

Liabilities of Directors under The Companies Act 2013 (As amended by The Companies Amendment Act, 2020)

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This Presentation gives only an indication of the various provisions related to penalties and punishments for Directors under The Companies Act, 2013 of India. It is not intended to be either complete or exhaustive narration of the subject.

Preface

- ❖ Companies Act, 2013 (the Act) used to be a Draconian law which has been substantially softened after the amendments introduced vide The Companies (Amendment) Act, 2020 (effective from 29th September 2020).
- ❖ Anti-business bias is apparent even after the softening.
- ❖ Duties, penalties and punishments continue to be extremely stringent.

A. Some Key Concepts

- A1. Officer
- A2. Manager
- A3. Managing Director
- A4. Key Managerial Personnel
- A5. Officer in Default

A1. Officer

(59) “officer” includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act;

Section 2(59)

A2. Manager

(53) “manager” means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not;

Section 2(53)

A3. Managing Director

(54) “managing director” means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation.—For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

Section 2(54)

A4. Key Managerial Personnel

(51) "key managerial personnel", in relation to a company, means--

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the company secretary;

(iii) the whole-time director;

(iv) the Chief Financial Officer;

[(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed;]

Section 2(51), amended in 2020.

A5. Officer in Default

(60) “officer who is in default”, for the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any penalty or punishment by way of imprisonment, fine or otherwise, means any of the following officers of a company, namely:—

(i) whole-time director;

(ii) key managerial personnel;

(iii) where there is no key managerial personnel, such director or directors as specified by the Board in this behalf and who has or have given his or their consent in writing to the Board to such specification, or all the directors, if no director is so specified;

Section 2(60)

A5. Officer in Default (Continued)

(iv) any person who, under the immediate authority of the Board or any key managerial personnel, is charged with any responsibility including maintenance, filing or distribution of accounts or records, authorises, actively participates in, knowingly permits, or knowingly fails to take active steps to prevent, any default;

(v) any person in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act, other than a person who gives advice to the Board in a professional capacity;

(vi) every director, in respect of a contravention of any of the provisions of this Act, who is aware of such contravention by virtue of the receipt by him of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with his consent or connivance;

(vii) in respect of the issue or transfer of any shares of a company, the share transfer agents, registrars and merchant bankers to the issue or transfer;

B. Some Relevant Provisions

- B1. Duties of Directors
- B2. Disqualification to be a Director
- B3. Cognizable Offences with No Bail
- B4. Protection of Independent Directors

B1. Duties of Director

166. (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.

(2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.

(3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

(4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

B1. Duties of Director (Continued)

(5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

(6) A director of a company shall not assign his office and any assignment so made shall be void.

(7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Section 166

B2. Disqualification to be a Director

164. (1) A person shall not be eligible for appointment as a director of a company, if —

(d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

Section 164

B2. Disqualification to be a Director (Continued)

(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

(2) No person who is or has been a director of a company which—

(a) has not filed financial statements or annual returns for any continuous period of three financial years; or

(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more,

shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

Section 164

B3. Cognizable Offences Without Bail

(6) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), [offence covered under [section 447](#)] of this Act shall be cognizable and no person accused of any offence under those sections shall be released on bail or on his own bond unless--

(i) the Public Prosecutor has been given an opportunity to oppose the application for such release; and

(ii) where the Public Prosecutor opposes the application, the court is satisfied that there are reasonable grounds for believing that he is not guilty of such offence and that he is not likely to commit any offence while on bail:

B4. Protection of Independent Directors

(12) Notwithstanding anything contained in this Act,—

(i) an independent director;

(ii) a non-executive director not being promoter or key managerial personnel,

shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

Section 149(12)

C. Penalties and Punishments

Chapter II – Incorporation of Company and Matters Incidentals Thereto

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
10A	Filing of Declaration for commencement of business	Rs. 50,000-	Rs. 1,000 per day; maximum Rs. 1 Lakh	NIL	Not Applicable
17	Supply to Member of Copies of Memorandum, Articles and Agreements 117(1)	Rs. 1,000 per day; maximum Rs. 1 Lakh	Rs. 1,000 per day; maximum Rs. 1 Lakh	NIL	Not Applicable

Note:

Rs. 1 Lakh = Rs. 100,000 = Rs. 0.1 million

Rs. 1 Crore = Rs. 10,000,000 = Rs. 10 million

Chapter III – Prospectus & Allotment of Securities

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
26	Prospectus	Minimum Rs. 50,000; Maximum Rs. 3 Lakhs	Minimum Rs. 50,000; Maximum Rs. 3 Lakhs	NIL	Not Applicable
35	Damage from misleading prospectus	NIL	Compensation without any limitation to liability	NIL	Not Applicable
36	Fraudulently inducing to invest or lend	NIL	As per Section 447	As per Section 447	Person fraudulently inducing
40	Permission from Stock Exchange before offering securities to public	Minimum Rs. 5 Lakhs; Maximum Rs. 50 Lakhs	Minimum Rs. 50,000; Maximum Rs. 3 Lakhs	NIL	Not Applicable
42 (9)	Private Placement	Rs. 1,000 per day; maximum Rs. 25 Lakhs	Rs. 1,000 per day; maximum Rs. 25 Lakhs	NIL	Not Applicable
42 (10)		Amount Involved in Offer or Rs. 2 Crores, whichever is lower + Refund of amount collected with interest	Amount Involved in Offer or Rs. 2 Crores, whichever is lower + Refund of amount collected with interest		

Chapter IV – Share Capital & Debentures

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
46	Issue of duplicate shares with intent to defraud	Not less than 5 times value of shares; Max. 10 times value of shares or Rs. 10 Crores, whichever is higher	As per Section 447	As per Section 447	Officer in default
53	Issue of Shares at a Discount	Amount raised through issue of shares at a discount or Rs. 5 Lakhs whichever is less and refund by company of all monies along with interest of 12%		NIL	Not Applicable
56	Transfer of Shares	Rs. 50,000	Rs 50,000	NIL	Not Applicable

Chapter IV – Share Capital & Debentures (Continued)

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
60	Mentioning Authorized Capital and not mentioning paid-up capital	Rs. 10,000	Rs. 5,000	NIL	Not Applicable
64	Informing Registrar about alteration of share capital	Rs 500 per day, subject to max of Rs 5 lakhs	Rs 500 per day subject to max of Rs. 1 lakh	NIL	Not Applicable
67*	Reduction of Share Capital and giving loans to persons for buying shares of the company	Minimum Rs. 1 Lakh; Maximum Rs. 25 Lakhs	Minimum Rs. 1 Lakh; Maximum Rs. 25 Lakhs	Up to 3 years	Officer in default
68	Purchase by company of its own securities	Minimum Rs. 1 Lakh; Maximum Rs. 3 Lakhs	Minimum Rs. 1 Lakh; Maximum Rs. 3 Lakhs	NIL	Not Applicable

* Not applicable to Private companies in which no corporate has invested in share capital; Debt less than two times equity or Rs. 50 crores; No default in repayment to banks / financial institutions

Chapter V – Acceptance of Deposits

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
74	Failure to repay the deposit after order by Tribunal	Minimum Rs. 1 Crore; Maximum Rs. 10 Crores (in addition to repayment of principal + interest)	Minimum Rs. 25 Lakhs; Maximum Rs. 2 Crores	Up to 7 years	Officer in default
75	Acceptance of deposits with intention to defraud (after default under sec. 74)	NIL	NIL	In addition to under sec. 74, punishment under sec. 447	Officer responsible for accepting deposit

Chapter VI – Registration of Charges

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
86(1)	Contravention of any of the provisions of the Chapter	Rs. 5 lakhs	Rs. 50,000	NIL	Not Applicable
86(2)	Furnishing false information or suppression of facts in relation to registering of charges	NIL	NIL	As provided in Section 447	Officer in default

Chapter VII – Management & Administration

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
88	Failure to maintain Register of Members	Rs. 3 Lakhs	Rs. 50,000	NIL	Not Applicable
90	Declaration of beneficial interest of not less than 25 per cent in a company	NIL	Rs. 50,000+1,000 for each day of delay subject to a maximum of Rs. 2 lakhs	NIL	Not Applicable
91	Closing of Register of Members without proper notice or longer than prescribed	Rs. 5,000 per day subject to a maximum of Rs. 1 Lakh	Rs. 5,000 per day subject to a maximum of Rs. 1 Lakh	NIL	Not Applicable
92	Delay in filing Annual Return beyond period specified for additional fee	Rs. 10,000+ Rs. 100 each day subject to Rs. 2 lakh	Rs 10,000 + Rs 100 for each day of default subject to a max of Rs. 50,000	NIL	Not Applicable
94	Refusing to a member inspection of Register of Members or Annual Return	Rs. 1,000 per day subject to a maximum of Rs. 1 Lakh	Rs. 1,000 per day subject to a maximum of Rs. 1 Lakh	NIL	Not Applicable
99	Default in holding Annual General Meeting	Maximum Rs. 1 Lakh + Rs. 5,000 per day	Maximum Rs. 1 Lakh + Rs. 5,000 per day	NIL	Not Applicable
102*	Statement giving material facts about special business at a General Meeting	NIL	Up to Rs. 50,000 or five times the benefit to the promoter / director / manager / KMP / relative. Whichever is more	NIL	Not Applicable

* Sec. 101-107 apply in case of private company unless otherwise specified in respective sections or Articles of Association of the company

Chapter VII – Management & Admin. (Continued)

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
105*	Voting by proxy / Invitation by company to appoint a person as proxy	NIL	Rs. 50,000	NIL	Not Applicable
111	Failure to circulate a resolution moved by members	Rs. 25,000	Rs. 25,000	NIL	Not Applicable
117	Delay in filing of special resolution and some resolutions passed by Board of Directors beyond period with additional fees	Rs. 10,000+Rs 100 for each day subject to a maximum of Rs. 2 lakhs	10,000+Rs 100 for each day, subject to a maximum of Rs. 50,000	NIL	Not Applicable
118	Minutes of meetings of Board or Members or Committee of Board	Rs. 25,000-	Rs. 5,000-	Up to 2 years + Fine Rs. 25,000 to Rs. 1 Lakh	Anyone tampering with the minutes of Board meeting
119	Refusal to a member to inspect Minutes Book of General Meeting	Rs. 25,000-	Rs. 5,000-	NIL	Not Applicable
121**	Delay in Filing of Report on AGM beyond the specified period with additional fees	Rs. 1 lakh+ Rs 500 each day subject to maximum of Rs 5 lakhs	Minimum Rs. 25,000; Rs. 500 per day of delay Maximum Rs. 1 Lakh	NIL	Not Applicable

* Sec. 101-107 apply in case of private company unless otherwise specified in respective sections or Articles of Association of the company

** Applicable only to listed public companies

Chapter VIII – Declaration & Payment of Dividend

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
124	Unpaid Dividend Account	Rs. 1 lakh ; Rs. 500 for each day of delay; Max 10 lakh	Rs. 25,000 ; Rs 100 for each day of delay; Max Rs 2 lakh	NIL	Not applicable
127	Failure to distribute dividends	Simple Interest at the rate of 18% per annum	Rs. 1,000 per day of default	Up to 2 years	Director who is knowingly a party to the default

Chapter IX – Accounts of Companies

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
128	Maintaining books of accounts	NIL	Minimum Rs. 50,000; Maximum Rs. 5 Lakhs	NIL	NOT Applicable
129	Preparing Financial Statements as per Accounting Standards and Schedule III	NIL	Minimum Rs. 50,000; Maximum Rs. 5 Lakhs	Up to 1 year	MD, Whole Time Director Finance, CFO or any person charged with this duty; And in the absence of any of the above, all the directors
134	Board's approval of Financial Statements and Directors Report	Rs. 3 lakhs	Rs 50,000	NIL	Not applicable
136	Sending audited financial statement to members	Rs. 25,000-	Rs. 5,000-	NIL	Not applicable
137	Sending Financial Statements to Registrar	Rs 10,000; Rs. 100 for each day of delay; Max Rs 2 lakhs	Rs 10,000; Rs. 100 for each day of delay; Max Rs. 50,000	NIL	Not applicable

Chapter X – Audit and Auditors

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
140	Filing information about resignation to be filed by auditor	NIL	Auditor to pay Rs. 50,000 or remuneration of the auditor, whichever is less + Rs. 500 / day; Maximum Rs. 2 Lakhs	NIL	Not Applicable
147(1)	Contravention of any of the provisions related to audit and auditors	Not less than Rs. 25,000; May extend to Rs. 500,000	Not less than Rs. 10,000; May extend to Rs. 100,000	NIL	Not Applicable
147(2)		Minimum Rs. 25,000; Maximum Rs. 5 Lakhs or four times the remuneration of the auditor, whichever is less	Minimum Rs. 50,000 or Rs. 25 Lakhs or eight times the remuneration of the auditor, whichever is less	NIL	Not Applicable

Chapter XI – Appointment & Qualification of Directors

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
157	Failure to furnish DIN of a Director	Rs 25,000, Rs 100 per day of delay, Max Rs 1 lakh	Minimum Rs. 25,000; Rs. 100 per day of delay, Maximum Rs. 1 Lakh	NIL	Not Applicable
159	Defaults under sec. 152, 155 and 156 related to DIN and such matters	NIL	Maximum Rs. 50,000 + futher Rs. 500 per day for continuing default	NIL	Not Applicable
165	Acting as Director in more than 20 companies	NIL	Rs. 2,000 per day of default subject to maximum of Rs. 2 Lakhs	NIL	Not Applicable
166	Duties of a Director	NIL	Rs 2,000 per day of default; Max Rs. 2 lakh	NIL	Not Applicable
167	Functioning as Director even after the post has become vacant	NIL	Minimum Rs. 1 Lakh; Maximum Rs. 5 Lakh	NIL	Not Applicable
172	Violation of any provisions of the chapter where no specific punishment is provided	Rs, 50,000 ; Rs 500 for each day of default; Max 3 lakh	Rs, 50,000 ; Rs 500 for each day of default; Max 1 lakh	NIL	Not Applicable

Chapter XII – Meetings of Board & Its Powers

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
177 & 178	Audit Committee, Remuneration Committee and Stakeholders relationship Committee	Rs. 5 Lakhs	Rs. 1 lakh	NIL	Not Applicable
184	Disclosure of Interest by Director and not participating in meetings when related transactions discussed	NIL	Rs. 1 lakh	NIL	Not Applicable
185*	Prohibition on loans, guarantee, security to Directors and firms in which Directors are interested	Minimum Rs. 5 Lakhs; Maximum Rs. 25 Lakhs	Minimum Rs. 5 Lakhs; Maximum Rs. 25 Lakhs	Up to 6 months	Director or person who benefits
186	Loans and Investment in other companies	Minimum Rs. 25,000; Maximum Rs. 5 Lakhs	Minimum Rs. 25,000; Maximum Rs. 1 Lakh	Up to 2 years	Officer in default
187	Investments to be held in company's name	Rs. 5 lakhs	Rs. 50,000	NIL	Not Applicable

* Not applicable to Private companies in which no corporate has invested in share capital; Debt less than two times equity or Rs. 50 crores; No default in repayment to banks / financial institutions

Chapter XII – Meetings of Board (Continued)

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
188	Related Party Transactions	NIL	Listed company- Rs 25 lakhs Other company- Rs 5 lakhs	NIL	Not Applicable
189	Register of Transactions under sec. 184 or 188 to be signed by all Directors	NIL	Rs. 25,000-	NIL	Not Applicable
190**	Register of Contract with MD or Wholetime Director	Rs. 25,000	Rs. 5,000	NIL	Not Applicable
191	Payment to Director for loss of office or transfer of property	NIL	Rs. 1 Lakh	NIL	Not Applicable

** Not applicable in case of private companies

Chapter XIII – Appointment & Remuneration of Managerial Personnel

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
197	Maximum Managerial Remuneration	Rs. 5 Lakh	Rs. 1 Lakh	NIL	Not Applicable
203	Whole-time Key Managerial Personnel to be appointed necessarily	Rs. 5 Lakhs	Rs. 50,000 + Rs. 1,000 per day of continuing default, Maximum Rs. 5 Lakhs	NIL	Not Applicable
204	Secretarial Audit	Rs. 2 lakhs	Rs. 2 lakhs	NIL	Not Applicable

Chapter XIV – Share Capital & Debentures

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
206(4)	Business of company being carried out for fraudulent or unlawful purpose	NIL	NIL	As provided in Section 447	Officer in default
206(7)	Failure to furnish any information or explanation or document required by Registrar	Up to Rs. 1 Lakh + Rs. 500 per day of continuing default	Up to Rs. 1 Lakh + Rs. 500 per day of continuing default	NIL	Not Applicable
207 / 217(6)	Disobeying direction issued by Registrar or Inspector	NIL	Minimum Rs. 25,000; Maximum Rs. 1 Lakh	Up to 1 year + Immediate removal and disqualification from holding any office in any company	Any Director or officer
217(8)	Failure to provide information or documents to Inspector	NIL	Minimum Rs. 25,000; Maximum Rs. 1 Lakh + Rs. 2,000 per day	Up to 6 months	Any person

Chapter XIV – Share Cap. & Debentures (Continued)

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
213	Company conducted with fraudulent intent or person involved with forming or conducting guilty of fraud	NIL	NIL	As provided in Section 447	Officer in default and persons involved in formation or management
232	Contravention of provisions related to mergers and acquisitions	Rs. 20,000 + Rs. 1,000 per day of default; Maximum Rs. 3 Lakhs	Rs. 20,000 + Rs. 1,000 per day of default; Maximum Rs. 3 Lakhs	NIL	Not Applicable
238	Registration of offer of schemes involving transfer of shares	NIL	Rs. 1 Lakh	NIL	Director

Chapter XVI – Prevention of Oppression & Mismanagement

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
242	Not complying with order of Tribunal	Minimum Rs. 1 Lakhs; Maximum Rs. 25 Lakhs	Minimum Rs. 25,000; Maximum Rs. 1 Lakh	NIL	Not Applicable
243	Contravention of order of Tribunal	Maximum Rs. 5 Lakhs	Maximum Rs. 5 Lakhs	NIL	Not Applicable
245	Not complying with order of Tribunal in relation to Class Action	Minimum Rs. 5 Lakhs; Maximum Rs. 25 Lakhs	Minimum Rs. 25,000; Maximum Rs. 1 Lakh	Up to 3 years	Officer in default

Chapter XX – Winding Up

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
336	Concealment, misrepresentation and fraud etc.	NIL	Minimum Rs. 1 Lakh; Maximum Rs. 3 Lakh	Minimum 3 years, Up to 5 years	Any person who has been an officer of the company being wound up
337	Inducing to give credit to company later wound up or concealing or removing property	NIL	Minimum Rs. 1 Lakh; Maximum Rs. 3 Lakh	Minimum 1 year, Up to 3 years	Any person who was an officer at the time
338	Not keeping proper books of account for two years preceding winding up	NIL	Minimum Rs. 1 Lakh; Maximum Rs. 3 Lakh	Minimum 1 year, Up to 3 years	Officer in default
339	Fraudulent conduct of business	NIL	Personally liable without any limitation of liability	As provided under sec. 447	Any person who is knowingly a party
344	Every invoice or order or business letter to carry that the company is being wound up	Minimum Rs. 50,000; Maximum Rs. 3 Lakh	Minimum Rs. 50,000; Maximum Rs. 3 Lakh	NIL	Not Applicable
347	Contravention of order related to disposal of books etc. of company wound up	NIL	Up to Rs. 50,000-	NIL	Not Applicable

Chapter XXVIII – Special Courts

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
441	Failure to comply with order by Tribunal related to compounding	NIL	Twice the penalty specified in such provisions	NIL	NIL
446B	Lesser penalties for One Person Companies or small companies	Minimum Penalty: One half of penalty specified in such provisions; Maximum- 2 lakh rupees	Minimum Penalty-One half of penalty specified in such provisions; Maximum- 1 lakh rupees	NIL	NIL

Chapter XXIX – Miscellaneous

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
447	Fraud of amount MORE than Rs. 10 Lakhs or 1% of company's turnover, whichever is less - Involving Public Interest	NIL	Not less than the amount of fraud but may extend to three times the amount of fraud	Not less than 6 months, may be up to 10 years.	Any person guilty of fraud
	Fraud of amount LESS than Rs. 10 Lakhs or 1% of company's turnover, whichever is less - NOT involving Public Interest	NIL	Maximum Rs. 50 Lakhs	Maximum 5 Years	
449	Giving false evidence on oath	NIL	Up to Rs. 10 Lakhs	Not less than 3 years, up to 7 years	Any person
450	Where no specific punishment provided in the Act	Rs 10,000; Rs 1,000 each day for each day of contravention; Max Rs 2 lakh	Rs 10,000; Rs 1,000 each day for each day of contravention; Max Rs 50,000	NIL	Not Applicable

Chapter XXIX – Miscellaneous (Continued)

Section No.	Short Description of Offence	Penalty for Company	Penalty for Officer in Default	Punishment - Imprisonment	Applicability of Punishment
451	Repeat offence within three years	Twice the amount of fine provided for the offence	Twice the amount of fine provided for the offence	As provided for the offence	As provided in the relevant section
452	Wrongful holding of cash or property	NIL	Minimum Rs. 1 Lakh; Maximum Rs. 5 Lakhs	Up to 2 years	Officer or employee
454	Non-payment of penalty	Minimum Rs. 25,000; Maximum Rs. 5 Lakhs	Minimum Rs. 25,000; Maximum Rs. 1 Lakh	Up to 6 months	Officer in default
454A	Penalty for repeated default within 3 years of the order for penalty imposed	Twice the amount of the penalty provided	Twice the amount of the penalty provided	NIL	NIL

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