

## OFFENCES COMPOUNDABLE BY REGIONAL DIRECTOR<sup>1</sup>

**R-4**

Relevant Section	Nature of Offence	Liable Person	Fine/Imprisonment/Both		
26(9)	Matters to be stated in prospectus	Company issue any prospectus in contravention of the provisions of section 26 related to issue of prospectus	<ul style="list-style-type: none"> <li>• Company</li> <li>• Every person who is knowingly a party to the issue of such prospectus</li> </ul>	Company	Fine from `50,000 to `3 lakhs
				Person knowingly a party to issue of such prospectus	Fine from `50,000 to `3 lakhs
40(5)	Securities to be dealt with in stock exchanges	Company makes any default in complying with the following provisions: <ul style="list-style-type: none"> <li>• making an application to stock exchange before making public offer of securities.</li> <li>• obtaining permission from stock exchange for dealing of securities.</li> <li>• disclosing of name of stock exchange in prospectus where prospectus state that an application has been made with stock exchange for dealing of securities.</li> <li>• keeping the application money in separate bank</li> </ul>	<ul style="list-style-type: none"> <li>• Company</li> <li>• Officer in default</li> </ul>	Company	Fine from `5 lakhs to `50 lakhs
				Officer in default	Fine from `50,000 to `3 lakhs.

<sup>1</sup> Offences punishable with fine and where the amount of fine which may be imposed for offence does not exceed Rs. 25 lakhs.

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		account. <ul style="list-style-type: none"> <li>• utilisation of application money other than the specified purposes.</li> </ul>			
68(11)	Power of company to purchase its own shares	Company makes any default in complying with the provisions or regulation of Securities and Exchange Board of India relating to buy back of securities by company.	<ul style="list-style-type: none"> <li>• Company</li> <li>• Officer in default</li> </ul>	Company	Fine from `1 lakh to `3 lakhs
				Officer in default	Fine from `1 lakh to `3 lakhs
99	Punishment for default in complying with provisions of section 96 to 98	Company makes default in holding general meeting of the company in accordance with sections 96 or 97 or 98 or in complying with any directions of the Tribunal u/s 97 or 98 of the Companies Act, 2013.	<ul style="list-style-type: none"> <li>• Company</li> <li>• Officer in default</li> </ul>	Company	Fine up to `1 lakh and further fine up to `5,000/- for every day during which such default continues
				Officer in default	Fine up to `1 lakh and further fine up to `5,000/- for every day during which such default continues

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128(6)	Books of account, etc., to be kept by company	Failure to prepare, keep and make arrangements for inspection of books of account and relevant books and papers and financial statements according to section 128 of the Companies Act, 2013.	<ul style="list-style-type: none"> <li>• Managing Director</li> <li>• Whole-time Director in charge of finance</li> <li>• The Chief Financial Officer or</li> <li>• Any other person charged by the board with duty to comply provisions of section 128 of the Act</li> </ul>	Company	Not Applicable
				<ul style="list-style-type: none"> <li>• Managing Director</li> <li>• Whole-time Director in charge of finance</li> <li>• The Chief Financial Officer or</li> <li>• Any other person charged by the board with duty to comply the provisions of section 128 of the Act</li> </ul>	Fine from `50,000 to `5 lakhs
147(1)	Punishment for contravention	Company fails to comply with the provisions of sections 139 to 146 (both inclusive) related to: <ul style="list-style-type: none"> <li>• appointment of auditors,</li> <li>• removal, resignation of auditor and giving of special notice,</li> <li>• eligibility, qualifications and disqualifications of auditors,</li> <li>• remuneration of auditors,</li> <li>• powers and duties of auditors and auditing standards,</li> <li>• auditor not to render certain services,</li> </ul>	<ul style="list-style-type: none"> <li>• Company</li> <li>• Officer in default</li> </ul>	Company	Fine from `25,000 up to `5 lakhs
				Officer in default	Fine from `10,000 to `1 lakh

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		<ul style="list-style-type: none"> <li>• auditor to sign audit reports etc.,</li> <li>• auditors to attend general meetings.</li> </ul>			
147(2)	Punishment for contravention	If the auditor of a company contravenes any of the provisions of section 139, 144 or 145	<ul style="list-style-type: none"> <li>• Company</li> <li>• Auditor</li> </ul>	Company  Auditor	Not applicable  Fine from `25,000 to `5 lakh or four times the remuneration of the auditor, whichever is less
148(8)	Central Government to specify audit of items of cost in respect of certain companies	Company fails to comply with the provisions of section 148 related to cost audit as ordered by the Central Government in respect of certain companies.	<ul style="list-style-type: none"> <li>• Company</li> <li>• Officer in default</li> <li>• Cost Auditor</li> </ul>	Company  Officer in default  Cost Auditor	Fine from `25,000 up to `5 lakhs  Fine from `10,000 to `1 lakh  Fine from `25,000 to `5 lakh or four times the remuneration of the auditor, whichever is less
166(7)	Duties of directors	Director contravenes the provisions of section 166 relating to directors duties	<ul style="list-style-type: none"> <li>• Such a director of the company</li> </ul>	Company  Such a director of the company	Not Applicable  Fine from `1 lakh to `5 lakhs
167(2)	Vacation of office of director	Person functions as a director after vacation of his office as director on account of the disqualifications specified in section 167(1).	<ul style="list-style-type: none"> <li>• Such a director of the company</li> </ul>	Company  Such a director of the company	Not Applicable  Fine from `1 lakh to `5 lakh
206(7)	Power to call for information, inspect books and conduct inquiries	Company fails to furnish any information or explanation or produce any document to the Registrar or Inspector during inspection or inquiries.	<ul style="list-style-type: none"> <li>• Company</li> <li>• Officer in default</li> </ul>	Company  Officer in default	Fine upto `1 lakh and further fine up to `500/- for each day of default  Fine upto `1 lakh and further fine up to `500/- for each day of default

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242(8)	Powers of Tribunal	Company contravenes the order of the Tribunal in respect of alteration of memorandum of association and articles of association of the company.	<ul style="list-style-type: none"> <li>• Company</li> <li>• Officer in default</li> </ul>	Company	Fine from `1 lakh to `25 lakhs
				Officer in default	Fine from `25,000 to `1 lakh
243(2)	Consequence of termination or modifications of certain agreements	Any person acts as managing director or director or manager despite of his agreement is terminated or set-aside	<ul style="list-style-type: none"> <li>• Any person who acts knowingly as a managing director or other director or manager of the company even though his agreement had been terminated and any other director who is knowingly a party to such contravention</li> </ul>	Company	Not Applicable
249(2)	Restrictions on making application under section 248 in certain situations	Company files an application under section 248(2) for removal of name from register of companies in violation of section 248(1) of the Companies Act, 2013.	<ul style="list-style-type: none"> <li>• Company</li> </ul>	Company	Fine upto `1 lakh
				Officer in default	Not Applicable
344(2)	Statement that a company is in liquidation	Company fails to give statement on every invoice, order for goods or business letter or any documents that the company is being wound up.	<ul style="list-style-type: none"> <li>• Company</li> <li>• Every Officer of the company</li> <li>• Company liquidator and</li> <li>• Any receiver or</li> </ul>	Company	Fine from `50,000 to `3 lakh
				<ul style="list-style-type: none"> <li>• Every Officer of the company</li> <li>• Company liquidator and any receiver or</li> </ul>	Fine from `50,000 to `3 lakh

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			manager wilfully authorises or permits the non-compliance	manager	
347(4)	Disposal of books and papers of company	Any person acts in contravention of any rule framed or an order made under section 347(3) of the Act.	<ul style="list-style-type: none"> <li>Any person who acts in contravention of any rule framed or an order made</li> </ul>	Company	Not Applicable
				Any person who acts in contravention of any rule framed or an order made	Fine up to `50,000
392	Punishment for contravention	Foreign company fails to comply with provision of sections 379 to 391 under chapter XXII related to companies incorporated outside India.	<ul style="list-style-type: none"> <li>Foreign Company</li> <li>Every officer of the foreign company who is in default</li> </ul>	Foreign Company	Fine from `1 lakh to `3 lakhs and further fine up to `50,000 for each day of default (compoundable by RD if total amount does not exceed `25 Lakhs)
				Every officer of the foreign company who is in default	Fine from `25,000 to `5 lakhs
441(5)	Compoundin g of certain offences	Any officer or other employee of the company fails to comply with any order passed by the Tribunal or by the Regional Director or by any officer authorised by the Central Government.	<ul style="list-style-type: none"> <li>Any officer or other employee of the company</li> </ul>	Company	Not Applicable
				Any officer or other employee of the company	Maximum amount of fine shall be twice the amount provided in the section
452(1)	Punishment for wrongful withholding of property	Any officer or employee of a company wrongfully withholds any cash or property of the company.	<ul style="list-style-type: none"> <li>Such an Officer or employee of the company</li> </ul>	Company	Not Applicable
				Such an Officer or employee of the company	Fine from `1 lakh to `5 lakh
453	Punishment for improper use of Limited or Private Limited	Any person improperly uses words 'Limited' or 'Private Limited'	<ul style="list-style-type: none"> <li>Such person or persons</li> </ul>	Company	Not Applicable
				Such person or persons	Fine from `500 to `2,000 for every day for which that name or title has been used
464(3)	Prohibition of association or partnership of persons exceeding certain number	Any member of an association or partnership carrying on business in contravention of section 464(1) of the Act.	<ul style="list-style-type: none"> <li>Every member of an association or partnership</li> </ul>	Company	Not Applicable
				Every member of an association or partnership	Fine up to `1 lakh and also personally liable for all liabilities incurred in such business

