

Exemptions and privileges for private company
(Not being a subsidiary of a public company)

<u>Section</u>	<u>Nature of exemption/privileges</u>
70(3)	statement in lieu of prospectus need not be delivered to the registrar before allotting shares (Exemption/privilege under this section is also available to a private company, which is subsidiary of a public company).
77(2)	Financial assistance can be given for purchase of or subscribing for its own shares in its holding company.
81(3)	Further shares can be issued without passing special resolution or obtaining central government's approval and without offering the same necessarily to existing shareholders (Exemption/privilege under this section is also available to a private company, which is subsidiary of a public company).
90(2)	Provisions as to kinds of share capital (sec.85), further issue of share of capital(sec.86), voting rights(sec 87), issue of shares with disproportionate rights (sec 88) and termination of disproportionate excessive rights (sec 89).
149(7)	Business can be commenced immediately on incorporation with out obtaining a certificate of a commencement from Registrar (Exemption/privilege under this section is also available to a private company which is subsidiary of a public company).
165(10)	It is not necessary to hold a statutory meeting and to send statutory report to shareholders and file the same with Registrar (Exemption/privilege under this section is also available to a private company which is subsidiary of a public company).
170(1)	Articles of private company ma provide for regulations relating to general meetings without being subject to the provisions of sections 171 to 186.
198(1)	Any amount of managerial remuneration can be paid and the same is not restricted to any particular proportion of the net profits.
204(6)	Private company can appoint a firm or body corporate to an office or place of profit under the company.
252(2)	Private company need not have more than two directors.
255(1)	A proportion of directors need not retire every year.
257(2)	Statutory notice, etc., is not required for a person to stand for election as a director.
259	Central Government's sanction is not required to effect increase in the number of directors beyond 12 or the number fixed by articles of association.
263(1)	In passing resolution for election of directors, all directors can be appointed by a single resolution.

- 264(3) Consent to act as director need not be filled with registrar.
- 266(5) Restriction on appointment or advertisement of directors as regards consent and qualification of shares does not apply.
- 268 Central Government's sanction is not required to modify any provision relating to appointment of managing, whole-time or non-rotational directors.
- 269(2) Central Government's approval is not required for appointment of managing or whole-time director or manager.
- 273 Directors of a private company need not possess any share qualifications, in terms of sections 270.
- 275 to 279 Restrictive provisions regarding total number of directorships which any person may hold do not include directorships held in private companies which are not subsidiary of public company.
- 293(1) Certain restrictions on powers of board of directors do not apply.
- 295(2) Prohibition against loans to directors does not apply.
- 300(2) Prohibition against participation in board meetings by interested director does not apply.
- 303(1) Date of birth of director need not be entered in the register of directors.
- 309(9) There is no restriction on remuneration payable to directors.
- 310 Any change in restriction on remuneration payable to directors also does not require Government's approval.
- 311 Any increase in the remuneration not being sitting fees beyond specified limit of directors on a appointment or reappointment does not require central government's approval.
- 316(1)&
317(4) There is no restriction on appointment of managing director.
- 349, 350&
355 Provisions relating to method of determination of net profits and ascertainment of depreciation do not apply.
- 370(2) There is no restriction on making loans to other companies.
- 372(14) There is no prohibition against purchase of shares, etc., in other companies.
- 388 A Provisions of sections 386 and 387, which restrict the number of companies of which a person can be appointed as manager, remuneration of the manager, etc., and also provisions of sections 269, 310, 311, 312 and 317, do not apply.
- 409(3) Central Government cannot exercise its power to prevent change in board of directors which is likely to affect the company prejudicially.
- 416(1) Person can enter into contract on behalf of company as undisclosed principle and need not give intimation to the other directors.

