

**OFFENCES COMPOUNDABLE
BY NATIONAL COMPANY LAW
TRIBUNAL¹ (NCLT)**

R-5

Relevant Section		Nature of Offence	Liable Person	Fine/Imprisonment/Both	
8(11)	Formation of companies with charitable objects, etc.	Company makes any default in complying with any of the requirements laid down in section 8 of the Companies Act, 2013.	<ul style="list-style-type: none"> • Company • Director • Officer in default 	Company	Fine from `10 lakhs to `1 Crore
				Directors and Officer in default	Fine from `25,000 to `25 lakhs If it is proved that affairs of the company were fraudulently conduct, also liable for action u/s 447 of the Companies Act, 2013.
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"> • making an application to stock exchange before making public offer of securities. • obtaining permission from stock exchange for dealing of securities. • disclosing of name of stock exchange in prospectus where prospectus state that an application has been made with stock exchange for dealing of securities. 	<ul style="list-style-type: none"> • Company • Officer in default 	Company	Fine from `5 lakhs to `50 lakhs
				Officer in default	Fine from `50,000 to `3 lakhs.

1 Offences (a) punishable with fine or imprisonment or both; and (b) if offences punishable with fine only and where the amount of fine which may be imposed for offence exceeds Rs. 25 lakhs.

Relevant Section		Nature of Offence	Liable Person	Fine/Imprisonment/Both	
		<ul style="list-style-type: none"> keeping the application money in separate bank account. utilisation of application money other than the specified purposes. 			
46(5)	Certificate of shares	Company issues duplicate share certificates with an intent to defraud.	<ul style="list-style-type: none"> Company Officer in default 	Company	Fine not less than 5 times the face value of shares involved in the issue of the duplicate certificate but which may extend to 10 times of the face value of such shares or `10 crores whichever is higher.
74(3)	Repayment of deposits, etc. accepted before commencement of this Act	Company fails to repay deposits, accepted before ¼/2014, or part thereof or any interest thereon within the specified time	<ul style="list-style-type: none"> Company Officer in default 	Company	Fine from `1 crore up to `10 crores
				Officer in default	Imprisonment up to 7 years or fine from `25 lakhs to `2 crores, or with both
76 A	Punishment for contravention of section 73 or 76	Company accepts or invites or allows or causes any other person to accept or invite on its behalf any deposit in contravention of the manner or the conditions prescribed under section 73 or section 76 or rules made thereunder or the company fails to repay the deposit or part thereof or any interest due thereon within the time specified under section 73 or section 76 or rules made thereunder or such further time	<ul style="list-style-type: none"> Company Officer in default 	Company	Fine which shall not be less than `1 crore or twice the amount of deposit accepted by the company, whichever is lower but which may extend to `10 crores
				Officer in default	Imprisonment up to 7 years or fine from `25 lakhs to `2 crores.

Relevant Section		Nature of Offence	Liable Person	Fine/Imprisonment/Both	
		as may be allowed by the Tribunal under section 73			
129(7)	Financial Statement	Company contravenes the provisions of section 129 relating to preparation, maintain, laying before annual general meeting, adoption or audit of financial Statement	<ul style="list-style-type: none"> • Managing Director • Whole-time Director in charge of finance • The Chief Financial Officer or • Any other person charged by the board with duty to comply provisions of section 129 of the Act In the absence of any of the officers mentioned above, all the directors 	Company	Not Applicable
				<ul style="list-style-type: none"> • Managing Director • Whole-time Director in charge of finance • The Chief Financial Officer or • Any other person charges by the board with duty to comply provisions of section 128 of the Act • In the absence of any of the officers mentioned above, all the directors 	Imprisonment up to 1 year or fine from `50,000 to `5 lakhs or with both
185(4)	Loan to directors, etc.	Loan or guarantee or security is given in contravention of section 185 of the Companies Act, 2013.	<ul style="list-style-type: none"> • Company • Directors or other person to whom loan is advanced or guarantee or security or provided in connection with any loan taken by him • Officer in default 	Company	Fine from `5 lakhs to `25 lakhs
				Directors or Other person to whom loan is advanced or guarantee or security or provided in connection with any loan taken by him	Imprisonment up to 6 months or fine from `5 lakhs to `25 lakhs or with both
				Officer in default	Imprisonment up to 6 months or fine from `5 lakhs to `25 lakhs

Relevant Section		Nature of Offence	Liable Person	Fine/Imprisonment/Both	
221(2)	Freezing of assets of a company on an inquiry and investigation	Removal, transfer or disposal of funds, assets, or properties of the company in contravention of the order of the Tribunal	<ul style="list-style-type: none"> • Company • Officer in default 	Company	Fine from `1 lakh to `25 lakhs
				Officer in default	Imprisonment up to 3 years or fine from `50,000 to `5 lakhs or with both
222(2)	Imposition of restrictions upon securities	Securities in any company are issued or transferred or acted upon in contravention of an order of the Tribunal	<ul style="list-style-type: none"> • Company • Officer in default 	Company	Fine from `1 lakh to `25 lakhs
				Officer in default	Imprisonment up to 6 months or fine from `25,000 to `5 lakhs or with both
274(4)	Directions for filing statement of affairs	Company fails to file the statement of affairs during winding-up process.	<ul style="list-style-type: none"> • Director • Other officers of the Company 	Company	Not Applicable
				<ul style="list-style-type: none"> • Director • Other officers of the Company 	Imprisonment up to 6 months or fine from `25,000 to `5 lakhs or with both
441(5)	Compounding 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"> • Any officer or other employee of the company 	Company	Not Applicable
				Any officer or other employee of the company	Maximum amount of fine shall be twice the amount provided in the section
451	Punishment in case of repeated default	Company or an officer of a company commits an offence punishable either with fine or with imprisonment and where the same offence is committed for the second or subsequent occasion within a period of 3 years.	<ul style="list-style-type: none"> • Company • Officer in default 	Company	Twice the amount of fine for such offence
				Officer in default	Twice the amount of fine for such offence in addition to any imprisonment provided for that offence
454(8)	Adjudication of penalties	Company fails to pay the penalty imposed by the adjudicating officer or the	<ul style="list-style-type: none"> • Company • Officer in default 	Company	Fine from `25,000 to `5 lakh
				Officer in default	Imprisonment up to 6 months or fine from

Relevant Section		Nature of Offence	Liable Person	Fine/Imprisonment/Both	
		Regional Director within a period of 90 days from the date of the receipt of the order.			₹25,000 to ₹1 lakh or with both

