

PROCEDURE TO MAKE ALLOTMENT THROUGH PRIVATE PLACEMENT

- Hold the board meeting and pass board resolution for convening the meeting of members and approving draft notice of meeting of members.
- Hold the general meeting and pass the special resolution.
- Sent letter of offer in Form PAS.4 along with application form to the proposed subscribers.
- File Form MGT.14 along with the fees as provided in the Companies (Registration of Offices and Fees) Rules, 2014, with the Registrar within 30 days of passing the resolution.
- The explanatory statement annexed to the notice for the general meeting required u/s 102 shall disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made.
- If the said offer or invitation is for non-convertible debentures, it shall be sufficient if the company has passed a previous special resolution during year for all the offers or invitation for such debentures.
- The offer or invitation shall not be made to not more than 200 persons in the aggregate in a financial year excluding QIBs and employees offered securities under ESOP.
- The value of such offer or invitation per person shall be with an investment size of not less than 20,000 rupees of face value of the securities.
- 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.
- The payment to be made for subscription to securities shall be made from the bank account of the person subscribing to such securities and the company shall keep the record of the Bank account from where such payments for subscriptions have been received and the monies payable on subscription to securities to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application.
- The company shall maintain a complete record of private placement offers in Form PAS-5:
 - File form PAS-5 along with the private placement offer letter in Form PAS-4 with the Registrar with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and where the company is listed, with the Securities and Exchange Board within a period of 30 days of circulation of the private placement offer letter.
 - A return of allotment of securities under section 42 shall be filed with the Registrar within thirty days of allotment in Form PAS-3 and with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014 along with a complete list of all security holders containing –
 - (i) The full name, address, Permanent Account Number and E-mail ID of such security holder;
 - (ii) The class of security held;
 - (iii) The date of allotment of security;

(iv) The number of securities held, nominal value and amount paid on such securities; and particulars of consideration received if the securities were issued for consideration other than cash.

- Issue share certificates and update minutes book and registers.
- Company shall intimate the details of allotment of securities to depository immediately on allotment of such shares.