

IMPORTANT PENALTIES

SEC	PROVISIONS W.R.T.	PENALTY ON PERSON	PENALTY ON COMPANY
7(5) 7(6)	INCORPORATION OF COMPANY	Person who made application shall be liable u/s 447	NIL
8	SECTION 8 COMPANY (CONTRAVENTION OF PROVISIONS)	DIR+OID-fine (25K-25 Lacs)	Company shall be liable for fine (10 lacs-1crore)
8	SECTION 8 COMPANY (IN CASE OF FRAUD))	OID shall be liable u/s 447	NIL
15	ALTERATION SHALL BE NOTED IN EVERY COPY	O-I-D shall be liable for fine 1000/- copy	Company shall be liable for fine 1000/-copy
34	MIS-STATEMENT IN PROSPECTUS	Every person who authorises issue of prospectus shall be liable u/s 447	
35	MIS-STATEMENT IN PROSPECTUS	person who authorises issue of prospectus shall be liable to compensate loss of investors	Company shall be liable to compensate loss of investors
42	PRIVATE PLACEMENT	Pro. & Dir shall be liable for fine (amount raised/2 crores)---lower	Company shall be liable for fine (Amount raised/2 crores)---lower
53	SHARES AT DISCOUNT	OID shall be liable for fine (Amount raised/5 lacs)---LOWER	Company shall be liable for fine (Amount raised/5 lacs)---LOWER
68	BUY-BACK	OID--fine (1-3 Lacs)	Company shall be liable for fine (1-3 lacs)
64	NOTICE TO REG. FOR ALTERATION OF CAP.	O-I-D shall be liable for fine 500/- day (Max. 1 lac)	Company shall be liable for fine 500/-day (Max. 5 lacs)
76A	CONTRAVENTION OF SECTION 73 OR 76	Person--imprisonment (upto 7 years) and fine (25 Lacs-2 crores)	Company shall be liable for fine (Min:-1 crore/2xdeposit--lower) (Max-10 cr)
86	CHAPTER OF CHARGES	OID—fine of 50000	Company shall be liable for fine of 5 lacs
92	FAILS TO FILE ANNUAL RETURN	OID shall be liable for fine 10,000 + 1000/day= Max. 50000	Company shall be liable for fine 10,000 + 1000/day= Max. 200000
94	PLACE OF KEEPING & INSPECTION OF ROM	O-I-D shall be liable for fine 1000/- day (Max. 1 lac)	Company shall be liable for fine 1000/-day (Max. 1 lac)
99	FAILS TO CONVENE AGM	OID shall be liable for fine (1 LAC) + 5000/day	Company shall be liable for fine (1 LAC) + 5000/day
127	FAILURE TO PAY DIVIDEND	Directors--imprisonment (upto 2 years) and fine (1000/day)	
128	BOOKS OF ACCOUNT ETC.	IF MD, WTD(F), CFO, OP Commits default, then they shall be liable--imprisonment (upto 1 year) or fine (50K-5Lac) or Both	

129	FINANCIAL STATEMENT	If Company contravenes, then MD, WTD(F), CFO, OP and in case of their absence, all directors shall be liable-- fine (50K-5Lac)	
134	BOARD REPORT	O-I-D---Company-3 Lacs	Company shall be liable for fine Of 50000
135	CSR	For officer, fine which equals 1/10th of the amount to be transferred in fund or ₹ 2,00,000, whichever is less.	For company, fine which equals to twice the amount to be transferred in fund or ₹ 1,00,00,000, whichever is less.
140	FAILURE TO FILE RESIGNATION BY AUDITOR	Auditor Shall be liable for fine (50,000/Remuneration--Lower) + 500/day (Max. 2 lacs)	
147	PENALTY IN CONTRAV. OF 139, 143-145 (ON AUDITOR)	Auditor Shall be liable for fine (Min-25,000) (Max-5 Lacs/4xRem.---lower)	
147	PENALTY IN CASE OF FRAUD OR DECEIT	Auditor Shall be liable for Imprisonment:-1year and fine (Min-50,000) (Max-25 Lacs/8xRem.---lower)	

LIABILITY FOR FRAUD U/S 447

SEC NO.	TITLE	OFFENCE
Section 7(5) & 7(6)	INCORPORATION OF COMPANY:	If any person furnishes any false or incorrect particulars of any information or suppresses any material information, of which he is aware in any of the documents filed with the Registrar in relation to the registration of a company, he shall be liable for action under section 447.
SECTION 8	FORMATION OF COMPANY WITH CHARITABLE OBJECT	Every officer in default shall be liable for action under section 447 when it is proved that the affairs of the company were conducted fraudulently.
SECTION 34	CRIMINAL LIABILITY FOR MIS-STATEMENTS IN PROSPECTUS	Where a prospectus, issued, circulated or distributed under this Chapter, includes any statement which is untrue or misleading in form or context in which it is included or where any inclusion or omission of any matter is likely to mislead, every person who authorizes the issue of such prospectus shall be liable under section 447.
SECTION 36	PUNISHMENT FOR FRAUDULENTLY INDUCING PERSONS TO INVEST MONEY	Any person who, either knowingly or recklessly makes any statement, promise or forecast which is false, deceptive or misleading, or deliberately conceals any material facts, to induce another person to invest money shall be liable for fraud
SECTION 38	PUNISHMENT FOR PERSONATION FOR ACQUISITION ETC OF SECURITIES	Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities
SECTION 46	CERTIFICATE OF SHARES	If a company with intent to defraud issues a duplicate certificate of shares, every officer of the company who is in default shall be liable for action under section 447.
SECTION 56	TRANSFER AND TRANSMISSION OF SECURITIES:	If any depository or depository participant, with an intention to defraud a person, has transferred shares, it shall be liable under section 447.
66	REDUCTION OF SHARE CAPITAL	If there is any false representation of amount or nature of debt of the creditor or the name of any creditor is concealed, then penalty under section 447 shall apply.
76A	INTENTION TO COMMIT FRAUD U/S 73/76	If there is an intent to deceive the depositors, the Officers in default shall be liable for fraud u/s 447
86	INTENTION TO COMMIT FRAUD IN CASE OF CHARGES	If any person wilfully 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."
90	SIGNIFICANT BENEFICIAL OWNERSHIP	If any person wilfully furnishes any false or incorrect information or suppresses any material information of which he is aware in the declaration made under this section, he shall be liable to action under section 447.'.

140(5)	CHANGE OF AUDITOR ON ORDER OF TRIBUNAL	An auditor, whether individual or firm, against whom final order has been passed by the Tribunal under this section shall not be eligible to be appointed as an auditor of any company for a period of five years from the date of passing of the order and the auditor shall also be liable for action under section 447.
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