

Penalties under Companies Act, 2013

CA Manoj Fadnis

Imprisonment provision deleted in following sections:-

➤ Section- 8: Formation of Company with Charitable Objects :-

- ❑ If a company makes default in complying with any of the requirements laid down in this section the company shall, without prejudice to any other action under the provisions of this section, be punishable with fine which *shall not be less than ten lakh rupees but which may extend to one crore rupees* and the directors and every officer of the company who is in default shall be punishable *with fine which shall not be less than twenty-five thousand rupees but which may extend to twenty-five lakh rupees*.

➤ Section-26: Matters to be stated in Prospectus

- ❑ Every prospectus issued by or on behalf of a public company either with reference to its formation or subsequently, shall be dated and signed and shall¹[state such information and set out such reports on financial information as may be specified by the Securities and Exchange Board in consultation with the Central Government.
- ❑ If a prospectus is issued in contravention of the provisions of this section, the company shall be punishable with fine which *shall not be less than fifty thousand rupees but which may extend to three lakh rupees* and every person who is knowingly a party to the issue of such prospectus shall be punishable with fine which shall not be *less than fifty thousand rupees but which may extend to three lakh rupee*.

➤ **Section-40: Securities to be dealt in with Stock Exchanges**

- ❑ Every company making public offer shall, before making such offer, make an application to one or more recognized stock exchange or exchanges and obtain permission for the securities to be dealt with in such stock exchange or exchanges.
- ❑ If a default is made in complying with the provisions of this section, the company shall be punishable with a fine which shall *not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the company* who is in default shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees.

➤ **Section-68: Power of Company to Purchase its own Security**

- ❑ A company may purchase its own shares or other specified securities out of its free reserves or the securities premium account or the proceeds of the issue of any shares or other specified securities.
- ❑ If a company makes any default in complying with the provisions of this section , the company shall be punishable with fine which *shall not be less than one lakh rupees but which may extend to three lakh rupees* and every officer of the company who is default shall be punishable with *fine which shall not be less than one lakh rupees but which may extend to three lakh rupees*

➤ **Section-128: Books of Account, etc. to be kept by Company**

- ❑ Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- ❑ AOC 5 to be filed if the books are maintained at any other place.
- ❑ Officers of company shall be liable to penalty which *shall not be less than fifty thousand rupees but which may extend to five lakh rupees.*

➤ Section-147: Punishment for Contravention

- ❑ Contravention of Sec 139 to 146(aspects related to audit and auditors) the company shall be punishable with fine *which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees* and every officer of the company who is in default shall be punishable with fine which shall not *be less than ten thousand rupees but which may extend to one lakh rupees*.
- ❑ Contravention of Sec 139/144/145 Contravention of any of the provisions the auditor shall be punishable with fine which shall *not be less than twenty-five thousand rupees but which may extend to five lakh rupees or four times the remuneration of the auditor, whichever is less*.
- ❑ If an auditor has contravened such provisions knowingly or willfully with the intention to deceive the company or its shareholders or creditors or tax authorities, *he shall be punishable with imprisonment for a term which may extend to one year and ²[with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees or eight times the remuneration of the auditor, whichever is less*.

➤ Section-167: Vacation of Office of Director

- ❑ If office of director shall become vacant due to conditions stated in Section 167(1) and persons functions as a director even when he knows that the office of director held by him has become vacant on account of any of the disqualifications specified in subsection (1), he shall be punishable *with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees*.

➤ **Section-172: Punishment**

- ❑ If a company is in default in complying with any of the provisions of this Chapter and for which no specific penalty or punishment is provided therein, the company and every officer of the company who is in default *shall be liable to a penalty of fifty thousand rupees, and in case of continuing failure, with a further penalty of five hundred rupees for each day* during which such failure continues, *subject to a maximum of three lakh rupees in case of a company and one lakh rupees in case of an officer who is in default.*

➤ **Section-178: Nomination and Remuneration Committee and Stakeholders Relationship Committee**

- ❑ Contravention of provisions of Sec 177 related to Audit committee and nomination and remuneration committee and stakeholders relationship committee, the company shall be liable to a penalty *of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of one lakh rupees.*

➤ **Section-184: Disclosure of Interest by Director**

- ❑ Failure to disclose interest held by directors in any company /contract /arrangement the director shall be liable to penalty *of 1 lakh rupees*.

➤ **Section-187: Investments of Company to be Held in its Own Name**

- ❑ All investments made or held by a company in any property, security or other asset shall be made and held by it in its own name. Provided that the company may hold any shares in its subsidiary company in the name of any nominee or nominees of the company, if it is necessary to do so, to ensure that the number of members of the subsidiary company is not reduced below the statutory limit.
- ❑ If a company is in default in complying with the provisions of this section, the company shall be liable *to a penalty of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees*.

➤ **Section-188: Related Party Transactions**

- ❑ If Contract entered into/ authorized in contravention with the provisions outlined under the section-Related party transactions.
- ❑ Any director or any other employee of a company, who had entered into or authorized the contract or arrangement in violation of the provisions of this section shall,— in case of listed company, be liable ***to a penalty of twenty-five lakh rupees*** and In case of any other company, be liable to a penalty of five lakh rupees.

Changes in Penalty and Other Provision

➤ Section-16: Rectification of name of Company

- ❑ If a Company makes any default in registration of name as in the opinion of Central Government the name for registration is identical to the name of company already registered.
- ❑ If a company is in default in complying with any direction given under sub-section (1), *the Central Government shall allot a new name* to the company in such manner as may be prescribed and the Registrar shall enter the new name in the register of companies in place of the old name and issue a fresh certificate of incorporation with the new name, which the company shall use thereafter. (**Penalty Provision is deleted**).

➤ Section-23: Public Offer and Private Placement

- ❑ A public company may issue securities through prospectus (i.e Public Offer) or through Private Placement and in case of private company securities may be issued by way of Right or Bonus issue or through private placement.
- ❑ Such class of public companies may issue such class of securities for the purposes of listing on permitted stock exchanges in permissible foreign jurisdictions or such other jurisdictions, as may be prescribed. The Central Government may, by notification, exempt any class or classes of public companies referred to in sub-section (3) from any of the provisions of this Chapter, Chapter IV, section 89, section 90 or section 127 and a copy of every such notification shall, as soon as may be after it is issued, be laid before both Houses of Parliament.

➤ **Section-56: Transfer and Transmission of Securities**

- ❑ A company shall not register a transfer of securities of the company, or the interest of a member in the company in the case of a company having no share capital, other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer.
- ❑ Where any default is made in complying with the provisions of sub-sections (1) to (5), *the company and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.*

➤ **Section-64: Notice to be given to Registrar for Alteration of Share Capital**

- ❑ Where a company alters its share capital in any manner specified in sub-section (1) of section 61 or an order made by the Government under sub-section (4) read with sub-section (6) of section 62 has the effect of increasing authorized capital of a company or a company redeems any redeemable preference shares, the company shall file a notice in the prescribed form with the Registrar within a period of thirty days of such alteration or increase or redemption, as the case may be, along with an altered memorandum.
- ❑ Where any company fails to comply with the provisions of sub-section (1), such company and every officer who is in default shall be liable to *a penalty of five hundred rupees(earlier 1000 rupees)* for each day during which such default continues, subject to a maximum of five lakh rupees in case of a company and one lakh rupees in case of an officer who is in default.

➤ Section-86: Punishment for Contravention

- ❑ Any company is in default in complying with any of the provisions of Chapter VI Registration of Charge, the company shall be liable to a *penalty of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees*. If any person willfully furnishes any false or incorrect information or knowingly suppresses any material information, required to be registered in accordance with the provisions of section 77, he shall be liable for action under section 447.

➤ Section-88: Register of Members

- ❑ Every company shall keep and maintain the following registers in such form and in such manner as may be prescribed register of members indicating separately for each class of equity and preference shares held by each member residing in or outside India or register of debenture-holders and register of any other security holders.
- ❑ If a company does not maintain a register of members or debenture-holders or other security holders or fails to maintain them in accordance with the provisions of **sub-section (1) or sub-section (2)**, the company shall be liable to a **penalty of three lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees**.

➤ **Section-89: Declaration in respect of Beneficial Interest in any Share**

- ❑ Where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration within such time and in such form as may be prescribed to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.
- ❑ If any person fails to make a declaration as required under sub-section (1) or sub-section (2) or sub-section (3), *he shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with a further penalty of two hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees.*
- ❑ If a company, required to file a return under sub-section (6), fails to do so before the expiry of the time specified therein, the company and *every officer of the company who is in default shall be liable to a penalty of one thousand rupees for each day during which such failure continues, subject to a maximum of five lakh rupees in the case of a company and two lakh rupees in case of an officer who is in default*

➤ **Section-90: Register of Significant beneficial owners in a Company**

- ❑ Every individual, *who acting alone or together, or through one or more persons or trust, including a trust and persons resident outside India*, holds beneficial interests, of *not less than twenty-five per cent.* or such other percentage as may be prescribed, in shares of a company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (27) of section 2, over the company (herein referred to as "significant beneficial owner"), shall make a declaration to the company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof, as may be prescribed.
- ❑ If any person fails to make a declaration as required under sub-section (1), he shall be liable to a *penalty of fifty thousand rupees and in case of continuing failure, with a further penalty of one thousand rupees for each day* after the first during which such failure continues, subject to a maximum of two lakh rupees.
- ❑ If a company, required to maintain register under sub-section (2) and file the information under sub-section (4) or required to take necessary steps under sub-section (4A), fails to do so or denies inspection as provided therein, the company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day, after the first during which such failure continues, subject to a maximum of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with a further penalty of two hundred rupees for each day, after the first during which such failure continues, subject to a maximum of one lakh rupees.

➤ Section-92: Annual Return

- ❑ Every company shall prepare a return in the prescribed form containing the particulars as they stood on the close of the financial year regarding its registered office, principal business activities, particulars of its holding, subsidiary and associate companies or its shares, debentures and other securities and shareholding pattern or its members and debenture-holders along with changes therein since the close of the previous financial year or its promoters, directors, key managerial personnel along with changes therein since the close of the previous financial year and meetings of members or a class thereof, Board and its various committees along with attendance details along with details of remuneration of Director and KMP, and such other matter as may be prescribed.
- ❑ If any company fails to file its annual return under sub-section (4), before the expiry of 60 days from the date of the AGM or the latest date on which the AGM should have been held, such company and its every officer who is in default shall be liable to a ***penalty of ten thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day during which such failure continues***, subject to a ***maximum of two lakh rupees*** in case of a company and fifty thousand rupees in case of an officer who is in default and company secretary will be liable to penalty of two lakh rupees.

➤ **Section-117: Resolutions and Agreement to be Filed**

- ❑ A copy of every resolution or any agreement, in respect of matters *specified in sub-section (3) together with the explanatory statement under section 102*, if any, annexed to the notice calling the meeting in which the resolution is proposed, shall be filed with the **Registrar within thirty days of the passing or making thereof** in such manner and with such fees as may be prescribed.
- ❑ If any company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified therein, *such company shall be liable to a penalty of ten thousand rupees* and in case of continuing failure, with a further *penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees* and every officer of the company who is in default including liquidator of the company, if any, shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of fifty thousand rupees.

➤ **Section-124: Unpaid Dividend Account**

- ❑ Where Dividend has been declared by company but has not been paid or claimed by any *person such dividend after 30 days from date of declaration of dividend* should be transferred to unpaid dividend account, If a company fails to comply with any of the requirements of this section, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of ten lakh rupees and every officer of the company who is in default shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees.

➤ Section-135: Corporate Social Responsibility

- ❑ Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during ³[the immediately preceding financial year] shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- ❑ If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a ***penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account***, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.

➤ **Section-137: Copy of Financial Statements to be Filed with Registrar**

- ❑ In case of failure of filing the copy of Financial statements as stated in **Section 129** *adopted in AGM with the registrar within 30 days from the date of AGM* before the expiry of the period specified therein the company shall be liable to a *penalty of ten thousand rupees* and in case of *continuing failure, with a further penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of two lakh rupees*, and the managing director and the Chief Financial Officer of the company, if any, and, in the absence of the managing director and the Chief Financial Officer, any other director who is charged by the Board with the responsibility of complying with the provisions of this section, and, in the absence of any such director, all the directors of the company, shall be shall be liable to a penalty of *ten thousand rupees* and in case of continuing failure, with further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of fifty thousand rupees.

➤ **Section-140: Removal, Resignation of Auditor and Giving a special Notice**

- ❑ Failure of the auditor to file the notice on resignation, with the company and registrar & also the C&AG in case of government companies. The right of representation abused/auditor has acted in a fraudulent manner, the auditor will be liable to *penalty of fifty thousand rupees* or an amount equal to the remuneration of the auditor, whichever is less, and in case of continuing failure, with further *penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees*.

➤ **Section-143: Power and Duties of Auditor**

- ❑ If auditor fails to report fraud u/s 143(12) committed by employees against the company, then the auditor, cost accountant or company secretary shall be punishable
 - (a) In case of a listed company, be liable to a penalty of five lakh rupees, and
 - (b) In case of any other company, be liable to a penalty of one lakh rupees.

➤ **Section-165: Number of Directorships**

- ❑ No person, after the commencement of this Act, shall hold office as a director, including any alternate directorship, in more than ***twenty companies*** at the same time, provided that the maximum number of ***public companies*** in which a person can be appointed as a director shall ***not exceed ten***.
- ❑ If a person accepts an appointment as a director in violation of this section, he shall be liable to a penalty of two thousand rupees for each day after the first during which such violation continues, subject to a maximum of two lakh rupees

➤ **Section-187: Investment of Company to be held in his Own Name**

- ❑ All investments made or held by a company in any property, security or other asset shall be made and held by it in its own name. Provided that the company may hold any shares in its subsidiary company in the name of any nominee or nominees of the company, if it is necessary to do so, to ensure that the number of members of the subsidiary company is not reduced below the statutory limit.
- ❑ If a company is in default in complying with the provisions of this section, the company shall be liable to a penalty of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.

➤ **Section-204: Secretarial Audit for Bigger Companies**

- ❑ Every listed company and a company belonging to other class of companies as may be prescribed shall annex with its Board's report made in terms of sub-section (3) of section 134, a secretarial audit report, given by a company secretary in practice, in such form as may be prescribed.
- ❑ If a company or any officer of the company or the company secretary in practice, contravenes the provisions of this section the company, every officer of the company or the company secretary in practice, who is in default, shall be liable to a penalty of two lakh rupees.

➤ Section-242: Power of Tribunal

- ❑ Where an order of the Tribunal under sub-section (1) makes any alteration in the memorandum or articles of a company, then, notwithstanding any other provision of this Act, the company shall not have power, except to the extent, if any, permitted in the order, to make, without the leave of the Tribunal, any alteration whatsoever which is inconsistent with the order, either in the memorandum or in the articles.
- ❑ If a company contravenes the provisions of sub-section (5), the company shall be punishable with fine which ***shall not be less than one lakh rupees*** but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable ²[Omitted] with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.

➤ Section-232: Merger and Amalgamation of Companies

- ❑ (5) Every company in relation to which the order is made shall cause a certified copy of the order to be filed with the Registrar for registration within thirty days of the receipt of certified copy of the order.
- ❑ If a company fails to comply with sub-section (5), the company and every officer of the company who is in default shall be liable to a ***penalty of twenty thousand rupees***, and where the failure is a continuing one, with a further penalty of ***one thousand rupees for each day*** after the first during which such failure continues, subject to a maximum of ***three lakh rupees***

➤ **Section-243: Consequences of Termination or Modification of Certain Agreements**

- ❑ No managing director or other director or manager whose agreement is so terminated or set aside shall, for a period of five years from the date of the order terminating or setting aside the agreement, without the leave of the Tribunal, be appointed, or act, as the managing director or other director or manager of the company
- ❑ Any person who knowingly acts as a managing director or other director or manager of a company in contravention of clause (b) of sub-section (1) and every other director of the company who is knowingly a party to such contravention, shall be punishable with fine which may extend to five lakh rupees.

➤ **Section-247: Valuation by Registered Valuers**

- ❑ Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it shall be valued by [a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed] and appointed by the audit committee or in its absence by the Board of Directors of that company.
- ❑ If valuer appointed not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time [during a period of three years prior to his appointment as valuer or three years after the valuation of assets was conducted by him.]
- ❑ If a valuer contravenes the provisions of this section or the rules made thereunder, the valuer shall be [liable to a penalty of fifty thousand rupees].

➤ **Section-302: Dissolution of Company by Tribunal**

- ❑ When the affairs of a company have been completely wound up, the Company Liquidator shall make an application to the Tribunal for dissolution of such company.
- ❑ The Tribunal shall, within a period of thirty days from the date of the order,—
 - (a) Forward a copy of the order to the Registrar who shall record in the register relating to the company a minute of the dissolution of the company; and
 - (b) Direct the Company Liquidator to forward a copy of the order to the Registrar who shall record in the register relating to the company a minute of the dissolution of the company.

➤ **Section-347: Disposal of Books and Papers of Company**

- ❑ When the affairs of a company have been completely wound up and it is about to be dissolved, the books and papers of such company and those of the Company Liquidator may be disposed of in such manner as the Tribunal directs.
- ❑ If any person acts in contravention of any rule framed or an order made under sub-section (3), he shall be punishable with fine which may extend to fifty thousand rupees.

➤ **Section-348: Information as to Pending Liquidation**

- ❑ If the winding up of a company is not concluded within one year after its commencement, the Company Liquidator shall, unless he is exempted from so doing, either wholly or in part by the Central Government, within two months of the expiry of such year and thereafter until the winding up is concluded, at intervals of not more than one year or at such shorter intervals, if any, as may be prescribed, file a statement in such form containing such particulars as may be prescribed, duly audited, by a person qualified to act as auditor of the company, with respect to the proceedings in, and position of, the liquidation, with the Tribunal.
- ❑ Where a Company Liquidator, who is an insolvency professional registered under the Insolvency and Bankruptcy Code, 2016 is in default in complying with the provisions of this section, then such default shall be deemed to be a contravention of the provisions of the said Code, and the rules and regulations made thereunder for the purposes of proceedings under Chapter VI of Part IV of that Code.

➤ **Section-356: Power of Tribunal to Declare Dissolution of Company Void**

- ❑ Where a company has been dissolved, whether in pursuance of this Chapter or of section 232 or otherwise, the Tribunal may at any time within two years of the date of the dissolution, on application by the Company Liquidator of the company or by any other person who appears to the Tribunal to be interested, make an order, upon such terms as the Tribunal thinks fit, declaring the dissolution to be void, and thereupon such proceedings may be taken as if the company had not been dissolved.
- ❑ The Tribunal shall—
 - a) Forward a copy of the order, within thirty days from the date thereof, to the Registrar who shall record the same; and
 - b) Forward a copy of the order, within thirty days from the date thereof, to the Registrar who shall record the same.

➤ **Section-392: Punishment for Contravention**

- ❑ Without prejudice to the provisions of section 391, if a foreign company contravenes the provisions of this Chapter, the foreign company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees and in the case of a continuing offence, with an additional fine which may extend to fifty thousand rupees for every day after the first during which the contravention continues and every officer of the foreign company who is in default shall be punishable with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees.

➤ **Section-405: Power of Central Government to Direct Companies to Furnish Information or Statistics**

- ❑ The Central Government may, by order, require companies generally, or any class of companies, or any company, to furnish such information or statistics with regard to their or its constitution or working, and within such time, as may be specified in the order.
- ❑ If any company fails to comply with an order made under sub-section (1) or sub-section (3), or furnishes any information or statistics which is incorrect or incomplete in any material respect, the company and every officer of the company who is in default shall be liable to a penalty of twenty thousand rupees and in case of continuing failure, with a further penalty of one thousand rupees for each day after the first during which such failure continues, subject to a maximum of three lakh rupees.

➤ **Section-441: Compounding of Certain offences**

- ❑ The Tribunal or the Regional Director or any officer authorized by the Central Government, as the case may be, while dealing with a proposal for the compounding of an offence for a default in compliance with any provision of this Act which requires a company or its officer to file or register with, or deliver or send to, the Registrar any return, account or other document, may direct, by an order, if it or he thinks fit to do so, any officer or other employee of the company to file or register with, or on payment of the fee, and the additional fee, required to be paid under section 403, such return, account or other document within such time as may be specified in the order.
- ❑ If any officer or other employee of the company who fails to comply with any order made by the Tribunal or the Regional Director or any officer authorized by the Central Government under sub-section (4), the maximum amount of fine for the offence proposed to be compounded under this section shall be twice the amount provided in the corresponding section in which punishment for such offence is provided

➤ **Section-450: Punishment Where No Specific Penalty or Punishment is Provided**

- ❑ If a company or any officer of a company or any other person contravenes any of the provisions of this Act or the rules made thereunder, or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, and for which no penalty or punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be ¹[liable to a penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one thousand rupees for each day after the first during which the contravention continues, subject to a maximum of two lakh rupees in case of a company and fifty thousand rupees in case of an officer who is in default or any other person.

➤ **Section-452: Punishment for Wrongful Withholding of Property**

- ❑ If any officer or employee of a company,
 - a) Wrongfully obtains possession of any property, including cash of the company; or
 - b) Having any such property including cash in his possession, wrongfully withholds it or knowingly applies it for the purposes other than those expressed or directed in the articles and authorized by this Act,

He shall, on the complaint of the company or of any member or creditor or contributory thereof, be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees

➤ **Section-446B: Lesser Penalties for One Person Companies or Small Companies**

- ❑ Notwithstanding anything contained in this Act, if penalty is payable for non-compliance of any of the provisions of this Act by a One Person Company, small company, start-up company or Producer Company, or by any of its officer in default, or any other person in respect of such company, then such company, its officer in default or any other person, as the case may be, shall be liable to a penalty which shall not be more than one-half of the penalty specified in such provisions subject to a maximum of two lakh rupees in case of a company and one lakh rupees in case of an officer who is in default or any other person, as the case may be.

➤ **Section-447: Punishment for Fraud**

- Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:
- Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.
- Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

➤ **Section-454: Adjudication of Penalties**

- ❑ The Central Government may, by an order published in the Official Gazette, appoint as many officers of the Central Government, not below the rank of Registrar, as adjudicating officers for adjudging penalty under the provisions of this Act in the manner as may be prescribed.
- ❑ Where an officer of a company or any other person]] who is in default fails to comply with the order made under sub-section (3) or sub-section (7), as the case may be within a period of ninety days from the date of the receipt of the copy of the order, such officer shall be punishable with imprisonment which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both.

Penalty Provision Deleted for following sections,

➤ **Section-48: Variation of Right of Shareholder**

- ❑ Where a share capital of the company is divided into different classes of shares, the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate meeting of the holders of the issued shares of that class,—
 - a) If provision with respect to such variation is contained in the memorandum or articles of the company; or
 - b) In the absence of any such provision in the memorandum or articles, if such variation is not prohibited by the terms of issue of the shares of that class:

➤ **Section-71: Debentures**

- ❑ A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:
- ❑ **Provided** that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.
- ❑ No company shall issue any debentures carrying any voting rights.

➤ **Section-342: Prosecution of Delinquent Officers and Members of Company**

- ❑ If it appears to the Tribunal in the course of a winding up by the Tribunal, that any person, who is or has been an officer, or any member, of the company has been guilty of any offence in relation to the company, the Tribunal may, either on the application of any person interested in the winding up or suo motu, direct the liquidator to prosecute the offender or to refer the matter to the Registrar

The background features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect.

Section Newly Inserted as per Companies Amendment Act, 2020

➤ **Section-129A: Periodical Financial Results**

- ❑ The Central Government may, require such class or classes of unlisted companies, as may be prescribed,—
 - (a) To prepare the financial results of the company on such periodical basis and in such form as may be prescribed;
 - (b) To obtain approval of the Board of Directors and complete audit or limited review of such periodical financial results in such manner as may be prescribed; and
 - (c) File a copy with the Registrar within a period of thirty days of completion of the relevant period with such fees as may be prescribed.

➤ **Section-418A: Benches of Appellate Tribunal**

- ❑ The powers of the Appellate Tribunal may be exercised by the Benches thereof to be constituted by the Chairperson:

Provided that a Bench of the Appellate Tribunal shall have at least one Judicial Member and one Technical Member.

- ❑ The Benches of the Appellate Tribunal shall ordinarily sit at New Delhi or such other places as the Central Government may, in consultation with the Chairperson

Provided that the Central Government may, by notification, after consultation with the Chairperson, establish such number of Benches of the Appellate Tribunal, as it may consider necessary, to hear appeals against any direction, decision or order referred to in section 53A of the Competition Act, 2002 and under section 61 of the Insolvency and Bankruptcy Code, 2016.]

Provision in which there is no change

➤ **Section -4: Memorandum :-**

- ❑ Reservation of Name – After reservation of name of company, it is found that if information given is not correct then or if the company has not been incorporated, the reserved name shall be cancelled and the person making application under sub-section (4) shall be liable for penalty of **one lakh rupees**.

➤ **Section- 15: Alteration of Memorandum or Articles to be Noted in Every Copy:-**

- ❑ Every alteration made in the memorandum or articles of a company shall be noted in every copy of the memorandum or articles, as the case may be.
- ❑ If a company makes any default in complying with the provisions of sub-section (1), the company and every officer who is in default shall be liable to a penalty of one thousand rupees for every copy of the memorandum or articles issued without such alteration.

➤ **Section- 17: Copies of Memorandum, Articles, etc., to be Given to Members**

- ❑ A company shall, on being so requested by a member, send to him within seven days of the request and subject to the payment of such fees as may be prescribed, a copy of each of the following documents, namely, the memorandum or the articles and every agreement and every resolution referred to in sub-section (1) of **section 117**, if and in so far as they have not been embodied in the memorandum or articles.
- ❑ If a company makes any default in complying with the provisions of this section, the company and every officer of the company who is in default shall be liable for each default, to a penalty of one thousand rupees for each day during which such default continues or one lakh rupees, whichever is less.

➤ **Section-39: Allotment of Securities by Company**

- ❑ If the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the prospectus, or such other period as may be specified by, the amount received shall be returned within such time and manner as may be prescribed and company shall file return of allotment with registrar in such a manner as may be prescribed.
- ❑ In case of any default under this section, the company and its officer who is in default shall be liable to a penalty, for each default, of one thousand rupees for each day during which such default continues or one lakh rupees, whichever is less.

➤ **Section-42:- Offer or Invitation for Subscription of Securities on Private Placement**

- ❑ “Private Placement” means any offer or invitation to subscribe or issue of securities to a select group of persons by a company (other than by way of public offer) through private placement offer-cum-application, which satisfies the conditions specified in this section.
- ❑ If the Company or director or promoter has not followed the provisions of Private Placement they shall be liable to penalty of amount raised through private placement or Rupees Two crores, whichever is higher.
- ❑ If a company defaults in filing the return of allotment within the period prescribed, the company, its promoters and directors shall be liable to a penalty for each default of one thousand rupees for each day during which such default continues but not exceeding twenty-five lakh rupees.

➤ **Section- 53: Prohibition of Issue of Share at Discount**

- ❑ If Company issues Shares at discount for company Fine not be less than 1 lakh rupees but which may extend to 5 lakh rupees and officer of company shall be liable to Imprisonment: for a term which may extend to 6 months or Fine not be less than 1 lakh rupees but which may extend to 5 lakh rupees, or both.

➤ **Section-57 – Punishment for personation of Shareholder**

- ❑ If any person deceitfully personates as an owner of any *security* or interest in a company, or of any share warrant or coupon issued in pursuance of this Act, and thereby obtains or attempts to obtain any such *security* or interest or any such share warrant or coupon or receives or attempts to receive any money due to any such owner, he shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

➤ **Section-60: Publication of Authorized, Subscribed and Paid-Up Capital.**

- ❑ If a company advertises its authorized capital on Companies letter heads, business heads, billhead or letter paper company shall be liable to pay a penalty of ten thousand rupees and every officer of the company who is in default shall be liable to pay a penalty of five thousand rupees, for each default.

➤ **Section-67: Restrictions on Purchase by Company or Giving of Loans by it for Purchase of its Shares**

- ❑ No company limited by shares or by guarantee and having a share capital or public company shall give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the company or in its holding company.
- ❑ If a company contravenes the provisions of this section, it shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years and with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.

➤ **Section-74: Repayment of Deposits, etc., Accepted Before Commencement of this Act**

- ❑ If a company fails to repay the deposit or part thereof or any interest thereon within the time specified in sub-section (1) or such further time as may be allowed by the Tribunal under sub-section (2), the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees and every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years or with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees, or with both.

➤ **Section-76A: Punishment for Contravention of Section 73 or Section 76.**

- ❑ Every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years and with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees.
- ❑ The company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees or twice the amount of deposit accepted by the company, whichever is lower rupees but which may extend to ten crore rupees.

➤ **Section-91: Power to close register of Members or Debenture Holders or Other Security Holders**

- ❑ Closure of register of members or debenture holders or other security holders without notice/shorter notice/ in excess of limits prescribed – Company and Every officer in default shall be liable to a penalty of five thousand rupees for every day subject to a maximum of one lakh rupees during which the register is kept closed.

➤ **Section-94: Place of Keeping and inspection of Registers and Returns, etc.**

- ❑ Refusal of Inspection or making a copy/extract – Company and Every officer in default one thousand for every day of default Max: One Lakhs.

➤ **Section-99: Punishment for Default in Complying with Provisions of Sections 96 to 98**

- ❑ If any default is made in holding a meeting of the company in accordance with section 96 or section 97 or section 98 or in complying with any directions of the Tribunal, the company and every officer of the company who is in default shall be punishable with fine which may extend to one lakh rupees and in the case of a continuing default, with a further fine which may extend to five thousand rupees for every day during which such default continues.

➤ **Section-102: Statement to be annexed to Notice**

- ❑ Failure to comply with provisions related to statement to be annexed to notice calling a meeting – every promoter/director/manager/KMP in default 50 thousand or 5 times the benefit accruing to the persons mentioned above or any of their relatives Whichever is higher.

➤ **Section -111: Circulation of Members Resolution**

- ❑ A company shall, on requisition in writing of such number of members, as required in [section 100](#) ,— give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting, and circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.
- ❑ If any default is made in complying with the provisions of this section, the company and every officer of the company who is in default shall be liable to a penalty of twenty-five thousand rupees.

➤ **Section-118: Minutes of Proceedings of General Meeting, Meeting of Board of Directors and Other Meeting and Resolutions Passed by Postal Ballot**

- ❑ Failure to maintain the minutes of proceedings of the general meeting, meeting of Board of Directors and other meeting and resolutions passed by postal ballot. If any default is made in complying with the provisions of this section in respect of any meeting, the company shall be liable to a penalty of twenty-five thousand rupees and every officer of the company who is in default shall be liable to a penalty of five thousand rupees.
- ❑ If a person is found guilty of tampering with the minutes of the proceedings of meeting, he shall be punishable with imprisonment for a term which may extend to two years and with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.

➤ **Section-119: Inspection of Minute-Books of General Meeting**

- ❑ The books containing the minutes of the proceedings of any general meeting of a company or of a resolution passed by postal ballot, shall be kept at the registered office of the company; and be open, during business hours, to the inspection by any member without charge, subject to such reasonable restrictions as the company may, by its articles or in general meeting, impose, so, however, that not less than two hours in each business day are allowed for inspection if any default is made in compliance of provision of this section the company shall be liable to a penalty of twenty-five thousand rupees and every officer of the company who is in default shall be liable to a penalty of five thousand rupees for each such refusal or default, as the case may be.

➤ **Section-121: Report on Annual General Meeting**

- ❑ Every listed public company shall prepare in the prescribed manner a report on each annual general meeting including the confirmation to the effect that the meeting was convened, held and conducted as per the provisions of this Act and the rules made thereunder and Company shall also file the report with the Registrar within 30 days of the conclusion of AGM.
- ❑ If the company fails to file the report under sub-section (2) before the expiry of the period specified therein, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees and every officer of the company who is in default shall be liable to a penalty which shall not be less than twenty-five thousand rupees and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of one lakh rupees.

➤ **Section-127: Punishment for Failure to Distribute Dividend**

- ❑ Where a dividend has been declared by a company but has not been paid or the warrant in respect thereof has not been posted within thirty days from the date of declaration to any shareholder entitled to the payment of the dividend, every director of the company shall, if he is knowingly a party to the default, be punishable with imprisonment which may extend to two years and with fine which shall not be less than one thousand rupees for every day during which such default continues and the company shall be liable to pay simple interest at the rate of eighteen per cent per annum during the period for which such default continues.

➤ **Section-129: Financial Statement**

- ❑ The financial statements shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under **section133** and shall be in the form or forms as may be provided for different class or classes of companies in **Schedule III**.
- ❑ Failure to comply with provisions relating to proper disclosure of financial statements, Managing director -Whole time director in charge of finance -Chief Financial Officer or such other person in charge as appointed by the board In the absence of any of the officers mentioned all the directors. – Minimum 50 thousand rupees and Maximum 5 Lakh rupees.

➤ **Section-134: Financial Statements, Board Reports, etc.**

- ❑ The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board by the chairperson of the company where he is authorized by the Board or by two directors out of which one shall be managing director, if any, and the Chief Executive Officer, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, or in the case of One Person Company, only by one director, for submission to the auditor for his report thereon, if default is made in complying the provision of this section the company shall be liable to a penalty of three lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.

➤ **Section-136: Right of Member to the copies of Audited Financial Statement**

- ❑ In case of denial of the right of the member to inspect copies of the audited financial statements company shall be liable to penalty of Rupees 25 thousand and every officer in default shall be liable to penalty of Rupees 5 thousand.

➤ **Section-148: Central Government to Specify Audit of Items of Cost in Respect of Certain Companies**

- ❑ Default in complying with the orders of the Central Government pertaining to cost audit the company shall be liable to penalty of minimum rupees 25 thousand and maximum rupees 5 lakhs and every officer in default shall be liable to penalty of minimum 10 thousand and maximum of rupees 1 lakhs and also cost auditor will be liable to penalty of minimum rupees 25 thousand which may extend to 5 lakhs rupees.

- **Section-157: Company to Inform Director Identification Number to Registrar**
 - If Failure by the company to inform DIN to Registrar than company and every officer in default shall be liable to penalty of minimum rupees 25 thousand which may extend to 1 lakhs.
- **Section-159: Penalty for default in Certain Provisions**
 - ❑ If any individual or director of a company makes any default in complying with any of the provisions of section 152, section 155 and section 156, such individual or director of the company shall be liable to a penalty which may extend to fifty thousand rupees and where the default is a continuing one, with a further penalty which may extend to five hundred rupees for each day after the first during which such default continues.
- **Section-166: Duties of Directors**
 - ❑ If any director contravenes the duties stated in this section than he shall be liable to penalty of rupees 1 lakhs which may extend to 5 lakh rupees.
- **Section-182: Prohibitions and Restrictions Regarding Political Contributions**
 - ❑ If Political contribution made in excess of the limits than the company and every officer in default shall be liable to penalty of 5 times the amount contributed.

➤ **Section-185: Loan to Directors**

- ❑ Loan to directors/any other person in whom the director is interested/give a guarantee in connection with the loan taken by the director or such other person in contravention of the provisions of this section than the company, director or any other person shall be liable to penalty of rupees 5 lakhs which may extend to 25 lakh rupees.

➤ **Section-186: Loans and Investment by Company**

- ❑ If Contravention of provisions pertaining to loan and investment by the company than company will be liable to penalty of rupees 25 thousand which may extend to 25 lakh rupees and every officer in default shall be liable to penalty of rupees 25 thousand which may extend to 1 lakh rupees.

➤ **Section-189: Register of Contracts or Arrangements in Which Directors are Interested**

- ❑ Failure to disclose the interest of the director in any contract/arrangement than the director will be liable to penalty of rupees 25 thousand.

➤ **Section-190: Contract of Employment with Managing or Whole-Time Directors**

- ❑ In case Contravention of Sec. 190 (Contract of employment with managing of whole Time directors company will be liable to penalty of rupees 25 thousand and every officer in default shall be liable to penalty of rupees 5 thousand for each default.

➤ **Section-191: Payment to Director for Loss of Office, etc., in Connection with Transfer of Undertaking, Property or Shares**

- ❑ Contravention of Sec. 191 (Payment to directors for loss of Office, etc. in connection with transfer of under- taking, Property or shares) the director shall be liable to penalty of Rupees 1 lakh.

➤ **Section-197: Overall Maximum Managerial Remuneration and Managerial Remuneration in Case of Absence or Inadequacy of Profits**

- ❑ The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent. of the net profits of that company for that financial year computed in the manner laid down in **section 198** except that the remuneration of the directors shall not be deducted from the gross profits. Provided that the company in general meeting may, , authorize the payment of remuneration exceeding eleven per cent. of the net profits of the company, subject to the provisions of Schedule V.
- ❑ If any person makes any default in complying with the provisions of this section, he shall be liable to a penalty of one lakh rupees and where any default has been made by a company, the company shall be liable to a penalty of five lakh rupees.

➤ **Section-203: Appointment of Key Managerial Personnel**

- ❑ If any company makes any default in complying with the provisions of this section such company shall be liable to a penalty of five lakh rupees and every director and key managerial personnel of the company who is in default shall be liable to a penalty of fifty thousand rupees and where the default is a continuing one, with a further penalty of one thousand rupees for each day after the first during which such default continues but not exceeding five lakh rupees.

➤ **Section-206: Power to Call for Information, Inspect Books and Conduct Inquiries**

- ❑ Where on a scrutiny of any document filed by a company or on any information received by him, the Registrar is of the opinion that any further information or explanation or any further documents relating to the company is necessary, he may by a written notice require the company—
 - (a) to furnish in writing such information or explanation; or
 - (b) to produce such documents, within such reasonable time, as may be specified in the notice.
- ❑ If a company fails to furnish any information or explanation or produce any document required under this section the company and every officer of the company, who is in default shall be punishable with a fine which may extend to one lakh rupees and in the case of a continuing failure, with an additional fine which may extend to five hundred rupees for every day after the first during which the failure continues.

➤ **Section-207: Conduct of Inspection and Inquiry**

- ❑ Where a Registrar or inspector calls for the books of account and other books and papers under section 206, it shall be the duty of every director, officer or other employee of the company to produce all such documents to the Registrar or inspector and furnish him with such statements, information or explanations in such form as the Registrar or inspector may require and shall render all assistance to the Registrar or inspector in connection with such inspection.
- ❑ If a director or an officer of the company has been convicted of an offence under this section the director or the officer shall, on and from the date on which he is so convicted, be deemed to have vacated his office as such and on such vacation of office, shall be disqualified from holding an office in any company.

➤ **Section- 217: Procedure, powers, etc., of Inspectors**

❑ **Subsection(6):-** If any director or officer of the company disobeys the direction issued by the Registrar or the inspector under this section the director or the officer shall be punishable with imprisonment which may extend to one year and with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.

❑ **Subsection(8):-** If any person fails without reasonable cause or refuses—

- (a) To produce to an inspector or any person authorized by him in this behalf any book or paper which is his duty under sub-section (1) or sub-section (2) to produce;
- (b) To furnish any information which is his duty under sub-section (2) to furnish;
- (c) To appear before the inspector personally when required to do so under subsection (4) or to answer any question which is put to him by the inspector in pursuance of that sub-section; or
- (d) To sign the notes of any examination referred to in sub-section (7),

He shall be punishable with imprisonment for a term which may extend to six months and with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, and also with a further fine which may extend to two thousand rupees for every day after the first during which the failure or refusal continues.

➤ **Section-221: Freezing of Assets of Company on Inquiry and Investigation**

- ❑ In case of any removal, transfer or disposal of funds, assets, or properties of the company in contravention of the order of the Tribunal under sub-section (1).
- ❑ The company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

➤ **Section-222: Imposition of Restrictions upon Security**

- ❑ Where securities in any company are issued or transferred or acted upon in contravention of an order of the Tribunal under sub-section (1).
- ❑ The company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees, or with both.

➤ **Section-245: Class Action**

- ❑ Any person who disobey the order passed by the Tribunal against the application made by any member, depositor or depositors or any class of them.
- ❑ The person shall be liable to imprisonment of maximum 3 years.

➤ **Section-337: Penalty for Fraud by Officers**

- ❑ If any person, being at the time of the commission of the alleged offence an officer of a company which is subsequently ordered to be wound up by the Tribunal ["under this Act"],—
 - a) Has, by false pretenses or by means of any other fraud, induced any person to give credit to the company
 - b) Has, by false pretenses or by means of any other fraud, induced any person to give credit to the company, or
 - c) With intent to defraud creditors of the company, has concealed or removed any part of the property of the company since the date of any unsatisfied judgment or order for payment of money obtained against the company or within two months before that date, he shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees

(

➤ **Section-338: Liability Where Proper Accounts are not Kept**

- ❑ Where a company is being wound up, if it is shown that proper books of account were not kept by the company throughout the period of two years immediately preceding the commencement of the winding up, or the period between the incorporation of the company and the commencement of the winding up, whichever is shorter.
- ❑ Every officer of the company who is in default shall, unless he shows that he acted honestly and that in the circumstances in which the business of the company was carried on, the default was excusable, be punishable with imprisonment for a term which shall not be less than one year but which may extend to three years and with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees.

➤ **Section-449: Punishment for False Evidence**

- ❑ Save as otherwise provided in this Act, if any person intentionally gives false evidence—
 - a) Upon any examination on oath or solemn affirmation, authorized under this Act; or
 - b) In any affidavit, deposition or solemn affirmation, in or about the winding up of any company under this Act, or otherwise in or about any matter arising under this Act.

He shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to seven years and with fine which may extend to ten lakh rupees.

THANK YOU