Date: 10.12.2013

LAW AND PROVISIONS REGARDING
Allotment and Issue of securities

ALLOTMENT			
Sec./Reg		Provision	Remarks
Para 6	**Master Circular on Foreign Investment in India**	shares or convertible debentures sould be issued within 180 days from the date of receipt of the inward remittance	
Rule 8(4)	Unlisted Public Companies (Prefrential Allotment) Amendment Rules, 2011.	allotment of securities shall be completed within sixty days from the receipt of application money and in case the company is not able to allot the securities within the said period of sixty days, it shall repay the application money within fifteen days thereafter, failing which it will be required to be re-paid with interest at the rate of twelve percent per annum:	
Sec. 42	Companies Act, 2013 (Private Placement)	The offer of securities or invitation to subscribe securities, shall be made to such number of persons not exceeding fifty or such higher number as may be prescribed.	
		No fresh offer or invitation under this section shall be made unless the allotments with respect to any offer or invitation made earlier have been completed or that offer or invitation has been withdrawn or abandoned by the company.	
	Mode of application Money	All monies payable towards subscription of securities under this section shall be paid through cheque or demand draft or other banking channels but not by cash.	
	Allotment	A company making an offer or invitation under this section shall allot its securities within sixty days from the date of receipt of the application money	
	Application Money	Monies received on application under this section shall be kept in a separate bank account in a scheduled bank and shall not be utilised for any purpose other than— (*a*) for adjustment against allotment of securities; or (*b*) for the repayment of monies where the company is unable to allot securities.	
	Penalty	If a company makes an offer or accepts monies in contravention of this section, the company, its promoters and directors shall be liable for a penalty which may extend to the amount involved in the offer or invitation or two crore rupees, whichever is higher, and the company shall also refund all monies to subscribers within a period of thirty days of the order imposing the penalty.	

	Form-2	Whenever a company makes any allotment of securities under this section, it shall file with the Registrar a return of allotment.	
ISSUE OF CERTIFICATES			
Sec. 56(4)	Companies Act, 2013	Every company shall issue the certificates: (*a*) within a period of two months from the date of incorporation, in the case of subscribers to the memorandum; (*b*) within a period of two months from the date of allotment, in the case of any allotment of any of its shares;	