
SHIKHAR
REGULAR BATCH
CA INTER MAY 2025
CORPORATE & OTHER LAWS
TOTAL HOURS
170
NO. OF LECTURES
85
~~₹10,000~~
₹8,000
CA INDRESH GANDHI
OPTION 1 LIVE STREAMING
OPTION 2 PRE RECORDED
BOOKS
Law - Volume 1, Law - Volume 2
Law Section-wise Question Bank (incl. Ans & MCQs)
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CO → Business
↓
money

- Owner - Shares (43-70)
- Borrowed Funds
  ↓
  Bank loan /
  Debentures → 71

- Share is a share in share capital of co. and it includes stock
  ↓
  (Fully Paid up share - Bundle)
  - convert ✓
  - Original Issue ⊗

Shares

- Equity
  - With Voting Rights
  - DVR (Differential Voting Rights)
- Preference
  ↓
  Pref Right
  - Dividend
  - WU
    ↓
    Re Payment

Pref - Assume
Cummalative Pref Share
+
Not Partici

Day 29

Conditions - Issue DVR ?

Ⅰ Condition

1. AOA
2. OR [listed co - Postal Ballot]
3. DVR (SH)
   ↓
   Voting Rights $\not>$ 74% Total Voting Power

4. DVR
   Default ⊗
   Issue year
   (Annual Return + Annual A/c)

⑤ NO Existing Default

- Dividend Declared
- Redemption of Pref. Share
  ↓
  Int / coupon

DD DP

- Debenture
- Mature Deposit

⑥ NO Default

- Dividend on Pref. shares
- Int + Term loan → PFI, SFI
- Sch Bank
- Employees Dues (PF)
- IEPF credit

Default → | good | 5 yrs | Eligible ✓

FY

7 Not Penalised court
Tribunal

During last 3 years

RBI FEMA SERA SEBI special act

II content - Explanatory statement

GM- Notice + ES

Particulars of Issue

size Details

III ES conversion DVR

X

IV DVR complete

Particulars → Board Report

(v) Bonus / Right (✓)

(vi) Details — Register of members (ROM)
↓
u/s 88 — (Chp7)

Sec 46 : Certificate of shares

Physical Form — Prima Facie Evidence
ownership

→ common seal
or sign - 2 Dir → If allowed 1 Dir other than MD / WTD
or Dir + CS

→ defaced
mutilated
Torn

$\boxed{\text{Old surrender + Issue - New}}$

CO change ≯ 50

Renew

lost / Destroy → Duplicate Issue

- Fees ₹ 50
- Stamp - Duplicate
- CO

(Time Period)

UL → 3M

listed → 15D

Record < Renew, Duplicate } SH - 2

Register maintain

R/O or any other place → CS / other Board Autho Person → Authenticate

Entry in Register

Manner of Issue Certificate / Duplicate certificate

Rule 5 : shares not in Demat Form

letter of allot

Co

1. Person

Share certificate → 2

SH 1

- Name
- shares - Relate
- Amt paid

3. Rom — Particulars

u/s 88

NSP

- To whom
- Date of Issue

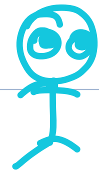
4. Share certificate → Form (Blank) — Print under Board authority + consecutive - Machine No.

Custody
- secretary
- Board autho

Related Books
30yrs
Dispute
↓

Surrender
- Immediately Dyaee
↓

Permanently - cancelled
(BOLD)
+
3 yrs → Destroy



Board Appointed Person [BAP]

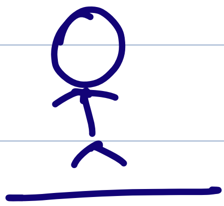
Shares - Depository Form

Prima Evidence - Record
|
Beneficial owner

Punishment

- CO
  - lower limit - 5 x Amt
  - max limit
    10 x
    or
    10 cr ↑
- OID
  447

sec 47: Voting Rights of members holding Equity shares



member
Equity shares

→ Vote — Resolution placed b4 co.

→ $\boxed{\text{On Poll}}$
↓
In proportion to Equity capital

Nidhi co

Member ≯ 5% TVP

RAW

② PSH → Vote

Vote → Resolution
- Affect Rights of PSH
- WU
- Repayment / Redn of EQ / PS capital

Vote → All Resolution
Div Not Paid - 2yrs

Resolution - Vote

Equity : Pref. — PVSC

Ratio

CO — ES : 1,00,000 × 100 = 1 Cr

PS : 5,00,000 × 10 = 50 L

1.5 Cr

ES — PS

$\frac{1\text{cr}}{1.5}$ = 75% — 25%

ES = 10000 shares = 10%

Mr A

$\frac{10,00,000}{1.5\text{ Cr}}$ = 6.67%

When PS vote share → Mr A

//

Sec 48: Variation in SH Right

PS / ES / Deb

Co → $\boxed{\text{Investor}}$

↓ Terms & condition

① Shares → Right

↓

Vary

SR or written consent

↓

$\boxed{3/4 \text{ Issued}}$ shares

② MOA / AOA

↓

✗ No Prohibition by terms of Issue

Class A

↓

Variation → Class B

↓

Variation

SH - consent

$\boxed{\text{SR ✗}}$

100

76 – Approval

24 – Approval ✗

Naraj

National CO law Tribunal

min 10% holders of Issued class

Appln → NCLT

SR/ consent

21D

Order

Final & Binding

copy → ROC ✓

CO. 30

sec 49 - 51

sec 49 : call on uniform Basis

CO

Prospectus →

← Application

Allot →

call

100000

30000

70000

FV 100

70

17

Paid up

call

Saale 10go

uniform

↓

same class

sec 50 : call in advance

→ AOA authorise

→ NO voting Rights

→ Int ✓ [AOA Approve]

sec 51: AOA - autho

↓

Dividend can be in Proportion to PUSC of Each share

sec 52 Issue of shares at Premium

(cash / kind)

co → shares FV 100] 50 Premium

IP 150

↓

[Security Premium A/c]

Capital Reserve → Utilisation

- Bonus (Fully paid)
- Preliminary Exp ↓ w/o
- w/o Issue Exp
- Premium → Redemption
  - Pref shares
  - Debenture
- Buy Back

3 purpose

CO → A/c std — u/s 133

↓

FS Prepare

Sec 53: Issue of shares at Discount

→ NO

FV 100
IP 90
₹ 10 Discount
xxxx

→ If done, void

Exception

$\boxed{\text{Sweat Equity share}}$

CE

↓

Debt → share

convert

Resolution plan

Debt Restructuring scheme

Default

CO → OID

Amt Raise
or
5 lakh

Refund
+
Int @ 12%
From date of Issue

Sec 54: Issue of Sweat Equity share

Discount

other than cash

$\boxed{\text{CO}}$ → Dir / Employee

Issue share

Class of shares already Issued

Knowhow / IP Rights

value Addition

1. SR

2. Resolution

- No. of shares - 20000
- Market Price - 150
- Consideration - 0 | 80 | 100
- To whom

3. CO

Listed → SEBI

UL → Rules

SES — Pari Passu — Other Equ. share

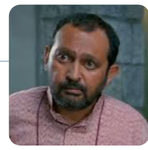
↓

(same 2 same)

Already Issued

Rule 8

Employee

① Permanent  In India / O/S India

② Dir — WTD ✓ ✗

③ Subsidiary | holding → Dir | Employee ✓

In India / O/S India

Imp pts

①.

SR —— Valid —— $\boxed{12m}$

↓

SES - Process - complete

② Maximum limit?

→ In a FY

SES - Amt $\ngtr$ limit → 15% Paid ESC / Issue value - ESC ↑

→ **Overall** (All year)

Issue $\ngtr$ 25% PUESC **at any time**

Issue: Existing + New

Startup (DPIIT) → First 10 years: 50%

③ lock in - 3yrs

Allot — sell ⊗ — 3yrs

④ Issue Price → RV ✓

Registered Valuer

⑤ Non cash txn

Depreciable Asset → B/S ✓

Exp → P&L

6 BOD Report — Disclose

7 Register — SH 3
ROI Other Place
→ BOD

Sec 55: Issue and Redemption of Pref. Shares

100 → 100 Wapas
+20

1. Co - ltd by share — Irredeemable ✗

2. Condition
- AOA
- GM - SR
- No Existing Default
- Redeemable within 20 yrs

Redempn of Pref share   Dividend on Pref shares

Infra Project   20yrs ⟶ 30yrs

21st ---------- 30th

min 10% redeem

Each year - option - PSH

③. Redemption of Pref shares

- Source
  - Pfts - Div [Free Reserve]
  - Fresh Issue Proceeds
- PS
  - Fully Paid - Redeem
  - Parity ⊗

- PS → Redeem – $\boxed{\text{When}}$

  - At fixed time **or** happening of certain Event
  - Any time (co option)
  - option of PSH

- Creation of CRR
  - → one use: **Bonus Issue**
  - → ✗ Fresh Issue ✗

  - **Out of Profits**

    Transfer sum = Nominal value of Pref share Redeemed

    CRR - 1L

    Issue 1000 shares ×100

    1000 | 100 FV

    1000 shares × 120 | 20 P ✗

  - If you want to Reduce CRR
    ↓
    Provision of Reduction of capital
    ↓
    $\boxed{\text{Sec 66}}$
    Apply

- Premium on Redemption

100 ———— 120

100 + 20

Premium

P&L ← Premium → SPA

only

CO → FS → AS ← 133

×

Imp. pts

① Register ∃ PSH

u/s 88

② list — SEBI guideline

Co. is Not in Position to Redeem Pref share

Consent ⊕ Approval → NCLT

3/4 Value of PSH

1L

Issue New Pref share = Amt of unredeemed PS + Dividend - Pending

112000

1L

12000

After Issue = Deemed Redeemed

Tribunal - Order · Dissenting SH → Forthwith ⊕ Redemption

Sec 56: Duty to Transfer and transmission of security

Transfer → mannualy

transmission → Operation of law.

#

(Tata motor share)

Tiger → Disha Patni : Transfer

Disha Patni → Tiger : ₹500

Tiger → Inform company

① Co. will not Register unless

Applicable only Physical certificate

Depository ✗

① Proper Instrument made (Trf Deed - SH 4)

↳ sign + Date

sign: T'for T'fee

Date → 1 April

② Details of Transferee

- Name
- Address
- Occupation

} NAO

③ Instrument → Co.

Dt of Execution — Delivery + share certificate / Allot letter — 60 D

② Instrument < lost / Not Delivered } + CO Register ✓ + Terms of Indemnity [Board thinks Fit]

③ In case of govt - Issued Bond

- Instrument ✗ of tr/f
- Intimation Transferor ↓ Name A O + Bond certificate or letter of Allot

MCA - Prop → LRA

Transmission

LR
- Death | Insolvent → Resolution professional → DIC | lunancy → Administrator appointed by court
- Instrument ✗
- Transfer → CO ↓ verify ↓ Tr/f ✓
  Intimate
  [Intimation of Transmission]

FV 100
PU 80
UP 20

Trf of unpaid share

Tiger
Transferor

Share (partly paid)

100 → PU 80

Transferee
Disha

Intimate ✓

company

Notice
SHS

within 2 week (NOC)

#

A ← A ← co

Share certificate

1. Subscriber of MOA – 2 month of Inc
2. Allot of share – " " Allotment
3. Transfer / Transmission = 1m
   Instrument of Trf
   pd by co
4. Allot of Deb – 6m from Allot

#

Person

LR

CO

Trf Application

IM

New COI

SELL

Valid → yes

#

Default

CO

(50000)

OID

Refusal of Registration and Appeal Against Refusal - sec 58.

T'ger
Trsfor $\xrightarrow{\text{shares}}$ T'ree
Disher

Trsfor $\xrightarrow{\text{Appln}}$ CO
↓
Refusal

$\boxed{\text{Put CO}}$

① Delivery of IOT — CO → Notice — 30

↓

- Trfor and Transferee
  or
- Person giving IOT

+

Reason for Refusal

②

T'ee or Person giving IOT $\xrightarrow{\text{Appeal}}$ Tribunal

- within 30D of Refusal
  or
- Refusal ⊗ 60D of Trf

Incase of Public CO

- Freely transferable
- contract

↓

valid + Enforceable

② Dt of delivery of IOT — 30

CO

↓

① Refusal — Appeal — 60D — Appeal Tribunal

② No Refusal

90D

③ Tribunal → Dismiss

Tribunal → Order

Register

CO - 10 Days

OR

Rectification of Register + Aggrieved party Damages

Sallu → Aishwarya → AK A Bachan

Sec 59: Rectification of Register of Members (ROM)

Name of Person
- Entry in ROM
- Omitted from ROM
- Delay / Entering / Removing Name

} Any member / Aggrieved Person

↓ Application

Rectification
- Tribunal
  - Dismiss
  - Order
    - To Register Transfer / Transmission
      ↓
      10 Days of order
    - Rectification + Pay Damages
- Court
  O/S India
  [Foreign member or DH - O/S India]

Sec 61: Power of limited co to alter its share capital

① limited co having share capital – AOA → Alter MOA in GM

SR – chapter 2

10L shares ×100

- Inc Autho share capital

- consolidate and Divide
  ↓
  larger amount than Existing share

1 share – 100
1000 share } $\frac{100000}{₹1000}$ = 100 shares

If consolidation → change in % in voting
(Approval of Tribunal)

- Fully paid up share $\xrightarrow{\text{convert}}$ Stock
  Reconvert

1000 shares × ₹100

10000 share × 10

- Sub Divide its shares into smaller amt than Fix by MOA

Existing - 1000 shares × ₹ 1000 < 800 paid, 200 unpaid

↓

10000 shares × 100 < 80 paid, 20 unpaid

- cancel shares which have not been taken by any person

and

Diminish amt of share capital
[Not treated as reduction in SC]

Autho capital - 50 cr
Subscribe - 20 cr

} cancel 30 cr
↓
yes

VIMP

Reduction of share capital
XXX

Sec 62 : Further Issue of Share capital

(Right Issue, Preferential Issue / Right of Pre Emption)

(I) Right Issue

- Proportion to PUSC

A Ltd
- Share MP - 1000
- RI Price - 800
- FV - 100

700

(1) CO —Notice→ Member

- No. of shares
- Time limit

30 ≮ TL ≯ 15 Days

30 Days → Deemed Decline

15 Days → Rules (7) Days

less ✓

Pvt CO + 90% member consent

Member → (2) Renounce ✓

Deemed → • AOA - Decline Specifically

(3) Time limit

BOD - Dispose ↓ manner

Not Disadvantagous to SH & CO

Adani ← Loan — govt
CG

Share ← Terms

Meloni Modiji — 909

④ CO —Notice→ Existing SH

Reg post
Speed post
Elec post
Courier

} Proof of Delivery

✓✓✓ 3 Days ×× Opening of Issue

④ Debenture | loan —convert→ Share capital

At time of conversion NO SR

If

At time of Issue SR was passed

Issue → SR ✓

2024 — 2027 conversion ↳ SR ⊗

←

10000 cr

modiji — GoI — loan | ₹ → Adani
Debenture
Invest

5 Conversion of Debenture Issued to govt on T & C as per govt

melody

Forceful conversion

Debenture | loan

CO → govt

Terms not Acceptable → Appeal → GOD → Tribunal

govt ↓ may convert into share
- Public Int
- Terms and condition appear Reasonable to govt
- Even when Issue do not Include option

While conversion - govt consider

Financial Position

Rate of Int on Debt | loan

Terms of Issue of Debt

Other

⑥ Govt order + No Appeal

capital clause

- MOA - Alter

- Autho share capital ↑ = value of Debt / loan converted

100000

100000

Part 2

ESOP

CO → Employees
Shares
→ Pure option
↳ Predetermined Price

CO.

Public
SR + T&C

Pvt
OR + T&C

① Employees

- Permanent Employee < In India / O/s India
- Dir - WTD ✓ ✗ Exclude Independent Director
- Employee < holding / subsidiary

DO not Include

① Employee → Promoter | Promoter group

② Dir (himself / relative) $\xrightarrow{\text{Hold} > 10\%}$ CO → Equity share

Startup - 1st 10 year - Not Applicable

X

CO → Issue ESOP

listed → SEBI

Other — UL Public CO

Following condition

1. SR
2. Notice + ES - Disclosure
3. CO has freedom of Exercise Price as per policy

4. CO → lock in Period
5.

grant — min 1 year — vesting

2 — Shares — sell X — lock In

6. Option — No vote, No Dividend

Shares — vote, Dividend

7. Option → Death → LR, Vest → Immediately

Pledge | hypothecate X

Non trf.

Permanent Incapacity → Immediately Vest

Resign | terminate → Expire

Incase of Amalgamation ⊗

$\boxed{A_3 \& Q}$ —— ② —— 3yr

Vesting Period

② → Amalgamate → Reliance

↓

work for 1 year

↓

Option Vest ✓

(III) Offer to any Person ✓

$\boxed{SR}$ —— consn —— Price

consn: cash / other than cash

Price ↓ RV

Sec 63: Issue of Bonus share

$$\text{Co} \xrightarrow[\text{Fully Paid up Bonus}]{\text{Issue}} \text{members}$$

Fully Paid up Bonus:
- Free Reserve
- CRR A/C
- SPA

Asset Reval → Reserve → capitalise ✗ to Issue Bonus share

100 → 120

Condition

- AOA
- GM Approval – BOD Recommend
- NO Default } Fixed Deposit or Debt security
  - Int
  - Principal
- Statutory Dues of Employee (NO Default)
- Partly paid up —convert→ Fully paid up
- Other condition – Prescribe

Bonus once announce can't be withdrawn

Bonus in lieu of Dividend? – NO

Sec 64: Notice to be given to Registrar for alteration of share capital

- Alteration of SC — 62(1)
- Inc in Autho. SC — 62(6) → order of govt
- Redemp^n of Pref share

CO → ROC

SH 7 + Altered MOA

30 Days

Penalty

CO + OID — 500 / Day

Max 5L   1L

Sec 66: Reduction in share capital

①. A co. may Reduce SC in following ways

- Extinguishing or Reducing liability on shares not paid up
  - FV - 100
  - Paid - 90
  - Bal - 10 → cancel
- with / w/o Extinguishing or Reducing liability
  - cancel any PUSC
    - lost
    - unrepresented by available Asset
  - Pay off Excess amt
    - cash paid

② How Reduction is Done? (Process)

- SR (Alter)
- Δ MOA [may or may not change]
- Tribunal $\xrightarrow[\text{will give}]{}$ confirmation
- Default – Deposits < P, Int
  ↳ No Reduction

③ Tribunal $\xrightarrow{\text{notice}}$ CG, ROC, SEBI, creditor

Representation – 3m

⊗ Presume No objection

④ Tribunal $\xrightarrow[\text{Redn in SC}]{\text{order}}$

Satisfied that Debt of Every creditor has been

- Discharge
- Secured
- consent has been obtained

AND

- Accounting treatment – Redn in SC

  As per 133

  \+ Auditor certificate

⑤ Tribunal order

Publish

Inform ROC within 30D Along with minutes

- Amt of SC
- No. of shares into which it is to be Divided
- Amt / share
- Amt Deemed paid up

⑥ Buy Back → sec 66 – NA

⑦ Any officer

447

→ conceal Name of creditor

→ misrepn amt of Debt

→ knowledge

concealment Misrepn

In case where cr → Entitle to object but not Included in list

Reason
- Ignorance
- Nature of his Int

↓

CO → Default — sec 6 IBC

Action by creditor

CO - Running its operation

- Every Person ↓ member — on date of Registration of order of Red'n

→ liable — Payment of Debt

→ Amt ≯ Amt → liable to contribute if WU happened at that time

[Amt unpaid on share]

unpaid

CO - Not Running [WU]

- Tribunal ↓ settle
- Enforce call ↳ contributory

1:07

Sec 67: Restriction on purchase by co or giving loans by it for purchase of its shares

① co $\xrightarrow{\text{own share}}$ Purchase ⊗

↳ Redⁿ in SC → ✓

② Public co ⊗ →

- loan
- guarantee
- Provide security
- Fin. Assistance

purchase / subⁿ of shares in co or Its holding

③ Exception :

① Bank $\xrightarrow{\text{lending}}$ OCB

②

CO $\xrightarrow{\text{loan}}$ Employees Trustee

loan ↓ scheme ↓ SR Passed

Employees Trustee ↓ shares — CO holding

Rule 16 • Shares Purchase

listed RSE → unlisted

↳ valuation (RV)

• value of share purchased ≤ 5% (PUSC + FR)

• Disclosures

wrt Employees – Not Exercising voting Rights shall be made in Board Report

Imp

③ CO $\xrightarrow{\text{loan}}$ Employee

360000

Amt ≤ 6m salary

60000

other than Dir / KMP

↓

Purchase | subscribe

Fully paid up share — CO holding

④ contravention

CO → 1L to 25L

OID → " " " and Jail upto 3 yrs

Sec 68

Power to Purchase to own Share (Buy Back - BB)

1. Share - BB
   - Equity
   - Other specified security

2. Source
   - FR
   - SPA
   - Proceeds of Issue of any other sec / share

   Provided that Proceeds of Earlier Issue of same kind cannot be used

CO $\xleftarrow{₹}$ Public

CO $\xrightarrow{\text{Eq share}}$ Public

Eq share → BB - Equity

Pref share → ✓

conditions

① AOA

② SR [If BB ≤ 10% [PU(E)SC + FR]

BB → BR

③ limit → ≤ 25% [PUSC + FR]

PUSC: Eq, Pref

FR → Include SPA

But if BB is of Equity share capital
then limit is $\boxed{25\% \times \boxed{\text{PUESC}}}$

FR ✗

④ After BB,

$$\frac{\text{Debt [sec + unsec]}}{\text{Equity - PUSC + FR}} \leq 2 \text{ or higher amt}$$

higher amt → CG Prescribe

⑤ BB can be only of Fully PU shares

(6) listed ↓ SEBI   OR   UL ↓ Rules   compliance

Imp points

1. BB

Start ——— BB ↓ 1 year ——— End ——— NO BB ——— 14

2. SR

Notice + $\boxed{\text{ES}}$ ↓

- material Fact
- **Necessity**
- Amt Invest
- class of security of BB
- Time limit ↓

BR | SR ——— complete ——— End (14)

③. BB can be From

- Open market
- Existing SH → Proposition
- ESOP / Sweat Eq share

④ CO $\xrightarrow{\text{Declaration}}$ ROC + SEBI - listed CO

↓

of solvency

- Sign : 2 Dir [1 MD]
- Verify : Affadavit state :

Document Declaring something

① BOD has made Full Enquiry into affairs of CO.

② Opinion → capable of meeting liability +

CO ↛ Insolvent within 1 yrs

5 After BB - Physical certificate

7D

Completion

Extinguish | Physically Destroy

(Demat)

6. Further Issuance ⊗

Completion of BB

6 month

Same kind of shares

Exception :

1. Bonus
2. ESOP
3. SES
4. Conversion

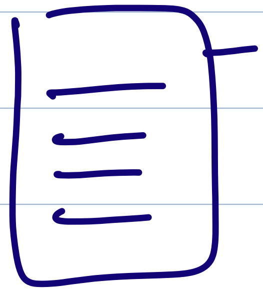
Warrant

Pref share

Debenture

Right ✗

PCS

7  containing Details of BB } SH - 10

Register

8 After completion —— Return 30 Days (SH - 11) —— ROC / SEBI

Default - CO + OID

(1L - 3L)

9 Time limit - Points

BB

Close

15D

Verification by CO

Reject ✓

21D

Other Deemed Acceptance

①.

CO → ROC

Letter of Offer

Member

21 Days

③ Date of Dispatch

Offer Accept

15D

30D

✓ → 100% consent

Sec 69: Transfer of certain sum to CRR

BB

SPA / FR | New Issue

↓ | xx

Nominal value – Face value

↓

CRR: only use – Bonus share

Sec 70: Prohibition for Buy Back

Company (A ltd) → ① Subsidiary or ② Invest co ← shares of A ← market

③ Default

- Deposit + Int
- Redemption
  - Deb
  - Pref. (Dividend)
- Repayment
  - loan
  - Int
  - Bank
  - FI

good

BB ✗ 3yrs

BB ✓

Example

Deposit Accept

DD

Actually Pay

NO BB ✗

3yrs BB ✓

Sec 71 : Debenture (Deb)

10

Defination

Include
- Deb stock
- Bond
- Other Inst.
  - → Evidence Debt

Exclude
- Inst chp III D of RBI Act (Derivatives)
- CG + RBI (Prescribe)

Mature ⊢ Ex share

Debenture Issue → [Option - convert]
- wholly
- Partly

→ convertible : SR — Non convertible
→ No voting Rights

Amt ≤ 180 (1) (c) → PUSC + FR+SPA (E+P)
NO SR

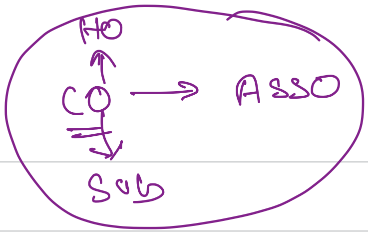
Already + To be Borrowed → Temp loan
- ⊗
- cap Exp Finance → ✓ Include

Tenure

| 0 — 10 — 30 |

Secured Deb → Charge (PTO)

10 → 30:
- Infra co
- Infra Fin co
- NBFC
- Any co < CG, RBI, NHB } Permission



10L × 10% × 10 = 10L

Charge

CO
Asso
Holding
Sub

} Property / Asset (movable / Immovable)

↓

Value = Repayment of P + Int

① 

Deb trustee → Appoint ↓ **Before** Prospectus & letter of offer

> 500 subscription of Deb

② Allot of Deb — ~~Cos~~ 3 months

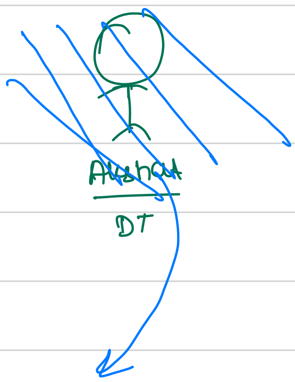
Close of offer

↳ Deb trust Deed —(SH-12)

③ Name of Deb trustee stated in all doc

④ written consent

⑤ Eligibility : Disqualified if



- holds (Beneficially) → shares → CO
- Promoter / Dir / KMP / Employee of (CO. Asso. Holding Subsidiary)

- Deb.Trustee ← money ⊗ — CO

Exempt

Dir Remuneration

- Indebted → holding → sub; CO → Asso; CO → sub

- Furnish guarantee wrt Principal Debt

- Pecuniary Relationship ⇄ CO

$\geq$

2% of gross T/O

Total Inc of Deb. Trustee

50 lakh or higher amt Prescribe

PFY | PFY | CFY

2 | 1

- Relative of P / D / KMP

Causual vacany

BOD

Resignation

Filled only
- written consent of majority of DH

Approval

Removal - 3/4th value of DH

700000

Debenture Redemption Reserve (DRR)

(I) Create DRR - Out of Pfts available for Div (FR)

UL CO

DRR = 10% of value of O/s Deb

Use — Only for Redemption

LTUL

(I) Invest money 10L

↳ use only for Redemp^n 3L

CFY Following FY 31M

30 April

- Invest ≥ 15% Amt → Amt maturing

- min Amt ≥ 15% of Amt maturing in current year

? — Sch Bank, Free of charge
— Unencumbered CG / SG security
— " Security (Indian trust act)
— " Bonds "

Meeting of DH

① Requisition - writing

DH → $\frac{1}{10}$ value

1000 DH → ₹800000

② Event → Breach / Default
↓
As per DTrustee
Affect Int of DH

Asset → Shares → 100, 80/70

liablity of Deb Trustee

DT → Fails to show Degree of care and Due Diligence

Any provision – Exempt / Indemnify
↓
DT – liablity

↓

Void

CO $\xrightarrow{\text{Int / Predeem}}$

↓

As per terms

Filing of Petetion

30 L

↳ 15L / 19L

20 L

DT – conclude <

Asset → Insufficient

likely to become Insufficient to Discharge Principal debt

Petetion → Tribunal → Pass order

Impose Restriction for Further liablity

After hearing

CO

Other Person

CO → Fail < Redeem Deb / Int } Tribunal

CO / Other Pers hearing

Tribunal ↓ Order + Redeem Deb + Int

↓ CO

↓ Fail

Specific Performance

End