- (b) a director of the company, whether a whole time director or not but excluding an independent director; or
- (c) an employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the company or of an associate company but does not include-

- (i) an employee who is a promoter or a person belonging to the promoter group; or

- (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

(2) The company shall make the following disclosures in the explanatory statement annexed to the notice for passing of the resolution-

- (a) the total number of stock options to be granted;
- (b) identification of classes of employees entitled to participate in the Employees Stock Option Scheme;
- (c) the appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme;
- (d) the requirements of vesting and period of vesting;
- (e) the maximum period within which the options shall be vested;
- (f) the exercise price or the formula for arriving at the same;
- (g) the exercise period and process of exercise;
- (h) the Lock-in period, if any ;
- (i) the maximum number of options to be granted per employee and in aggregate;

- (j) the method which the company shall use to value its options;
 - (k) the conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;
 - (l) the specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and
 - (m) a statement to the effect that the company shall comply with the applicable accounting standards .
- (3) The companies granting option to its employees pursuant to Employees Stock Option Scheme will have the freedom to determine the exercise price in conformity with the applicable accounting policies, if any.
- (4) The approval of shareholders by way of separate resolution shall be obtained by the company in case of-
- (a) grant of option to employees of subsidiary or holding company; or
 - (b) grant of option to identified employees, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of option.
- (5)(a) The company may by special resolution, vary the terms of Employees Stock Option Scheme not yet exercised by the employees provided such variation is not prejudicial to the interests of the option holders.
- (b) The notice for passing special resolution for variation of terms of Employees Stock Option Scheme shall disclose full of the variation, the rationale therefor, and the details of the employees who are beneficiaries of such variation.

(6)(a) There shall be a minimum period of one year between the grant of options and vesting of option:

Provided that in a case where options are granted by a company under its Employees Stock Option Scheme in lieu of options held by the same person under an Employees Stock Option Scheme in another company, which has merged or amalgamated with the first mentioned company, the period during which the options granted by the merging or amalgamating company were held by him shall be adjusted against the minimum vesting period required under this clause;

(b) The company shall have the freedom to specify the lock-in period for the shares issued pursuant to exercise of option.

(c) The Employees shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to them, till shares are issued on exercise of option.

(7) The amount, if any, payable by the employees, at the time of grant of option-

(a) may be forfeited by the company if the option is not exercised by the employees within the exercise period; or

(b) the amount may be refunded to the employees if the options are not vested due to non-fulfillment of conditions relating to vesting of option as per the Employees Stock Option Scheme.

(8)(a) The option granted to employees shall not be transferable to any other person.

- (b) The option granted to the employees shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any other manner.
 - (c) Subject to clause (d), no person other than the employees to whom the option is granted shall be entitled to exercise the option.
 - (d) In the event of the death of employee while in employment, all the options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee.
 - (e) In case the employee suffers a permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation, shall vest in him on that day.
 - (f) In the event of resignation or termination of employment, all options not vested in the employee as on that day shall expire. However, the employee can exercise the options granted to him which are vested within the period specified in this behalf, subject to the terms and conditions under the scheme granting such options as approved by the Board.
- (9) The Board of directors, shall, inter alia, disclose in the Directors' Report for the year, the following details of the Employees Stock Option Scheme:
- (a) options granted;
 - (b) options vested;
 - (c) options exercised;
 - (d) the total number of shares arising as a result of exercise of option;
 - (e) options lapsed;
 - (f) the exercise price;
 - (g) variation of terms of options;
 - (h) money realized by exercise of options;
 - (i) total number of options in force;

- (j) employee wise details of options granted to;-
 - (i) key managerial personnel;
 - (ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.

 - (iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;

- (10) (a) The company shall maintain a Register of Employee Stock Options in **Form No. SH.6** and shall forthwith enter therein the particulars of option granted under clause (b) of sub-section (1) of section 62.

 - (b) The Register of Employee Stock Options shall be maintained at the registered office of the company or such other place as the Board may decide.
 - (c) The entries in the register shall be authenticated by the company secretary of the company or by any other person authorized by the Board for the purpose.

- (11) Where the equity shares of the company are listed on a recognized stock exchange, the Employees Stock Option Scheme shall be issued, in accordance with the regulations made by the Securities and Exchange Board of India in this behalf.

13. Issue of shares on preferential basis.-

(1) For the purposes of clause (c) of sub-section (1) of section 62, If authorized by a special resolution passed in a general meeting, shares may be issued by any company in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 and such issue on preferential basis should also comply with conditions laid down in section 42 of the Act:

Provided that the price of shares to be issued on a preferential basis by a listed company shall not be required to be determined by the valuation report of a registered valuer.

Explanation.- For the purposes of this rule, (i) the expression 'Preferential Offer' means an issue of shares or other securities, by a company to any select person or group of persons on a preferential basis and does not include shares or other securities offered through a public issue, rights issue, employee stock option scheme, employee stock purchase scheme or an issue of sweat equity shares or bonus shares or depository receipts issued in a country outside India or foreign securities;

(ii) the expression, "shares or other securities" means equity shares, fully convertible debentures, partly convertible debentures or any other securities, which would be convertible into or exchanged with equity shares at a later date.

(2) Where the preferential offer of shares or other securities is made by a company whose share or other securities are listed on a recognized stock exchange, such preferential offer shall be made in accordance with the provisions of the Act and regulations made by the Securities and Exchange Board, and if they are not listed, the preferential offer shall be made in accordance with the provisions of the Act and rules made hereunder and subject to compliance with the following requirements, namely:-

- (a) the issue is authorized by its articles of association;
- (b) the issue has been authorized by a special resolution of the members;
- (c) the securities allotted by way of preferential offer shall be made fully paid up at the time of their allotment.
- (d) The company shall make the following disclosures in the explanatory statement to be annexed to the notice of the general meeting pursuant to section 102 of the Act:
 - (i) the objects of the issue;
 - (ii) the total number of shares or other securities to be issued;
 - (iii) the price or price band at/within which the allotment is proposed;
 - (iv) basis on which the price has been arrived at along with report of the registered valuer;
 - (v) relevant date with reference to which the price has been arrived at;
 - (vi) the class or classes of persons to whom the allotment is proposed to be made;
 - (vii) intention of promoters, directors or key managerial personnel to subscribe to the offer;
 - (viii) the proposed time within which the allotment shall be completed;
 - (ix) the names of the proposed allottees and the percentage of post preferential offer capital that may be held by them;

- (x) the change in control, if any, in the company that would occur consequent to the preferential offer;
- (xi) the number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price;
- (xii) the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.
- (xiii) The pre issue and post issue shareholding pattern of the company in the following format-

Sr. No.	Category	Pre Issue		Post Issue	
		No. of Shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' holding :				
1	Indian :				
	Individual				
	Bodies Corporate				
	Sub Total				
2	Foreign Promoters				
	Sub Total (A)				
B	Non-Promoters' holding :				

1.	Institutional Investors				
2.	Non-Institution :				
	Private Corporate Bodies				
	Directors and Relatives				
	Indian Public				
	Others (Including NRIs)				
	Sub Total(B)				
	GRAND TOTAL				

(e) the allotment of securities on a preferential basis made pursuant to the special resolution passed pursuant to sub-rule (2)(b) shall be completed within a period of twelve months from the date of passing of the special resolution.

(f) if the allotment of securities is not completed within twelve months from the date of passing of the special resolution, another special resolution shall be passed for the company to complete such allotment thereafter.

(g) the price of the shares or other securities to be issued on a preferential basis, either for cash or for consideration other than cash, shall be determined on the basis of valuation report of a registered valuer;

- (h) where convertible securities are offered on a preferential basis with an option to apply for and get equity shares allotted, the price of the resultant shares shall be determined beforehand on the basis of a valuation report of a registered valuer and also complied with the provisions of section 62 of the Act;
- (i) where shares or other securities are to be allotted for consideration other than cash, the valuation of such consideration shall be done by a registered valuer who shall submit a valuation report to the company giving justification for the valuation;
- (j) where the preferential offer of shares is made for a non-cash consideration, such non-cash consideration shall be treated in the following manner in the books of account of the company-
 - (i) where the non-cash consideration takes the form of a depreciable or amortizable asset, it shall be carried to the balance sheet of the company in accordance with the accounting standards; or
 - (ii) where clause (i) is not applicable, it shall be expensed as provided in the accounting standards.

Issue of Bonus Shares.-

- 14.** The company which has once announced the decision of its Board recommending a bonus issue, shall not subsequently withdraw the same.

Notice to Registrar for alteration of share capital.-

- 15.** 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, 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.

Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees.-

- 16.(1)** The company shall not make a provision of money for the purchase of, or subscription for, shares in the company or its holding company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the company, unless it complies with the following conditions, namely:-
- (a) the scheme of provision of money for purchase of or subscription for the shares as aforesaid is approved by the members by passing special resolution in a general meeting;
 - (b) such purchase of shares shall be made only through a recognized stock exchange in case the shares of the company are listed and not by way of private offers or arrangements;
 - (c) where shares of a company are not listed on a recognized stock exchange, the valuation at which shares are to be purchased shall be made by a registered valuer;

- (d) the value of shares to be purchased or subscribed in the aggregate together with the money provided by the company shall not exceed five per cent. of the aggregate of paid up capital and free reserves of the company;
- (2) The explanatory statement to be annexed to the notice of the general meeting to be convened pursuant to section 102 shall, in addition to the particulars mentioned in sub-rule (1) of rule 18, contain the following particulars, namely:-
- (a) the class of employees for whose benefit the scheme is being implemented and money is being provided for purchase of or subscription to shares;
 - (b) the particulars of the trustee or employees in whose favor such shares are to be registered;
 - (c) the particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any;
 - (d) the any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof;
 - (e) the detailed particulars of benefits which will accrue to the employees from the implementation of the scheme;
 - (f) the details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised;
- (3) A person shall not be appointed as a trustee to hold such shares, if he-

- (a) is a director, key managerial personnel or promoter of the company or its holding, subsidiary or associate company or any relative of such director, key managerial personnel or promoter; or
 - (b) beneficially holds ten percent or more of the paid-up share capital of the company.
- (4) Where the voting rights are not exercised directly by the employees in respect of shares to which the scheme relates, the Board of Directors shall, *inter alia*, disclose in the Board's report for the relevant financial year the following details, namely:-
- (a) the names of the employees who have not exercised the voting rights directly;
 - (b) the reasons for not voting directly;
 - (c) the name of the person who is exercising such voting rights;
 - (d) the number of shares held by or in favour of, such employees and the percentage of such shares to the total paid up share capital of the company;
 - (e) the date of the general meeting in which such voting power was exercised;
 - (f) the resolutions on which votes have been cast by persons holding such voting power;
 - (g) the percentage of such voting power to the total voting power on each resolution;
 - (h) whether the votes were cast in favour of or against the resolution.

17. Buy-back of shares or other securities.-

Unless stated otherwise, the following norms shall be complied with by the private companies and unlisted public companies for buy-back of their securities-

- (1) The explanatory statement to be annexed to the notice of the general meeting pursuant to section 102 shall contain the following disclosures, namely:-
 - (a) the date of the board meeting at which the proposal for buy-back was approved by the board of directors of the company;
 - (b) the objective of the buy-back;
 - (c) the class of shares or other securities intended to be purchased under the buy-back;
 - (d) the number of securities that the company proposes to buy-back;
 - (e) the method to be adopted for the buy-back;
 - (f) the price at which the buy-back of shares or other securities shall be made;
 - (g) the basis of arriving at the buy-back price;
 - (h) the maximum amount to be paid for the buy-back and the sources of funds from which the buy-back would be financed;
 - (i) the time-limit for the completion of buy-back;

- (j) (i) the aggregate shareholding of the promoters and of the directors of the promoter, where the promoter is a company and of the directors and key managerial personnel as on the date of the notice convening the general meeting;
 - (ii) the aggregate number of equity shares purchased or sold by persons mentioned in sub-clause (i) during a period of twelve months preceding the date of the board meeting at which the buy-back was approved and from that date till the date of notice convening the general meeting;
 - (iii) the maximum and minimum price at which purchases and sales referred to in sub-clause (ii) were made along with the relevant date;
- (k) if the persons mentioned in sub-clause (i) of clause (j) intend to tender their shares for buy-back –
- (i) the quantum of shares proposed to be tendered;
 - (iii) the details of their transactions and their holdings for the last twelve months prior to the date of the board meeting at which the buy-back was approved including information of number of shares acquired, the price and the date of acquisition;
- (l) a confirmation that there are no defaults subsisting in repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company;

(m) a confirmation that the Board of directors have made a full enquiry into the affairs and prospects of the company and that they have formed the opinion-

(i) that immediately following the date on which the general meeting is convened there shall be no grounds on which the company could be found unable to pay its debts;

(ii) as regards its prospects for the year immediately following that date, that, having regard to their intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in their view be available to the company during that year, the company shall be able to meet its liabilities as and when they fall due and shall not be rendered insolvent within a period of one year from that date; and

(iii) the directors have taken into account the liabilities(including prospective and contingent liabilities),

as if the company were being wound up under the provisions of the Companies Act, 2013

(n) a report addressed to the Board of directors by the company's auditors stating that-

(i) they have inquired into the company's state of affairs;

(ii) the amount of the permissible capital payment for the securities in question is in their view properly determined;

- (iii) that the audited accounts on the basis of which calculation with reference to buy back is done is not more than six months old from the date of offer document; and
 - (iv) the Board of directors have formed the opinion as specified in clause (m) on reasonable grounds and that the company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date.
- (2) The company which has been authorized by a special resolution shall, before the buy-back of shares, file with the Registrar of Companies a letter of offer in **Form No. SH.8**, along with the fee:
 - Provided that such letter of offer shall be dated and signed on behalf of the Board of directors of the company by not less than two directors of the company, one of whom shall be the managing director, where there is one.
- (3) The company shall file with the Registrar, along with the letter of offer, and in case of a listed company with the Registrar and the Securities and Exchange Board, a declaration of solvency in **Form No. SH.9** along with the fee and signed by at least two directors of the company, one of whom shall be the managing director, if any, and verified by an affidavit as specified in the said Form.
- (4) The letter of offer shall be dispatched to the shareholders or security holders immediately after filing the same with the Registrar of Companies but not later than twenty days from its filing with the Registrar of Companies.

- (5) The offer for buy-back shall remain open for a period of not less than fifteen days and not exceeding thirty days from the date of dispatch of the letter of offer.
- (6) In case the number of shares or other specified securities offered by the shareholders or security holders is more than the total number of shares or securities to be bought back by the company, the acceptance per shareholder shall be on proportionate basis out of the total shares offered for being bought back.
- (7) The company shall complete the verifications of the offers received within fifteen days from the date of closure of the offer and the shares or other securities lodged shall be deemed to be accepted unless a communication of rejection is made within twenty one days from the date of closure of the offer.
- (8) The company shall immediately after the date of closure of the offer, open a separate bank account and deposit therein, such sum, as would make up the entire sum due and payable as consideration for the shares tendered for buy-back in terms of these rules.
- (9) The company shall within seven days of the time specified in sub-rule (7)-
 - (a) make payment of consideration in cash to those shareholders or security holders whose securities have been accepted; or
 - (b) return the share certificates to the shareholders or security holders whose securities have not been accepted at all or the balance of securities in case of part acceptance .

(10) The company shall ensure that—

- (a) the letter of offer shall contain true, factual and material information and shall not contain any misleading information and must state that the directors of the company accept the responsibility for the information contained in such document;
- (b) the company shall not issue any new shares including by way of bonus shares from the date of passing of special resolution authorizing the buy-back till the date of the closure of the offer under these rules, except those arising out of any outstanding convertible instruments;
- (c) the company shall confirm in its offer the opening of a separate bank account adequately funded for this purpose and to pay the consideration only by way of cash;
- (d) the company shall not withdraw the offer once it has announced the offer to the shareholders;
- (e) the company shall not utilize any money borrowed from banks or financial institutions for the purpose of buying back its shares; and
- (f) the company shall not utilize the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities for the buy-back.

(12)(a) The company, shall maintain a register of shares or other securities which have been bought-back in **Form No. SH.10**.

(b) The register of shares or securities bought-back shall be maintained at the registered office of the company and shall be kept in the custody of the secretary of the company or any other person authorized by the board in this behalf.

- (c) The entries in the register shall be authenticated by the secretary of the company or by any other person authorized by the Board for the purpose.
- (13) The company, after the completion of the buy-back under these rules, shall file with the Registrar, and in case of a listed company with the Registrar and the Securities and Exchange Board of India, a return in the **Form No. SH.11** along with the fee .
- (14) There shall be annexed to the return filed with the Registrar in Form No. **SH.11**, a certificate in Form No. **SH.15** signed by two directors of the company including the managing director, if any, certifying that the buy-back of securities has been made in compliance with the provisions of the Act and the rules made thereunder.

18. Debentures.-

- (1) The company shall not issue secured debentures, unless it complies with the following conditions, namely:-
- (a) An issue of secured debentures may be made, provided the date of its redemption shall not exceed ten years from the date of issue.
- Provided that a company engaged in the setting up of infrastructure projects may issue secured debentures for a period exceeding ten years but not exceeding thirty years;
- (b) such an issue of debentures shall be secured by the creation of a charge, on the properties or assets of the company, having a value which is sufficient for the due repayment of the amount of debentures and interest thereon;
- (c) the company shall appoint a debenture trustee before the issue of prospectus or letter of offer for subscription of its debentures and not later than sixty days after the allotment of the debentures, execute a debenture trust deed to protect the interest of the debenture holders ; and

(d) the security for the debentures by way of a charge or mortgage shall be created in favour of the debenture trustee on-

- (i) any specific movable property of the company (not being in the nature of pledge); or
- (ii) any specific immovable property wherever situate, or any interest therein.

(2) The company shall appoint debenture trustees under sub-section (5) of section 71, after complying with the following conditions, namely:-

(a) the names of the debenture trustees shall be stated in letter of offer inviting subscription for debentures and also in all the subsequent notices or other communications sent to the debenture holders;

(b) before the appointment of debenture trustee or trustees, a written consent shall be obtained from such debenture trustee or trustees proposed to be appointed and a statement to that effect shall appear in the letter of offer issued for inviting the subscription of the debentures;

(c) A person shall not be appointed as a debenture trustee, if he-

(i) beneficially holds shares in the company;

(ii) is a promoter, director or key managerial personnel or any other officer or an employee of the company or its holding, subsidiary or associate company;

(iii) is beneficially entitled to moneys which are to be paid by the company otherwise than as remuneration payable to the debenture trustee;

(iv) is indebted to the company, or its subsidiary or its holding or associate company or a subsidiary of such holding company;

(v) has furnished any guarantee in respect of the principal debts secured by the debentures or interest thereon;

(vi) has any pecuniary relationship with the company amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees

or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(vii) is relative of any promoter or any person who is in the employment of the company as a director or key managerial personnel

(d) the Board may fill any casual vacancy in the office of the trustee but while any such vacancy continues, the remaining trustee or trustees, if any, may act:

Provided that where such vacancy is caused by the resignation of the debenture trustee, the vacancy shall only be filled with the written consent of the majority of the debenture holders.

(e) any debenture trustee may be removed from office before the expiry of his term only if it is approved by the holders of not less than three fourth in value of the debentures outstanding, at their meeting.

(3) It shall be the duty of every debenture trustee to-

(a) satisfy himself that the letter of offer does not contain any matter which is inconsistent with the terms of the issue of debentures or with the trust deed;

(b) satisfy himself that the covenants in the trust deed are not prejudicial to the interest of the debenture holders;

(c) call for periodical status or performance reports from the company;

(d) communicate promptly to the debenture holders defaults, if any, with regard to payment of interest or redemption of debentures and action taken by the trustee therefor;

(e) appoint a nominee director on the Board of the company in the event of-

(i) two consecutive defaults in payment of interest to the debenture holders; or

(ii) default in creation of security for debentures; or

(iii) default in redemption of debentures.

(f) ensure that the company does not commit any breach of the terms of issue of debentures or covenants of the trust deed and take such reasonable steps as may be necessary to remedy any such breach;

(g) inform the debenture holders immediately of any breach of the terms of issue of debentures or covenants of the trust deed;

(h) ensure the implementation of the conditions regarding creation of security for the debentures, if any, and debenture redemption reserve;

(i) ensure that the assets of the company issuing debentures and of the guarantors, if any, are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the debenture holders;

(j) do such acts as are necessary in the event the security becomes enforceable;

(k) call for reports on the utilization of funds raised by the issue of debentures-

(l) take steps to convene a meeting of the holders of debentures as and when such meeting is required to be held;

(m) ensure that the debentures have been converted or redeemed in accordance with the terms of the issue of debentures;

(n) perform such acts as are necessary for the protection of the interest of the debenture holders and do all other acts as are necessary in order to resolve the grievances of the debenture holders.

(4) The meeting of all the debenture holders shall be convened by the debenture trustee on-

(a) requisition in writing signed by debenture holders holding at least one-tenth in value of the debentures for the time being outstanding;

(b) the happening of any event, which constitutes a breach, default or which in the opinion of the debenture trustees affects the interest of the debenture holders.

- (5) For the purposes of sub-section (13) of section 71 and sub-rule (1) a trust deed in Form No.**SH.12** or as near thereto as possible shall be executed by the company issuing debentures in favour of the debenture trustees within sixty days of allotment of debentures.
- (6) The provisions of sub-rules (2) to (5) of rule 18 shall not be applicable to the public offer of debentures.
- (7) The company shall create a Debenture Redemption Reserve for the purpose of redemption of debentures, in accordance with the conditions given below-
- (a) the Debenture Redemption Reserve shall be created out of the profits of the company available for payment of dividend;
- (b) the company shall create Debenture Redemption Reserve equivalent to at least fifty percent of the amount raised through the debenture issue before debenture redemption commences.
- (c) every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:-

(i) in deposits with any scheduled bank, free from any charge or lien;

(ii) in unencumbered securities of the Central Government or of any State Government;

(iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;

(iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882;

(v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above: Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year;

(d) in case of partly convertible debentures, Debenture Redemption Reserve shall be created in respect of non-convertible portion of debenture issue in accordance with this sub-rule.

(e) the amount credited to the Debenture Redemption Reserve shall not be utilised by the company except for the purpose of redemption of debentures.

- (8) (a) A trust deed for securing any issue of debentures shall be open for inspection to any member or debenture holder of the company, in the same manner, to the same extent and on the payment of the same fees, as if it were the register of members of the company; and
- (b) A copy of the trust deed shall be forwarded to any member or debenture holder of the company, at his request, within seven days of the making thereof, on payment of fee.

19. Nomination by securities holders.-

- (1) Any holder of securities of a company may, at any time, nominate, in Form No. **SH.13**, any person as his nominee in whom the securities shall vest in the event of his death.
- (2) On the receipt of the nomination form, a corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under section 88.
- (3) Where the nomination is made in respect of the securities held by more than one person jointly, all joint holders shall together nominate in Form No. **SH.13** any person as nominee.
- (4) The request for nomination should be recorded by the Company within a period of two months from the date of receipt of the duly filled and signed nomination form.
- (5) In the event of death of the holder of securities or where the securities are held by more than one person jointly, in the event of death of all the joint holders, the person nominated as the nominee may upon the production of such evidence as may be required by the Board, elect, either-
- (a) to register himself as holder of the securities ; or
- (b) to transfer the securities, as the deceased holder could have done.

(6) If the person being a nominee, so becoming entitled, elects to be registered as holder of the securities himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased share or debenture holder(s).

(7) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of securities shall be applicable to any such notice or transfer as aforesaid as if the death of the share or debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

(8) A person, being a nominee, becoming entitled to any securities by reason of the death of the holder shall be entitled to the same dividends or interests and other advantages to which he would have been entitled to if he were the registered holder of the securities except that he shall not, before being registered as a holder in respect of such securities, be entitled in respect of these securities to exercise any right conferred by the membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the securities, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends or interests, bonuses or other moneys payable in respect of the securities, as the case may be, until the requirements of the notice have been complied with.

(9) A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation, to the company in Form No. **SH.14**.

(10) The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received by the company.

(11) Where the nominee is a minor, the holder of the securities, making the nomination, may appoint a person in Form No. **SH.14** specified under sub-rule (1), who shall become entitled to the securities of the company, in the event of death of the nominee during his minority.

File No. 01/04/2013 (Part-I) CL-V

(Renuka Kumar)
Joint Secretary to the Govt of India.

Annexure

Form No. SH-1

Share Certificate

[Pursuant to sub-section (3) of section 46 of the Companies Act, 2013 and rule 5(2) of the Companies (Share Capital and Debentures) Rules 2014]

.....Limited/Private Limited
.....(Corporate Identification Number)
(Incorporated under...the Companies Act, 1956/2013)
Registered Office:.....

This is to certify that the person(s) named in this Certificate is/are the Registered Holder(s) of the within mentioned share(s) bearing the distinctive number(s) herein specified in the above named Company subject to the Memorandum and Articles of Association of the Company and the amount endorsed herein has been paid up on each such share.

EQUITY SHARES EACH OF RUPEES..... (Nominal value)
AMOUNT PAID-UP PER SHARE RUPEES.....

Register Folio No:	Certificate No:
Name(s) of the Holder(s):	
No. of shares held:.....
(in words)	(in figures)
Distinctive No.(s): From..... To..... (Both inclusive)	

Given under the common seal of the Company this..... day of..... 20.....

(1) Director:

(2) Director:

(3) Secretary/ any other authorized person:

Note: No transfer of the Share(s) comprised in the Certificate can be registered unless accompanied by this Certificate.

Form No. SH-2

Register of Renewed and Duplicate Share Certificates

[Pursuant to sub-section (3) of section 46 of the Companies Act, 2013 and rule 6(3)(a) the Companies (Share Capital and Debentures) Rules 2014]

S. No.	Folio No.	Name of the person(s) to whom Renewed / Duplicate share certificate is issued	Date of approval of issue of Renewed/ Duplicate share certificate	Class of shares
1	2	3	4	5

Date of issue of original share certificate	Original share certificate number	Total number of shares in the Original Share Certificate	Distinctive No. of shares		Date of issue of Renewed/ Duplicate Share Certificate
			From	To	
6	7	8	9		10

Reasons for issue of Renewed/ Duplicate Share Certificate	Number of the Renewed share certificate, if applicable	Total Number of Shares in the Renewed/ Duplicate Share Certificate	Reference to entry in Register of Members	Remarks
11	12	13	14	15

Form No. SH-3

Register of Sweat Equity Shares

[Pursuant to section 54 of the Companies Act, 2013 and rule 8(14) of the Companies (Share Capital and Debentures) Rules 2014]

S. No.	Reference to entry in register of members	Name of the allottee	Status of the allottee – whether director or employee	Date of passing of Board resolution
1	2	3	4	5

Date of the special resolution authorizing the issue of sweat equity shares	Date of issue of sweat equity shares	Number of sweat equity shares issued	Certificate No. / Folio No.
6	7	8	9

Face value of	Price at which the shares	Amount to be treated as paid up	Total consideration paid, if any, by the employee / director

the share	are issued		Consideration received in cash	Particulars of consideration other than cash
10	11	12	13	14

Lock in period	the date of expiry of lock- in- period	Remarks, if any	Date of Joining	Fair value obtained by Valuer	Basis of Valuation	Name of Valuer
15	16	17	5	12	13	14

Form No. SH-4

Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution.....

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN:

Name of the company (in full):

Name of the Stock Exchange where the company is listed, if any:

DESCRIPTION OF SECURITIES:

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)

No. of securities being transferred		Consideration received (Rs.)	
In figures	In words	In words	In figures

Distinctive number	From						
	To						
Corresponding Certificate Nos.							

Transferor's Particulars-		
Registered Folio Number:		
	Name(s) in full	Signature (s)
1.		
2.		
3.		

I, hereby confirm that the Transferor has signed before me.
 Signature of witness
 name and address

Transferee's Particulars-					
Name in full	Father's/ mother's/ Spouse name	Address & E-mail id	Occupation	Existing folio No., if any.	Signature
(1)	(2)	(3)	(4)	(5)	(6)
1.					
2.					
3.					

Folio No. of Transferee

Specimen Signature of Transferee

.....

.....

.....

.....

Form No. SH-5

Notice for transfer of partly paid securities

[Pursuant to sub-section (3) of section 56 of the Companies Act, 2013 and sub-rule (3) of rule 11 the Companies (Share Capital and Debentures) Rules 2014]

To-

.....

.....

(Name and address of transferee)

Subject: Transfer of partly paid securities

Notice is hereby given that an application has been made by the transferor for the transfer of securities of the above named Company whose particulars are given hereunder-

Name & Address of the Transferor:

Name & Address of the Transferee:

Class / Kind of securities:

Number of securities:

Distinctive numbers of the securities:

Securities Certificate Number:

Nominal value of each security:

Issue price of each security:

Amount called on each security:

Amount paid on each security

Amount called and due on each security:

Amount uncalled on each security:

Total amount called and due on the total number of securities lodged for transfer:

Total amount uncalled on the total number of securities lodged for transfer:

As required under sub section (3) of section 56 of the Companies Act, 2013, notice is hereby given by the Company to the transferee on this Day ____ of (month) of ____ (year) that the above mentioned securities are partly paid and the transferee shall be liable to pay the balance amount unpaid on the securities.

The transferee is hereby requested to submit his / her objection, if any, within two weeks from the date of receipt of this notice in the absence of which it shall be presumed that he / she has no objection to the transfer and the securities shall be transferred in his / her name without any further correspondence.

Signature:

Form No. SH-6

Register of Employee Stock Options

[Pursuant to clause (b) of sub-section (1) of section 62 of the Companies Act, 2013 and rule 12(10) the Companies (Share Capital and Debentures) Rules 2014]

Name of Company

Registered office address

Date of special resolution

S. No.	Name of the grantee	Number of options granted	Date on which options vested	Exercised period
1	2	3	4	5

Date on which options exercised	Options exercised	Exercise price	Number of shares arising as result of exercise of option
6	7	8	9

Folio No. of Register of members having	Lock in period, if any	Option lapsed, if any	Total number of options in force	Amount forfeited/ refunded if option is not exercised

respective entry				
10	11	12	13	14
Any variation of terms of the scheme and its effects	Signature	Remarks		
15	16	17		

Form No. SH-10

Register of shares or other securities bought-back

[Pursuant to sub-section (9) of section 68 of the Companies Act, 2013 and rule 17 (12) of the Companies (Share Capital and Debentures) Rules 2014]

Name of the company:

Registered address :

1. Date of passing of special resolution at the meeting of the members authorizing buy-back of securities:
2. Date of approval by the Board:
3. Number, price and amount of shares or other specified securities authorized to be bought back:
4. Date of opening and closing of buy-back offer:
5. Date by which buy-back was completed:
6. Description of shares or other specified securities bought back by the company:

S.No.	Folio number / DP Id/client ID number or certificate number of securities bought-back	Name of last holder of securities	*Category to which they belong	Date of buy-back
(1)	(2)	(3)	(4)	(5)

Number of securities bought-back	**Mode of buy-back	Nominal value of securities	Price at which securities are bought back	Date of payment
(6)	(7)	(8)	(9)	(10)

Amount paid for bought back securities	Cumulative total of securities bought-back	Date of/ cancellation / extinguishment and physical destruction of securities bought-back	Reference to entry in Register of members	Remarks
(11)	(12)	(13)	(14)	(15)

*Indicate the category of securities that have been bought back

- Preference shares
- Equity shares
- Employees' Stock Option shares
- Sweat equity shares, etc

**Indicate whether the securities have been bought back from

- the existing security-holders on a proportionate basis
- the open market
- odd-lots of listed securities
- Employees' Stock Option
- Sweat equity
- any other mode, if so indicate the mode

2. Other relevant details, if any.

Place:

Signature of the authorized signatory

Date:

Name of the above person:

Designation:

Form No. SH-15

Certificate of compliance in respect of buy-back of securities

[Pursuant sub-rule (14) of rule 17 of the Companies (Share Capital and Debentures) Rules 2014]

1. (a) Corporate identity number (CIN) of company:
(b) Global location number (GLN) of company:

2. (a) Name of the company:
(b) Address of the registered office of the company:
(c) E-mail ID of the company:

We,directors of the above named company certify that the provisions of Companies Act, 2013 and rules made thereunder relating to buy-back of securities have been complied with in respect of the securities bought back vide Board Resolution dated.....and / or special resolution passed by the members in the general meeting held on and the details relating to which has been filed in **Form No. SH-11** with the Registrar of Companies.

Date:

Signature:

Place:

(1) Managing Director / Director

(2) Director

Verified by

Company Secretary in Practice

CP No.

Form No. SH-12

Debenture Trust Deed

[Pursuant to sub-section (13) of section 71 of the Companies Act, 2013 and rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

The debenture trust deed shall, *inter alia*, contain the following:-

1. DESCRIPTION OF DEBENTURE ISSUE:

- (a) Purpose of raising finance through the debenture issue;
- (b) Details of debenture issue as regards amount, tenure, interest/coupon rate, periodicity of payment, mode of payment and period of redemption;
- (c) An undertaking by the company to pay the interest and principal amount of such debentures to the Debenture holders as and when it becomes due, as per the terms of offer;
- (d) The terms of conversion/redemption of the debentures in terms of the issue to the debenture holders, options available, and debt equity ratio and debt service coverage ratio, if applicable.

2. DETAILS OF CHARGE CREATED (in case of secured debentures):

- (a) Nature of charge created and examination of title;
- (b) Rank of charge created viz. first, second, pari passu, residual, etc;
- (c) Minimum security cover required;
- (d) Complete details of the asset(s) on which charge is created such as description, nature, title, location, value, basis of valuation etc.;

- (e) Methods and mode of preservation of assets charged as security for the debentures;
- (f) Other particulars of the charge, e.g., time period of charge, rate of interest, name of the charge holder;
- (g) Provision for subsequent valuation;
- (h) Procedure for allowing inspection of charged assets and book of accounts by debenture trustee or any person or person authorized by it;
- (i) Charging of future assets
- (j) Time limit within which the future security for the issue of debentures shall be created
- (k) Circumstances specifying when the security may be disposed of or leased out with the approval of trustees
- (l) Enforceability of securities, events under which security becomes enforceable
- (m) Obligation of company not to create further charge or encumbrance of the trust property without prior approval of the trustee

3. PARTICULARS OF THE APPOINTMENT OF DEBENTURE TRUSTEE(S):

- (a) The conditions and procedure for the appointment of the debenture trustee ;
- (b) Procedure for resignation by trustee including appointment of new trustees;
- (c) Provision that the debenture trustee shall not relinquish his office until another debenture trustee has been appointed;
- (d) Procedure to remove debenture trustee by debenture holders providing for removal on a resolution passed by

the holders of not less than three fourth in value of debentures;

- (e) Fees or commission or other legal travelling and other expenses payable to the trustee(s) for their services;
- (f) Rights of the trustee including the right to inspect the registers of the company and to take copies and extract thereof and the right to appoint a nominee director;
- (g) Duties of the trustee.

4. EVENTS OF DEFAULTS

- (a) Events under which the security becomes enforceable which shall include the following events:
 - (i) When the company makes two consecutive defaults in the payment of any interest which ought to have been paid in accordance with the terms of the issue;
 - (ii) When the company without the consent of debenture holders ceases to carry on its business or gives notice of its intention to do so;
 - (iii) When an order has been made by the Tribunal or a special resolution has been passed by the members of the company for winding up of the company;
 - (iv) When any breach of the terms of the prospectus inviting the subscriptions of debentures or of the covenants of this deed is committed;
 - (v) When the company creates or attempts to create any charge on the mortgaged premises or any part thereof without the prior approval of the trustees/debenture holders;
 - (vi) When in the opinion of the trustees the security of debenture holders is in jeopardy.

- (b) Steps which shall be taken by the debenture trustee in the event of defaults;
- (c) Circumstances specifying when the security may be disposed off or leased out with the approval of trustees;
- (d) A covenant that the company may hold and enjoy all the mortgaged premises and carry on therein and therewith the business until the security constituted becomes enforceable

5. OBLIGATIONS OF COMPANY:

This section shall state the company's duty with respect to-

- (a) maintaining a Register of debenture holders including addresses of the debenture holders, record of subsequent transfers and changes of ownership;
- (b) keeping proper books of accounts open for inspection by debenture trustee;
- (c) permitting the debenture trustee to enter the debentureholder's premises and inspect the state and condition of charged assets;
- (d) furnishing information required by the debenture trustee for the effective discharge of its duties and obligations, including copies of reports, balance sheets , profit and loss account etc.;
- (e) keeping charged property/security adequately insured and in proper condition;
- (f) paying all taxes, cesses, insurance premium with respect to charged property/security, on time;
- (g) not declaring any dividend to the shareholders in any year until the company has paid or made satisfactory provision

for the payment of the installments of principal and interest due on the debentures;

- (h) creating the debenture redemption reserve;
- (i) converting the debentures into equity in accordance with the terms of the issue, if applicable;
- (j) informing the debenture trustee about any change in nature and conduct of business by the company before such change;
- (k) informing the debenture trustee of any significant changes in the composition of its Board of Directors;
- (l) informing the debenture trustee of any amalgamation, merger or reconstruction scheme proposed by the company;
- (m) keeping the debenture trustee informed of all orders, directions, notices, of court/tribunal affecting or likely to affect the charged assets;
- (n) not creating further charge or encumbrance over the trust property without the approval of the trustee;
- (o) obligation of the company to forward periodical reports to debenture trustees containing the following particulars:
 - (i) updated list of the names and addresses of the debenture holders;
 - (ii) details of interest due but unpaid and reasons thereof;
 - (iii) the number and nature of grievances received from debenture holders and (a) resolved by the company (b) unresolved by the company and the reasons for the same.
 - (iv) a statement that the assets of the company which are available by way of security are sufficient to discharge the claims of the debenture holders as and when they become due

- (p) complying with all directions/guidelines issued by a Regulatory authority, with regard to the debenture issue
- (q) submitting such information, as required by the debenture trustee

6. MISCELLANEOUS:

- (a) The conditions under which the provisions of the trust deed or the terms and conditions of the debentures may be modified;
- (b) The mode of service of notices and other documents on the company, the trustee and the holders of the debentures;
- (c) The company to be responsible for paying any stamp duty on the trust deed or the debentures (if applicable);
- (d) Provisions regarding meetings of the debenture holders;
- (e) Provisions for redressal of grievances of debenture holders.

Form No. SH-13

Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To

Name of the company:

Address of the company:

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

(a) Name:

(b) Date of Birth:

(c) Father's/Mother's/Spouse's name:

(d) Occupation:

(e) Nationality:

(f) Address:

(g) E-mail id:

(h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR--

(a) Date of birth:

(b) Date of attaining majority

(c) Name of guardian:

(d) Address of guardian:

Name:

Address:

Name of the Security

Holder (s)

Signature

Witness with
name and address

Form No. SH-14

Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies (Share Capital and Debentures) Rules 2014]

Name of the company:

I/We hereby cancel the nomination(s) made by me/us in favor of.....(name and address of the nominee) in respect of the below mentioned securities.

or

I/We hereby nominate the following person in place of as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being cancelled / varied)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) (a) PARTICULARS OF THE NEW NOMINEE:

- i. Name:
- ii. Date of Birth:
- iii. Father's/Mother's/Spouse's name:
- iv. Nationality:
- v. Address:
- vi. E-mail id:

vii. Relationship with the Security holder:

(b) IN CASE NEW NOMINEE IS A MINOR--

- i. Date of Birth:
- ii. Date of attaining majority
- iii. Name of guardian:
- iv. Address of guardian:

Signature

Name of the Security

Holder (s)

Witness with name and address

FORM NO. SH.7

[Pursuant to section 64(1) of the Companies Act, 2013 and pursuant to Rule 15 of the Companies (Share Capital & Debentures) Rules, 2014]



सत्यमेव जयते

Notice to Registrar of any alteration of share capital

Form language English Hindi

Refer the instruction kit for filing the form.

1.(a) * Corporate identity number (CIN) of company

Pre-fill

(b) Global location number (GLN) of company

2.(a) Name of the company

(b) Address of the registered office of the company

(c) *e-mail ID of the company

3. *Purpose of the form

- Increase in share capital independently by company Increase in number of members
 Increase in share capital with Central Government order Consolidation or division etc.
 Redemption of redeemable preference shares

4. In accordance with section 61(1) of the Companies Act, 2013, that by Ordinary Special resolution at

the meeting of the members of the company held on (DD/MM/YYYY)

Service request number (SRN) of related Form MGT.14

(a) (i) The authorised share capital of the company has been increased from

Existing (in Rs.)

Revised (in Rs.)

Difference (addition) (in Rs.)

(b) (i) The number of members in the company has been increased from

Existing

Revised

Difference (additional)

(ii) Maximum number of members excluding past and present employee(s)

5. (a) In accordance with sub section (6) of section 62 of the Companies Act,2013, the authorised capital of the company has been increased consequent upon an order number dated (DD/MM/YYYY) of the Union Government State Government under sub section (4) of section 62 for conversion of debentures loan into shares

Existing authorised capital	(in Rs.)	<input type="text"/>
Revised authorised capital	(in Rs.)	<input type="text"/>
Difference (addition)	(in Rs.)	<input type="text"/>

Date of passing the order by Tribunal (if applicable)
 Date of receipt of such order

(b) A copy of the aforesaid order was received by the company from the Central Government

6. The additional capital (taking into consideration the addition above) is divided as follows

(a) Number of equity shares	<input type="text"/>	Total amount of equity shares (in Rs.)	<input type="text"/>
(b) Number of preference shares	<input type="text"/>	Total amount of preference shares	<input type="text"/>
Total addition	(in Rs.) <input type="text"/>	(in Rs.)	

The conditions (e.g. voting rights, dividend rights, winding-up rights, etc.) subject to which new shares have been issued, are as follows

7. Notice is hereby given that

In accordance with section 61 of the Companies Act, 2013, that the company has on (DD/MM/YYYY)

(a) Consolidated

(b) Converted

(c) Reconverted

(d) Subdivided

(e) Cancelled

(f) Reclassified

Date of passing the order by Tribunal (if applicable)

Date of receipt of such order

8. In accordance with section 55, by a resolution of the Board of Directors at the meeting held on the company has redeemed redeemable preference shares, the particulars of which are as under

(a) Description of Preference shares to be redeemed

(b) Date of issue of series of shares

(c) Date on which shares were fully paid up

(d) Due date of redemption of shares

(e) Actual date of redemption of shares

(f) Amount payable on redemption Amount (in Rupees)

- i. Number of preference shares
- ii. Face value per share **iii.** Carrying rate of dividend per share
- iv. Total nominal value
- v. Total premium paid on redemption, if any

(g) Preference shares redeemed out of Amount (in Rupees)

- o Profits of the company
- o Proceeds of fresh issue of shares

9. Revised capital structure after taking into consideration the changes vide points 4, 5, 6, 7 and 8 above

(a) Authorised capital of the company (in Rs.)

Break up of Authorised capital

Number of equity shares	<input type="text"/>	Total amount of equity shares (in Rs.)	<input type="text"/>
Nominal amount per equity share	<input type="text"/>		
Number of preference shares	<input type="text"/>	Total amount of preference shares (in Rs.)	<input type="text"/>
Nominal amount per preference share	<input type="text"/>		
Number of unclassified shares	<input type="text"/>	Total amount of unclassified shares (in Rs.)	<input type="text"/>

(b) Issued capital of the company (in Rs.)

Break up of Issued capital

Number of equity shares	<input type="text"/>	Total amount of equity shares (in Rs.)	<input type="text"/>
Nominal amount per equity share	<input type="text"/>		
Number of preference shares	<input type="text"/>	Total amount of preference shares	<input type="text"/>
Nominal amount per preference share	<input type="text"/>		

(c) Subscribed capital of the company (in Rs.)

Break up of Subscribed capital

Number of equity shares	<input type="text"/>	Total amount of equity shares (in Rs.)	<input type="text"/>
Nominal amount per equity share	<input type="text"/>		
Number of preference shares	<input type="text"/>	Total amount of preference shares (in Rs.)	<input type="text"/>
Nominal amount per preference share	<input type="text"/>		

(d) Paid up capital of the company (in Rs.)

Break up of Paid up capital

Number of equity shares Total amount of equity shares (in Rs.)

Nominal amount per equity share

Number of preference shares Total amount of preference shares (in Rs.)

Nominal amount per preference share

10. *Whether articles of association have been altered Yes No

11. Particulars of payment of stamp duty (Refer instruction kit for details before filling the particulars)

(a) State or Union territory in respect of which stamp duty is paid or to be paid

(b) *Whether stamp duty is to be paid electronically through MCA21 system Yes No Not applicable

(i) Details of stamp duty to be paid

Amount of stamp duty to be paid (in Rs.)

(ii) Provide details of stamp duty already paid

Type of document/Particulars	Form SH.7
Total amount of stamps or stamp paper (in Rs.)	<input type="text"/>
Mode of payment of stamp duty	<input type="text"/>
Name of vendor or Treasury or Authority or any other Competent agency authorised to collect stamp duty or to sell stamp papers or to emboss the documents or to dispense stamp vouchers on behalf of the Government	
Serial number of embossing or stamps or stamp paper or treasury challan number	
Registration number of vendor	
Date of purchase of stamps or stamp paper or payment of stamp duty	<input type="text"/> (DD/MM/YYYY)
Place of purchase of stamps or stamp paper or payment of stamp duty	

12. In case maximum stamp duty payable has already been paid, provide details of form(s) filled earlier (SRN or receipt number, form number, date of filing, amount of stamp duty paid)

Declaration

I* , a
 * (Drop down) {Values: Director/Manager/Company secretary/CEO/CFO} of the company declare that all the requirements of the Companies Act, 2013 and the rules made thereunder have been complied with. I am authorized by the board of directors to give this declaration and to sign and submit this Form. It is further declared and verified that

- (h) Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.
- (i) All the required attachments have been completely, correctly and legibly attached to this form.
- (j) I further declare that the company has paid correct stamp duty as per applicable Stamp Act.

***To be digitally signed by** DSC BOX

*Designation

*Director identification number of the director; or
DIN or PAN of the manager or CEO or CFO; or
Membership number of the company secretary

Attachments

- | | |
|---|---------------------------------------|
| 1. Copy of the resolution for alteration of capital; | <input type="button" value="Attach"/> |
| 2. Copy of order of Central Government; | <input type="button" value="Attach"/> |
| 3. Copy of the order of the Tribunal; | <input type="button" value="Attach"/> |
| 4. Copy of Board resolution authorizing redemption of redeemable preference shares; | <input type="button" value="Attach"/> |
| 5. Altered memorandum of association; | <input type="button" value="Attach"/> |
| 6. Altered articles of association; | <input type="button" value="Attach"/> |
| 7. Workings for calculation of ratios (in case of conversion); | <input type="button" value="Attach"/> |
| 8. Optional attachment(s), if any | <input type="button" value="Attach"/> |

Note: Attention is drawn to provisions of Section 448 and 449 which provide for punishment for false statement and punishment for false evidence respectively.

For office use only:

eForm Service request number (SRN) eForm filing date (DD/MM/YYYY)

This e-Form is hereby registered

Digital signature of the authorising officer

Date of signing (DD/MM/YYYY)

FORM NO. SH.8

[Pursuant to section 68 of the Companies Act, 2013 and Rule 17(2) of the Companies (Share Capital & Debentures) Rules, 2014]



Letter of Offer

Form language English Hindi
Refer the instruction kit for filing the form.

1. (a) *Corporate identity number (CIN) of the company
- (b) Global location number (GLN) of the company
2. (a) Name of the company
- (b) Address of registered office of the company

- (c) email ID of the company
- (d) Date of Incorporation

3. Main division of industrial activity of the company
Description of the main division

4. Particulars of directors and Key managerial personnel

DIN/PAN	Full Name	Pre-fill All	Designation

5. Present Capital structure of the company

(a) Authorized capital of the company (in Rs.)	<input type="text"/>
(i) Number of equity shares	<input type="text"/>
Nominal amount per equity share	<input type="text"/>
Total amount of equity shares (in Rs.)	<input type="text"/>
(ii) Number of preference shares	<input type="text"/>
Nominal amount per preference share	<input type="text"/>
Total amount of preference shares (in Rs.)	<input type="text"/>
(b) Subscribed capital of the company (in Rs.)	<input type="text"/>
(i) Number of equity shares	<input type="text"/>
Nominal amount per equity share	<input type="text"/>
Total amount of equity shares (in Rs.)	<input type="text"/>
(ii) Number of preference shares	<input type="text"/>
Nominal amount per preference share	<input type="text"/>
Total amount of preference shares (in Rs.)	<input type="text"/>

6. Details of last buy back

- (a) Date of completion of last buy-back
- (b) Percentage of the share capital bought back to the total paid up share capital and free reserves

7. *Amount as on
- | | (in Rupees) | (in %) |
|---|----------------------|----------------------|
| a. *Free reserves | <input type="text"/> | <input type="text"/> |
| b. *Securities Premium account | <input type="text"/> | <input type="text"/> |
| c. *Proceeds out of fresh issue of any shares or other specified securities | <input type="text"/> | <input type="text"/> |
| d. *Debt | | |
| | Secured | <input type="text"/> |
| | Unsecured | <input type="text"/> |
| | Total | <input type="text"/> |
8. *Source of the buy-back would be
- Free reserves Securities premium
- Proceeds out of fresh issue of shares or other specified securities Debt

9. (a) *Date of Board of Directors' resolution authorizing buy-back of securities
- (b) (i) Date of passing the special resolution
- (ii) Service request number of Form MGT.14

10. *Shareholding of the promoters, directors and key manager personnel of the company and also the directors of such company which is promoter of the company

S. No.	Particulars	Equity shares	Preference redeemable	Preference convertible	Other, If any	Total
1	Number of shares as on the date preceding to the date of board meeting in which the buy-back got approved	(Number)	(Number)	(Number)	(Number)	(Number)
2	Shares purchased during the period of 12 months preceding the date of board meeting approving buy-back	(Number)	(Number)	(Number)	(Number)	(Number)
3	Shares purchased during the period from date of board meeting approving buy-back till the date of letter of offer	(Number)	(Number)	(Number)	(Number)	(Number)
4	Maximum price paid for the above	(Amount)	(Amount)	(Amount)	(Amount)	(Average amount)
5	Date on which the above maximum price was paid	(Date)	(Date)	(Date)	(Date)	-
6	Shares sold during the period of 12 months preceding the date of board meeting approving buy-back	(Number)	(Number)	(Number)	(Number)	(Number)
7	Shares sold during the period from date of board meeting approving buy-back till the date of letter of offer	(Number)	(Number)	(Number)	(Number)	(Number)
8	Maximum price received for the above	(Amount)	(Amount)	(Amount)	(Amount)	(Average amount)
9	Date on which the above maximum price was received	(Date)	(Date)	(Date)	(Date)	-
10	Balance of number of shares held as on the date of letter of offer	(Number)	(Number)	(Number)	(Number)	(Number)

11. *The shareholding pattern before buy-back of shares or other specified securities:

S. No.	Category of security holders	Securities held before buy-back as on <input type="text"/>

1.	Government(Central and State)	
2.	Government Companies	
3.	Public financial institutions	
4.	Nationalized or other bank(s)	
5.	Mutual Funds	
6.	Venture Capital	
7.	Foreign holdings (Foreign Institutional Investors, Foreign companies, Non-resident Indians, Foreign financial institutions or Overseas corporate bodies)	
8.	Bodies Corporate (not mentioned above)	
9.	Directors or relatives of directors	
10.	Other top fifty shareholders (other than mentioned above)	
11.	Others	
12.	Total	
	Total number of shareholders	

12. *Particulars of the securities authorized to be bought-back
Maximum Number of the shares or other securities
Minimum Number of the shares or other securities
Nominal value per security Total amount of buy back
Percentage of total share capital and free reserves proposed to be bought back

13. *Objective of the buy-back

14.

- Existing security-holders on a proportionate basis
- Open market
- Odd-lots of listed securities
- Employees' Stock Option
- Sweat equity
- Any other mode

15. *Article number authorizing buy-back

16. (a) *Date of opening of the offer
(b) *Proposed completion date of buy-back
(c) *Proposed date of extinguishment of the certificates

17. Other terms and conditions of offer, if any

18. *Expected capital structure post buy-back (assuming maximum securities bought back as per plan)

(a) Authorized capital of the company (in Rs.)	<input type="text"/>
(i) Number of equity shares	<input type="text"/>
Nominal amount per equity share	<input type="text"/>
Total amount of equity shares (in Rs.)	<input type="text"/>
(ii) Number of preference shares	<input type="text"/>
Nominal amount per preference share	<input type="text"/>
Total amount of preference shares (in Rs.)	<input type="text"/>
(b) Paid-up capital of the company (in Rs.)	<input type="text"/>
(i) Number of equity shares	<input type="text"/>
Nominal amount per equity share	<input type="text"/>

Total amount of equity shares (in Rs.)	<input type="text"/>
(ii) Number of preference shares	<input type="text"/> Nominal amount per preference share <input type="text"/>
Total amount of preference shares (in Rs.)	<input type="text"/>

19. *Expected capital structure post buy-back (assuming minimum securities bought back as per plan)

(a) Authorized capital of the company (in Rs.)	<input type="text"/>
(i) Number of equity shares	<input type="text"/> Nominal amount per equity share <input type="text"/>
Total amount of equity shares (in Rs.)	<input type="text"/>
(ii) Number of preference shares	<input type="text"/> Nominal amount per preference share <input type="text"/>
Total amount of preference shares (in Rs.)	<input type="text"/>
(b) Paid-up capital of the company (in Rs.)	<input type="text"/>
(i) Number of equity shares	<input type="text"/> Nominal amount per equity share <input type="text"/>
Total amount of equity shares (in Rs.)	<input type="text"/>
(ii) Number of preference shares	<input type="text"/> Nominal amount per preference share <input type="text"/>
Total amount of preference shares (in Rs.)	<input type="text"/>

20. (a) *Debt to capital and free reserves ratio allowed to company
- (b) *Pre buy-back debt to capital and free reserve ratio
- (c) *Expected post buy-back debt to capital and free reserve ratio
- (d) Details of Government notification for the ratio higher than 2:1, if any

Attachments

- | | |
|--|---------------------------------------|
| (1) *Details of the promoters of the company | <input type="button" value="Attach"/> |
| (2) *Declaration by auditor(s) | <input type="button" value="Attach"/> |
| (3) *Copy of the board resolution | <input type="button" value="Attach"/> |
| (4) *Copy of the notice issued under section 68(3) along with the explanatory Statement thereto, | <input type="button" value="Attach"/> |
| (5) *Audited financial statements of last three years. | <input type="button" value="Attach"/> |
| (6) Buy back details of last three years. | <input type="button" value="Attach"/> |
| (7) Management discussion and analysis (in case of listed company); | <input type="button" value="Attach"/> |
| (8) List of holding and subsidiary companies of the company; | <input type="button" value="Attach"/> |
| (9) Unaudited financial statement (if applicable); | <input type="button" value="Attach"/> |
| (10) Statutory approvals received (if any); | <input type="button" value="Attach"/> |
| (11) Details of the auditor, legal advisors, bankers and trustees (if any); | <input type="button" value="Attach"/> |
| (12) Optional attachments (if any) | <input type="button" value="Attach"/> |

Declaration

It is hereby declared that all the attachments and the information given in this form are true and correct to the best

of my knowledge. Further declared that:

- (a) All requirements of section 68(3) have been complied with.
- (b) No defaults are subsisting in repayment of deposits or interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institutions or banking company and the company is not prohibited for buy-back by operation of law within the meaning of section 70 of the Act;
- (c) The Board of directors has made a full enquiry into the affairs and prospects of the company and that they have formed the opinion:
 - i. as regards its prospects for the year immediately following the date of the letter of offer that, having regard to their intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in their view be available to the company during

that year, the company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and

- ii. in forming their opinion for the above purposes, the directors have taken into account the liabilities as if the company were being wound up under the provisions of the Companies Act, 2013 (including prospective and contingent liabilities)

***To be digitally signed by**

Designation (Drop down) (Values: Director, Managing Director)

*DIN

DSC Box

Designation

Director

*DIN

DSC Box

Note: Attention is drawn to provisions of Section 448 and 449 which provide for punishment for false statement / certificate and punishment for false evidence respectively.

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For office use only:

Affix filing details

eForm Service request number (SRN)

eForm filing date

(DD/MM/YYYY)

This e-Form is hereby registered

Digital signature of the authorising officer

Confirm submission

Date of signing

(DD/MM/YYYY)

FORM NO. SH.9

[Pursuant to section 68(6) of the Companies Act, 2013 and Rule 17(3) of the Companies (Share Capital & Debentures) Rules, 2014]



Declaration of Solvency

Form language English Hindi

Refer the instruction kit for filing the form.

1.(a) *Corporate identity number (CIN) of the company

(b) Global location number (GLN) of the company

2.(a) Name of the company

(b) Address of registered office of the company

(c) email Id of the company

3. (a) *Whether the company is listed Yes No

(b) Name of the stock exchange(s)

(c) Date of listing(s)

(d) Name of the merchant banker appointed

4.(a) *Date of Board of Directors' resolution authorizing the buy-back of securities

(b) (i) Date of special resolution of members authorizing the buy-back of securities

(ii) Service request number of Form no. MGT.14

(iii) Date of filling form MGT.14

Attachments

(1) *Copy of board resolution	<input type="button" value="Attach"/>
(2) *Statement of assets and liabilities	<input type="button" value="Attach"/>
(3) *Auditor's report	<input type="button" value="Attach"/>
(4) *Affidavit as per rule 17(3)	<input type="button" value="Attach"/>
(5) Copy of Special Resolution	<input type="button" value="Attach"/>
(6) Optional Attachments , if any	<input type="button" value="Attach"/>

Declaration

We solemnly declare that we have made a full enquiry into the affairs of the company including the assets and liabilities of this company and have noted that the shareholders by a special resolution dated

And/or the resolution passed by the Board at its meeting held on* have approved the
buy-
back of* (in numbers)
 (in words) shares
or
other specified securities as per the provisions of section 68 of the Companies Act, 2013.
Verified this day the* day of *

To be digitally signed by two directors, one of whom shall be the Managing director (if any)

*Designation (Drop down) DSC Box
(Values: Director, Managing Director)

*DIN

*Designation DSC Box
Director

*DIN

Note: Attention is drawn to provisions of Section 448 and 449 which provide for punishment for false statement / certificate and punishment for false evidence respective

For office use only:

eForm Service request number (SRN) eForm filing date (DD/MM/YY)

This e-Form is hereby registered
Digital signature of the authorising officer

Date of signing (DD/MM/YYYY)

FORM NO. SH.11

[Pursuant to section 68(10) of the Companies Act, 2013 and pursuant to Rule 17(13) of the Companies (Share Capital & Debentures) Rules, 2014]



Return in respect of buy-back of securities

Form language English Hindi

Refer the instruction kit for filing the form.

1.(a) * Corporate identity number (CIN) of company

Pre-Fill

(b) Global location number (GLN) of company

2.(a) Name of the company

(b) Address of the
registered office
of the company

(c) * e-mail ID of the company

3. * Income-tax permanent account number (Income-tax PAN)

4. * Whether the company is listed

Yes

No

If listed, name(s) of stock exchange(s) where listed

Date(s) of listing

5. Name of the merchant banker appointed by company

6. * Details of paid-up capital as on (DD/MM/YYYY)

[As per latest audited balance sheet]

S.No.	Details of paid up capital	Amount (in Rs.)
1.	Equity	<input type="text"/>
2.	Preference redeemable	<input type="text"/>
3.	Preference convertible	<input type="text"/>
4.	Others, if any	<input type="text"/>
5.	Total	<input type="text"/>

7. * Free reserves or securities premium account or proceeds of any shares or other securities or debts as on

(DD/MM/YYYY)

(a) * Free reserves (in Rs.)

(b) * Securities premium account (in Rs.)

(c) * Proceeds of any shares or other securities (in Rs.)

(d) * Debts Secured (in Rs.)

Unsecured (in Rs.)

Total (in Rs.)

8.(a) * Date of Board of directors' resolution approving or authorising the buy back of securities (DD/MM/YYYY)

(b) Date of special resolution of members authorising buy back of securities (DD/MM/YYYY)

9. * Amount of securities authorised to be bought back (in Rs.)

* Number of securities authorized to be bought back

10. (a) * Date upto which buy back of securities to be completed (DD/MM/YYYY)

(b) * Date of completion of buy back (DD/MM/YYYY)

11.(a) Date on which last buy back was authorised (DD/MM/YYYY)

(b) Details of last buy back

12. Date on which last buy back was completed (DD/MM/YYYY)

13.(a) * Debt to capital and free reserve ratio allowed for company

(b) * Pre buy-back debt to capital & free reserves ratio

(c) * Post buy-back debt to capital & free reserves ratio

(d) Details of Government approval for the ratio at serial number '13' above higher than 2:1

14. * Whether there is any subsisting default in the following

(a) Repayment of deposit Yes No

(b) Repayment of interest payable on deposits above Yes No

(c) Repayment of debentures Yes No

(d) Repayment of preference shares Yes No

(e) Payment of dividend to shareholders Yes No

(f) Repayment of term loans to any financial institution or bank Yes No

(g) Repayment of interest on the term loans mentioned above Yes No

15. Whether there is any default in complying with the provisions of following sections:

- (a) Section 92 (relating to annual return) Yes No
- (b) Section 123 (relating to payment of dividend) Yes No
- (c) Section 128 (relating to balance sheet or profit and loss account) Yes No

16. *Date of payment of consideration to all shareholders from whom securities have been bought back

17. *The shareholding pattern after buy back of securities:

S.No.	Category of security holders	Securities held before buy back as on <input type="text"/> (DD/MM/YYYY)	Securities held after buy back as on <input type="text"/> (DD/MM/YYYY)
1.	Government [Central and State]	<input type="text"/>	<input type="text"/>
2.	Government companies	<input type="text"/>	<input type="text"/>
3.	Public financial companies	<input type="text"/>	<input type="text"/>
4.	Nationalised or other bank(s)	<input type="text"/>	<input type="text"/>
5.	Mutual funds	<input type="text"/>	<input type="text"/>
6.	Venture capital	<input type="text"/>	<input type="text"/>
7.	Foreign holdings (Foreign institutional investors, Foreign companies, Non resident indians, Foreign financial institutions or Overseas corporate bodies)	<input type="text"/>	<input type="text"/>
8.	Bodies corporate (not mentioned above)	<input type="text"/>	<input type="text"/>
9.	Directors or relatives of directors	<input type="text"/>	<input type="text"/>
10.	Other top fifty (50) shareholders (other than mentioned above)	<input type="text"/>	<input type="text"/>
11.	Others	<input type="text"/>	<input type="text"/>
12.	Total	<input type="text"/>	<input type="text"/>

* Total number of shareholders

18.(a) Service request number (SRN) of Form MGT.14

(b) *SRN of Form SH.9 in respect of declaration of solvency

Declaration

I have been authorized by the board of director's resolution number * *dated to sign and submit this form. All the attachments and the information given in this form are true and correct to the best of my knowledge. Further, on behalf of board of directors, I hereby confirm that full enquiry into the affairs and prospects of the company and have formed the opinion

- (i) that immediately following the date on which the general meeting is convened there will be no grounds on which the company could be found unable to pay its debts;

- (ii) as regards its prospects for the year immediately following that date, that, having regard to their intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in their view be available to the company during that year, the company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
- (iii) in forming their opinion for the above purposes, the directors have taken into account the liabilities (including prospective and contingent liabilities) as if the company were being wound up under the provisions of the Companies Act, 2013.

***To be digitally signed by** DSC Box

*Designation

*Director's Identification number of the director; or DIN or PAN of the Manager or CEO or CFO; or Membership number of the Company secretary

Attachments

- (13) *Description of shares or other specified securities bought back
- (14) *Particulars relating to holders of securities before buy-back
- (15) Copy of the special resolution passed at the general meeting
- (16) *Copy of the board resolution
- (17) *Balance sheet of the company
- (18) *Certificate of compliance of buy-back rules according to rule 17(14)
- (19) Optional attachments, if any

Attach
Attach
Attach
Attach
Attach
Attach
Attach

Note: Attention is drawn to provisions of Section 448 and 449 which provide for punishment for false statement / certificate and punishment for false evidence respectively.

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This e-Form is hereby registered			
Digital signature of the authorising officer		Confirm submission	
Date of signing		(DD/MM/YYYY)	