

LIST OF PENALTIES UNDER THE COMPANIES ACT, 2013

Section	Particular	Penalty
Section 4: Memorandum	If Co. name is reserved by giving incorrect information:	C, OID Reserved Name: Cancelled Person who made application: Fine ₹ Max 1 Lac
	If the Co. has not been incorporated	
	If Co. has been incorporated	Name: Change name within 3 months (by passing OR), or ROC may strike off name from Register of Companies, or ROC may make a petition for winding up of Co.
Section 10 A: Commencement of business etc.	Co. commenced business or exercise any borrowing powers, without filing required declaration within 180 days or failed to file with the Registrar a verification of its registered office	C, OID C: ₹ 50,000 OID: ₹ 1,000 / day during which such default continues but not exceeding an amount of ₹ 1 Lac
Section 15: Alteration of MOA and AOA to be noted in every copy	If alteration made in the MOA or AOA of a company is not noted in every copy of the MOA or AOA.	C, OID ₹ 1,000 for every copy of the MOA or AOA issued without alteration
Section 16- Rectification of name of company	Company makes default in registration of name as (which in the opinion of CG is identical to the name of company already registered.)	C: ₹ 1,000 for every day during which the default OID: ₹ 5,000 to 1 Lac
Section 17- Copies of memorandum, articles, etc., to be given to members	If on request of member, Co. has not provided them a copy (within 7 days) of • MOA • AOA • Every agreement and resolution referred in Sec 117(1)	C, OID (for each default) ₹ 1,000 for each day during which such default continues or ₹ 1 Lac, whichever Less
Section 26- Matters to be stated in prospectus	If a prospectus is issued in contravention of provisions of Sec 26	C, Every other person who is knowingly a party to default C: ₹ 50,000 to 3 Lac Other person who is knowingly a party to default- Imprisonment: Max 3 Years or, Fine: ₹ 50,000 to 3 Lac, or both
Section 39 – Allotment of securities by company	If the Co. has not returned the application money received (when minimum subscription is not received)	C, OID (for each default) ₹ 1,000 for each day during which such default continues or ₹ 1 Lac, whichever Less.
	If a company having a share capital has not filed return of allotment with Registrar.	
Section 40- Securities to be dealt with in stock exchanges	If a company is making public offer and it fails to inform to one or more stock exchange and/ or fails to follow other related provisions of Sec 40	C, OID C: ₹ 5 Lac to 50 Lac OID: Fine: ₹ 50,000 to 3 Lac Imprisonment: May Extend to 1 Year, Or Both
Section 42- Offer or invitation for subscription of securities on private placement	If a company makes an offer or accepts monies in contravention of Sec 42	C, promoters and directors Penalty: May extend to amt raised through the private placement or 2 crore rupees, whichever is lower, and the company shall also refund all monies with interest as specified in Sec 42(6) to subscribers within a period of 30 days of the order imposing the penalty
Section 53 - Prohibition on issue of shares at discount	If a Co. does not comply with Sec 53 i.e. issues shares at discount [except as provided in Sec 54 or Sec 53 (2A)]	C, OID Fine: May extend to an amount equal to the amount raised through the issue of shares at a discount or five lakh rupees, whichever is less + Co. also liable to refund all monies received with interest at the rate of 12% p.a. from the date of issue of such shares
Section 56 -Transfer and transmission of securities	If a Company make any default in the provisions of transfer of securities	C, OID C: ₹ 25,000 to 5 Lac OID: ₹ 10,000 to 1 Lac
	Default is made by depository or depository participant with an intention to defraud	Liable under Sec 447
Section 57 -Punishment for personation of shareholder	If a person deceitfully personates as owner of any security or interest etc. in a Company.	Such Person Fine: ₹ 1 Lac to 5 Lac AND Imprisonment: 1 Year to 3 years

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Section 58- Refusal of Registration and Appeal Against Refusal	Contravention of the order of the Tribunal for registration or refusal of registration of shares	Any Person Imprisonment: 1 Year to 3 Years and Fine: ₹ 1 Lac to 5 Lac
Section 59- Rectification of register of members	If a Company fails to comply with the orders of tribunal regarding rectification of registers of members.	C, OID C: ₹ 1 Lac to 5 Lac OID: ₹ 1 Lac to 3 Lac Imprisonment: May extend to 1 Year, Or Both
Section 64- Notice to be given to Registrar for alteration of share capital	If a Company fails to file notice to Registrar after alteration of Share Capital.	C, OID Fine which may extend to ₹ 1,000 / day during which such default continues, or ₹ 5 Lac whichever is less.
Section 67- Restrictions on Purchase by Company or Giving of Loans by it for Purchase of its Shares	Contravention of the provisions of sec 67	C, OID C: ₹ 1 Lac to 25 Lac OID: Fine: ₹ 1 Lac to 25 Lac Imprisonment: May extend to 3 years
Section 68- Power of company to purchase its own securities	If a Co. does not follow the provisions of buy back of Securities as provided in Sec 68 or any regulation made by SEBI	C, OID C: ₹ 1 Lac to 3 Lac OID: Fine: ₹ 1 Lac to 3 Lac Imprisonment: May extend to 3 years Or both
Section 71- Debentures	If default is committed in complying with the order of the Tribunal under section 71	OID Fine: ₹ 2 Lac to 5 Lac Imprisonment: May extend to 3 years Or both
Section 74- Repayment of deposits, etc., accepted before commencement of this Act	If Company fails to repay deposit or interest thereof, within the time specified or such further time as allowed by Tribunal	C, OID C: ₹ 1 Crore to 10 crores OID: Fine: ₹ 25 Lac to 2 Crores Imprisonment: May extend to 7 years Or both The Co. is also liable to pay the amount of deposit or part thereof and the interest due
Section 76 A- Punishment for Contravention of Section 73 or Section 76	Punishment for Contravention of Sec 73 or Sec 76	C: In addition to payment of the amount of deposit or part thereof and the interest due, be punishable with fine ranging from ₹ 1 crore rupees or twice the amount of deposit accepted by the company, whichever is lower but which may extend to ₹ 10 crore OID: Imprisonment which may extend to 7 years and with fine which shall not be less than ₹ 25 Lac but which may extend to ₹ 2 crore Also, if it is proved that the OID, has contravened such provisions knowingly or wilfully with the intention to deceive Co. or its shareholders or depositors or creditors or tax authorities, he shall be liable for action under section 447
Section 86- Punishment for contravention	If a Company contravenes the provisions of registration of Charge	C, OID C: ₹ 1 Lac to 10 Lac OID: Fine: ₹ 25,000 to 1 Lac Imprisonment: May extend to 6 months Or both
	If any person wilfully furnishes any false or incorrect information or knowingly suppresses any material information, required for registration u/s 77	He shall be liable for action under Sec 447
Section 88- Register of members, etc	If a Company fails to maintain register of members, debenture holders, other security holders or other provisions of Sec 88	C, OID Fine: ₹ 50,000 to 3 Lac Where default is a continuing one: Fine which may extend to ₹ 1,000/ day, after the first during which the failure continues
Section 91- Power to close register of members or debenture- holders or other security- holders	If the register of members/ debenture-holders/ other security holders is closed without giving notice as provided in sec 91(1), or after giving shorter notice, or for a continuous or an aggregate period in excess of the limits specified in sec 91(1)	C, OID Fine: ₹ 5,000 for every day subject to a maximum of ₹ 1 Lac

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Section 92- Annual Return	If a Company fails to file copy of Annual Return within prescribed time.	C, OID Fine: ₹ 50,000 and in case of continuing failure, with further penalty of ₹ 100/ day during which such failure continues, subject to a maximum of ₹ 5 Lac
	If a CS in practice certifies the AR otherwise than in conformity with the requirements of Sec 92	CS Fine: ₹ 50,000 to ₹ 5 Lac
Section 94- Place of keeping and inspection of Registers, Returns, etc	Refusal for inspection or making of any extract or copy	C, OID (for each default) ₹ 1,000/ day during which the default/ refusal continues, subject to maximum of ₹ 1 Lac
Section 99- Punishment for default in complying with provisions of sections 96 to 98	If Company defaults in holding meeting in accordance with Sections 96, 97 and 98 or the directions of Tribunal	C, OID Fine: May extend to ₹ 1 Lac In the case of a continuing default: With a further fine which may extend to ₹ 5,000/ day during which default continues
Section 102- Statement to be annexed to notice	If default is made in complying with the provision of Sec 102	Every promoter, director, manager or other KMP of the company who is in default: Penalty- ₹ 50,000 or 5 times the amount of benefit accruing to the promoter, director, manager or other key managerial personnel or any of his relatives, whichever is higher .
Section 105- Proxies	When an officer (Co. having Share capital or where Articles allow voting by proxy) fails to mention in the notice regarding the facility of proxy	OID ₹ 5,000
Section 111- Circulation of members' resolution	Violation of provisions in regard to circulation of members' resolution.	C, OID ₹ 25,000
Section 117- Resolutions and agreements to be filed	Co. fails to file the resolution or the agreement in prescribed time	C, OID C: ₹ 1 Lac and in case of continuing failure, with further penalty of ₹ 500/ day after the first during which such failure continues, subject to a max of ₹ 25 Lac OID including liquidator of the company, if any: ₹ 50,000 and in case of continuing failure, with further penalty of ₹ 500/ day after the first during which such failure continues, subject to a maximum of ₹ 5 Lac
Section 118- Minutes of proceedings of general meeting, meeting of Board of Directors and other meeting and resolutions passed by postal ballot	Co. is not complying with the provisions of Sec 118.	C, OID C: ₹ 25,000 OID: ₹ 5,000
	If a person tempts with the minutes of proceedings of meeting	Fine: ₹ 25,000 to 1 Lac Imprisonment: Up to 2 years
Section 119- Inspection of minute-books of General Meeting	Co. refuses for inspection or to take copy of minutes of general meeting.	C, OID C: ₹ 25,000 OID: ₹ 5,000 for each such default or refusal
Section 121- Report on Annual General meeting	Co. fails to file the report on AGM with ROC within 30 days of conclusion of AGM	C, OID C: ₹ 1 Lac and in case of continuing failure, with further penalty of ₹ 500/ day after the first during which such failure continues, subject to a maximum of ₹ 5 Lac. OID: ₹ 25,000 and in case of continuing failure, with further penalty of ₹ 500/ day after the first during which such failure continues, subject to a maximum of ₹ 1 Lac.
Section 124- Unpaid Dividend Account	Co. fails to comply with requirement of Sec 124	C, OID C: ₹ 5 Lac to 25 Lac OID: ₹ 1 Lac to 5 Lac
Section 127- Punishment for failure to distribute dividends	-	See Chart in October 2019 issue of The Chartered Accountant Student journal
Section 128- Books of account, etc., to be kept by company	If the persons charged by BOD (MD, WTD in charge of finance, CFO or any other person of a company charged by the Board with the duty of complying with the provisions of this section) with the duty of maintaining accounts of the Co. contravenes the relevant provisions	Such designated persons Fine: ₹ 50,000 to 5 Lac Imprisonment: May extend to 1 year Or both

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Section 129- Financial statements	Co. contravenes the provisions of Sec 129	MD, WTD in charge of finance, the CFO or any other person charged by the Board with the duty of complying with the requirements of this section and in the absence of any of the officers mentioned above, all the directors shall be punishable. Fine: ₹ 50,000 to 5 Lac Imprisonment: May extend to 1 year Or both
Section 134- Financial Statement, Board's report, etc	If Company violates the provisions of Sec 134	C, OID C: ₹ 50,000 to 25 Lac OID: Fine: ₹ 50,000 to 5 Lac Imprisonment: Upto 3 Years Or Both
Section 136- Right of member to copies of audited financial statement	Co. fails to send copy of FS, including CFS, if any, auditor's report and every other document required to be attached to FS, which are to be laid before at GM, to member/ trustee/ other entitled person, within the prescribed time or other provisions of Sec 136	C, OID C: ₹ 25,000 OID: ₹ 5,000
Section 137- Copy of financial statement to be filed with Registrar	Co. fails to file the copy of the FS with the Registrar	C, Other designated Officers C: ₹ 1,000/ day during which the failure continues but which shall not be more than ₹ 10 Lac. MD and CFO, if any, and, in the absence of the MD and the CFO, 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 liable to a penalty of ₹ 1 Lac and in case of continuing failure, with further penalty of ₹ 100/ day after the first during which such failure continues, subject to a max of ₹ 5 Lac.
Section 140- Removal, Resignation of Auditor and Giving of Special Notice	Auditor does not file with ROC or C&AG (as the case may be), a statement indicating the reasons and other facts as may be relevant with regard to his resignation	Auditor Fine: ₹ 50,000 or an amt equal to remuneration of auditor, whichever is less. In case of continuing failure, further penalty of ₹ 500/ day after the first during which such default continues, subject to max of ₹ 5 Lac
Section 143- Powers and Duties of Auditors and Auditing Standards	Auditor, fails to report the matter to CG, Audit Committee or BOD (depending on the amount involved) regarding a fraud which is being or has been committed in the company by its officers or employees (for which he has reason to believe)	Auditor, cost accountant or company secretary in practice Fine: ₹ 1 Lac to 25 Lac
Section 147- Punishment for Contravention		See Chart in October 2019 issue of The Chartered Accountant Student journal
Section 148- Central Government to Specify Audit of Items of Cost in Respect of Certain Companies	Default in complying with the provisions of Sec 148	C, OID, Cost Auditor C & OID: As per Sec 147 Cost Auditor in default: in the manner as provided in sub-sections (2) to (4) of Sec 147
Section 447- Punishment for Fraud	Fraud/ wrongful gain/ wrongful loss	Any person who is found to be guilty of fraud (i) Involving an amount of at least ₹ 10 Lac or 1% of the turnover of the company, whichever is lower Fine: At least amount involved in the fraud, which may extend to 3 times the amount involved in the fraud, and Imprisonment: 6 months to 10 years Also, if fraud in question involves public interest, the term of imprisonment shall not be less than 3 years. (ii) Where fraud involves an amount less than ₹ 10 Lac or 1% of the turnover of the company, whichever is lower, and does not involve public interest , Fine: May extend to ₹ 50 Lac Imprisonment: May extend to 5 years, or both

Here in the table:
C stands for Company
OID stands for Officer in Default