

SUMMARY OF THE NOTIFIED PROVISIONS OF THE COMPANIES ACT, 2013

The Companies Act, 1956 ("**Old Company Law**") is set to be replaced by the Companies Act, 2013 ("**New Company Law**"), which has already been passed by the Parliament of India. The implementation of the New Company Law is on fast-track with the Ministry of Corporate Affairs ("**MCA**") notifying 98 sections and intending to replace the entire Old Company Law by end of this fiscal year. The MCA has also released the Draft Companies Rules, 2013 covering rules for many provisions and has invited public comments on the same.

The MCA vide its notification dated September 12, 2013 has notified the sections set out in the Annexure ("**Notified Provisions**") with effect from September 12, 2013. In this issue, we have discussed the impact of some of the key Notified Provisions.

The MCA vide its circular dated September 18, 2013 has clarified that the relevant provisions of the Old Company Law

corresponding to the Notified Provisions ceased to have effect from September 12, 2013.

SHAREHOLDING IN A HOLDING COMPANY

The section¹ pertaining to shareholding in a holding company in the New Company Law is similar to section 42 of the Old Company Law, which restricts acquisition or holding of any share in a holding company by its subsidiary.

The definition of 'Subsidiary Company' under the New Company Law includes a company in which the holding company exercises or controls more than one-half of the *total share capital* either on its own or together with one or more of its subsidiary companies. Unlike the Old Company Law wherein only equity share capital was considered for determining the holding-subsidary relationship, under the New

¹ Section 19

Company Law, the calculation of total share capital will factor in both equity shareholding and the preference shareholding. However, a clarification or exemption may be expected in this regard as the inclusion of preference shareholding is unwarranted for determining holding-subsidary relationship.

SHARE TRANSFER RESTRICTIONS

The New Company Law has a provision² similar to Section 111A of the Old Company Law. As per the said provision, the shares of a public company shall be freely transferable. The New Company Law explicitly provides that any contract or arrangement between two or more persons in respect of transfer of securities of a public company shall be enforceable as a contract.

The said provision, to a certain extent puts to rest the ambiguity with respect to enforceability of contractual arrangement viz. a right to first offer, a right of first refusal, tag along right, etc (“**Contractual Arrangement**”). The enforceability of such Contractual Arrangement has been subject matter of many litigations and the courts have taken divergent views from time to time.

The said provision only validates the enforceability of the aforesaid Contractual Arrangement as a contract.

It must be noted that the provision is in line with the judgment of the Bombay High Court in the matter of Messer Holdings Limited³. As per the Bombay High Court judgment, such Contractual Arrangement can be enforced like any other contract,

² Section 58

³ *Messer Holdings Limited v. Shyam Madanmohan Ruia & Ors.*, [2010] 159 CompCas 29 (Bom)

but does not impede the free transferability of shares at all.

However, the ambiguity regarding the power of the company to refuse the transfer which is in violation of such Contractual Arrangement to which the public company is a party, still exists.

PUBLIC OFFER

The provisions pertaining to public offer in the New Company Law⁴ have been notified. The Securities and Exchange Board of India is empowered to regulate such public issue and transfer of securities of a listed company and in other cases the responsibility is of the Central Government.

The definition of public offer contemplates offer of securities to the public through issue of a prospectus. Every prospectus should contain a declaration about the compliance of the provisions of the New Company Law and a statement to the effect that nothing in the prospectus is contrary to the applicable provisions of the New Company Law, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder.

Any misrepresentation of facts and/or concealment of material facts in a prospectus will be dealt more stringently under the New Company Law. The company shall be liable to be punished with a fine which shall not be less than Rupees fifty thousand but which may extend up to Rupees three lakh and every person who is knowingly a party to the issue of such prospectus shall be liable to be punished with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees,

⁴ Chapter III – Part I

or with both. Further, if such misrepresentation or concealment amounts to fraud, the punishment may go up to 10 years of imprisonment as per Section 447 of the New Company Law.

It may be noted that the provision pertaining to private placements is yet to be notified.

EXTRAORDINARY GENERAL MEETING

Calling of Extraordinary General Meeting.⁵

Like earlier, an Extraordinary General Meeting may be called by the Board or at the requisition made by the members, under the New Company Law.

Time Period⁶

The Board is required to call the meeting within 21 (twenty-one) days from the date of receipt of a valid requisition in regard to any matter, on a day not later than 45 (forty-five) days from the date of receipt of such requisition. If the Board does not call a meeting within the said time period, the meeting may be called and held by the requisitionists themselves within a period of 3 (three) months from the date of the requisition.

Statement to be annexed to Notice of Meeting⁷

A statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely:

- (a) the nature of concern or interest, financial or otherwise, if any, in

respect of each items of: (i) every director and the manager, if any; (ii) every other key managerial personnel; and (iii) relatives of the persons mentioned in sub-clauses (i) and (ii);

- (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon;

- (c) where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two percent of the paid-up share capital of that company, also be set out in the statement;

- (d) where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement.

MCA Clarification: *The MCA vide its circular dated September 13, 2013 has clarified that all companies which have issued notices of general meeting on or after September 12, 2013, the statement to be annexed to the notice shall comply with additional requirements as prescribed in the New Company Law as set out above.*

⁵ Section 100

⁶ Section 100

⁷ Section 102

Quorum of Meetings⁸

The quorum requirement for a public company has undergone change in the New Company Law, which is as follows:

- (a) five members personally present if the number of members as on the date of meeting is not more than one thousand;
- (b) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
- (c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand.

For a private company, two members personally present, shall be the quorum for a meeting of the company.

If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company:

- (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
- (b) the meeting, if called by requisitionists, shall stand cancelled:

In case of an adjourned meeting or of a change of day, time or place of meeting, the company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in

English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated. If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

The Articles of a company may provide for a greater number of members required to constitute a quorum.

Further, though the members can participate in the meetings through electronic modes, such participation shall not be counted for quorum requirement.

RESTRICTION ON VOTING RIGHTS

The Articles of a company may restrict the right of vote of a member⁹ in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the company has exercised any right of lien.

A company cannot prohibit any member from exercising his voting right on any other ground.

Earlier, the private companies could provide for other grounds restricting the exercise of vote, which is not possible under New Company Law.

ADDITIONAL DIRECTOR

The Articles of a company may provide for the power of its Board of Directors to appoint any person as an additional director¹⁰. However, a person who fails to get appointed as a director in a general

⁸ Section 103

⁹ Section 106

¹⁰ Section 161

meeting cannot be appointed as an additional director.

NOMINEE DIRECTOR

The Board may appoint any person as a director nominated by any institution¹¹ in pursuance of the provisions of any law for the time being in force or of any agreement. Interestingly, there is no restriction on term of such appointment and this does not require approval in general meeting. However, the same may be restricted by the Articles of a company.

RESTRICTION ON POWERS OF BOARD

Like Section 293 of the Old Company Law, the New Company Law also restricts the Board of Directors from exercising the following powers without the consent of the company¹²:

- (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
- (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

- (d) to remit, or give time for the repayment of, any debt due from a director.

However, the following are main differences between the provisions under New Company Law *vis-a-vis* the provisions under the Old Company Law:

- (a) These restrictions also apply to private companies under the New Company Law. Under the Old Company Law these restrictions were applicable only to public companies and subsidiaries of a public company.
- (b) The New Company Law requires the approval of company by a special resolution, whereas an ordinary resolution was sufficient under the Old Company Law.
- (c) Unlike Old Company Law, the New Company Law contains the definitions of "undertaking" and "substantially the whole of the undertaking", which are as follows:
 - (i) "undertaking" shall mean an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year;
 - (ii) the expression "substantially the whole of the undertaking" in any financial year shall mean twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

¹¹ Section 161

¹² Section 180

- (d) The restriction on the power to invest the amount of compensation received by it as a result of any merger or amalgamation is an additional restriction.

MCA Clarification: *The MCA vide its circular dated September 13, 2013 has clarified that if notice for any general meeting was issued prior to September 12, 2013, then the resolutions relating above matters may be passed in accordance with the requirements of the Old Company Law (i.e. ordinary resolution is sufficient).*

CONTRIBUTION TO CHARITABLE AND OTHER FUNDS

The Board of Directors of a company may contribute to *bona fide* charitable and other funds¹³. A prior permission of the company in general meeting (ordinary resolution) shall be required for if the aggregate of such contributions in a financial year exceeds 5 % (five percent) of its average net profits for the three immediately preceding financial years.

POLITICAL CONTRIBUTIONS

A company with approval from its Board of Directors may contribute any amount directly or indirectly to any political party¹⁴ in a financial year up to 7.5 % (seven and a half percent) of its average net profits during the three immediately preceding financial years.

However, a Government company and a company which has been in existence for less than three financial years cannot make such political contribution.

¹³ Section 181

¹⁴ Section 182

LOANS TO DIRECTORS AND OTHER PERSONS IN WHOM THE DIRECTOR IS INTERESTED

Like Section 295 of the Old Company Law, the New Company Law also restricts a company from giving any loan to, including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by any of its directors¹⁵ or to the following person (in which director is interested):

- (a) any director of the lending company, or of a company which is its holding company or any partner or relative of any such director;
- (b) any firm in which any such director or relative is a partner;
- (c) any private company of which any such director is a director or member;
- (d) any body corporate at a general meeting of which not less than twenty five percent of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together; or
- (e) any body corporate, the Board of Directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company.

However, this restriction does not apply to:

- (a) the giving of any loan to a managing or whole-time director: (i) as a part

¹⁵ Section 185

of the conditions of service extended by the company to all its employees; or (ii) pursuant to any scheme approved by the members by a special resolution; or

- (b) a company which in the ordinary course of its business provides loans or gives guarantees or securities for the due repayment of any loan and in respect of such loans an interest is charged at a rate not less than the bank rate declared by the Reserve Bank of India.

However, the following are main differences between the provisions under New Company Law *vis-à-vis* the provisions under the Old Company Law:

- (a) This restriction also applies to private companies under the New Company Law. Under the Old Company Law, this restriction was applicable only to public companies and subsidiaries of a public company.
- (b) Under the Old Company Law, a company could provide such loan, guarantee or security with the approval of the central government. However, this is not possible under the New Company Law.
- (c) Unlike Old Company Law, this provision also restricts the holding company from providing loan to its subsidiary company and security or guarantee with respect to a loan obtained by its subsidiary company.

RESTRICTION ON NON-CASH TRANSACTIONS WITH DIRECTORS

A company will require prior approval in general meeting for entering into an arrangement¹⁶ by which:

- (a) a director of the company or its holding, subsidiary or associate company or a person connected with him acquires or is to acquire assets for consideration other than cash, from the company; or
- (b) the company acquires or is to acquire assets for consideration other than cash, from such director or person so connected.

Further, if the director or connected person is a director of its holding company, an approval shall also be required to be obtained by the holding company by passing a resolution in its general meeting.

The Old Company Law did not have such kind of restriction.

FORWARD CONTRACTS BY DIRECTOR OR KEY MANAGERIAL PERSONS

The New Company Law restricts whole-time directors and key managerial persons from entering into forward contracts and call option contracts with respect to shares or debentures of holding, subsidiary or associate company¹⁷.

PROHIBITION ON INSIDER TRADING

The New Company Law forbids the insider trading by a person including any director or key managerial personnel of a company¹⁸.

¹⁶ Section 192

¹⁷ Section 194

¹⁸ Section 195

“insider trading” has been defined as:

- (i) an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or
- (ii) an act of counselling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person.

“price-sensitive information” has been defined as any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company.

Under the existing legal framework, the insider trading restrictions pertains to public listed companies, as such activity is considered to cause prejudice to public shareholders. Under the New Company Law, the insider trading restriction also applies to a private company and unlisted public companies, also. However, the purpose of this restriction is not clear. An exemption may be expected from the MCA from applicability of this provision to private companies and unlisted public companies.

PUNISHMENT FOR FRAUD

The New Company Law provides for strict punishment for any fraud¹⁹. The

¹⁹ Section 447

punishment for fraud is imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to pay a fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud. Where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.

POWER TO EXEMPT

The New Company Law empowers the Central Government to exempt a particular class of companies from applicability of particular provisions²⁰.

Considering the unwarranted applicability of many provisions to private companies and unlisted public companies, this provision is important and the Central Government may exercise this power soon enough.

NATIONAL COMPANY LAW TRIBUNAL AND NATIONAL COMPANY LAW APPELLATE TRIBUNAL²¹

Section 2(90) of the New Company Law defines ‘Tribunal’ as the National Company Law Tribunal and Section 2(4) defines ‘Appellate Tribunal’ as the National Company Law Appellate Tribunal and thereafter Chapter XXVII (Sections 407 to 434) deals with the Tribunal and the Appellate Tribunal. However, only Sections 2(4), 2(90) and 407 to 414 (*both inclusive*) have been notified by the Central Government till now.

The notified sections of the chapter mostly deal with the establishment/constitution of the tribunal and the appellate tribunal. While Section 407 sets out the definitions

²⁰ Section 462

²¹ Sections 407 to 414

for the purpose of this chapter, Section 408 establishes the tribunal to be known as the National Company Law Tribunal exclusively for dealing with and adjudicating matters pertaining to company law and company affairs and Section 409 sets out the eligibility criteria for the appointment of the president, judicial members and the technical members of the tribunal. Thereafter, Section 410 establishes the appellate tribunal to be known as the National Company Law Appellate Tribunal for dealing with appeals from the National Company Law Tribunal and Section 411 sets out the eligibility criteria of the chairperson, judicial members and technical members of the appellate tribunal. Section 412 sets out that the president of the tribunal and the chairperson of the appellate tribunal shall be appointed only after due consultation with the Chief Justice of India and that the members of the tribunal and the technical members of the appellate tribunal shall be appointed on

the recommendation of the selection committee comprising of persons set out therein. Section 413 sets out the term of office for the office bearers of the tribunal and the appellate tribunal and Section 414 sets out that the salary, allowances and other terms and conditions of service shall be as may be prescribed.

Sections pertaining to the acting president/chairperson, resignation of members, removal of members, staff, benches, order of the tribunal, appeal from orders of the tribunal, expeditious disposal, appeal to Supreme Court, power to punish for contempt, delegation of power, limitation, etc. of the tribunal and the appellate tribunal has not been notified yet. It is pertinent to note that although the notification of Sections 407 to 414 establishes the tribunal and the appellate tribunal but the procedure to be followed by the tribunal/appellate tribunal or the powers of the tribunal/appellate tribunal has not been notified yet.

**ANNEXURE
NOTIFIED PROVISIONS**

List of Sections notified by the Central Government on September 12, 2013.

SL. NO.	THE COMPANIES ACT, 2013	TITLE OF THE SECTION	LIABILITY/PUNISHMENT FOR CONTRAVENTION
1.		Definitions	--
	2(1)	Definition of Abridged Prospectus	
	2(3)	Definition of Alter/ Alteration	
	2(4)	Definition of Appellate Tribunal	
	2(5)	Definition of Articles	
	2(6)	Definition of Associate Company	
	2(8)	Definition of Authorised Capital/ Nominal Capital	
	2(9)	Definition of Banking Company	
	2(10)	Definition of Board of Directors/ Board	
	2(11)	Definition of Body Corporate/ Corporation	
	2(12)	Definition of Book and Paper/ Book or Paper	
	2(14)	Definition of Branch Office	
	2(15)	Definition of Called-up Capital	
	2(16)	Definition of Charge	
	2(17)	Definition of Chartered Accountant	
	2(18)	Definition of Chief Executive Officer	
	2(19)	Definition of Chief Financial Officer	
	2(20)	Definition of Company	
	2(21)	Definition of Company limited by Guarantee	
	2(22)	Definition of Company limited by Shares	
	2(24)	Definition of Company Secretary/ Secretary	
	2(25)	Definition of Company Secretary in Practice	
	2(26)	Definition of Contributory	
	2(27)	Definition of Control	
	2(28)	Definition of Cost Accountant	
	2(29)	Definition of Court	
	{Except sub-clause (iv)}		
	2(30)	Definition of Debenture	
	2(32)	Definition of Depository	
	2(33)	Definition of Derivative	
	2(34)	Definition of Director	
	2(35)	Definition of Dividend	
	2(36)	Definition of Document	
	2(37)	Definition of Employees' Stock Option	
	2(38)	Definition of Expert	
	2(39)	Definition of Financial Institution	
	2(40)	Definition of Financial Statement	
	2(43)	Definition of Free Reserves	
	2(44)	Definition of Global Depository Receipt	
	2(45)	Definition of Government Company	
	2(46)	Definition of Holding Company	
	2(49)	Definition of Interested Director	
	2(50)	Definition of Issued Capital	
	2(51)	Definition of Key Managerial Person	
	2(52)	Definition of Listed Company	
	2(53)	Definition of Manager	
	2(54)	Definition of Managing Director	
	2(55)	Definition of Member	
	2(56)	Definition of Memorandum	
	2(57)	Definition of Net Worth	
	2(58)	Definition of Notification	
	2(59)	Definition of Officer	

SL. NO.	THE COMPANIES ACT, 2013	TITLE OF THE SECTION	LIABILITY/PUNISHMENT FOR CONTRAVENTION
	2(60)	Definition of Officer who is in Default	
	2(61)	Definition of Official Liquidator	
	2(63)	Definition of Ordinary or Special Resolution	
	2(64)	Definition of Paid-up Share Capital/ Share Capital Paid-up	
	2(65)	Definition of Postal Ballot	
	2(66)	Definition of Prescribed	
	2(67) {Except sub-clause (ix)}	Definition of Previous Company Law	
	2(68)	Definition of Private Company	
	2(69)	Definition of Promoter	
	2(70)	Definition of Prospectus	
	2(71)	Definition of Public Company	
	2(72)	Definition of Public Financial Institution	
	2(73)	Definition of Recognized Stock Exchange	
	2(74)	Definition of Register of Companies	
	2(75)	Definition of Registrar	
	2(76)	Definition of Related Party	
	2(77)	Definition of Relative	
	2(78)	Definition of Remuneration	
	2(79)	Definition of Schedule	
	2(80)	Definition of Scheduled Bank	
	2(81)	Definition of Securities	
	2(82)	Definition of Securities and Exchange Board	
	2(84)	Definition of Share	
	2(86)	Definition of Subscribed Capital	
	2(87) {Except the proviso and explanation (d)}	Definition of Subsidiary Company/ Subsidiary	
	2(88)	Definition of Sweat Equity Shares	
	2(89)	Definition of Total Voting Power	
	2(90)	Definition of Tribunal	
	2(91)	Definition of Turnover	
	2(92)	Definition of Unlimited Company	
	2(93)	Definition of Voting Rights	
	2(94)	Definition of Whole-time Director	
	2(95)	Words and Expression not defined in this Act.	
2.	19	Subsidiary Company not to hold shares in its Holding Company	--
3.	21	Authentication of Documents, Proceedings and Contracts	--
4.	22	Execution of Bills of Exchange, etc.	--
5.	23 {Except Sub-sections (1)(b) and (2)}	Public Offer and Private Placement	--
6.	24	Power of Securities and Exchange Board to regulate Issue and Transfer of Securities	--
7.	25 {Except Sub-section (3)}	Document containing Offer of Securities for Sale to be Deemed Prospectus	--
8.	29	Public Offer of Securities to be in Dematerialized Form	--
9.	30	Advertisement of Prospectus	--
10.	31	Shelf Prospectus	--
11.	32	Red-Herring Prospectus	--
12.	33 {Except Sub-section (3)}	Issue of Application Form for Securities	--

SL. NO.	THE COMPANIES ACT, 2013	TITLE OF THE SECTION	LIABILITY/PUNISHMENT FOR CONTRAVENTION
13.	34	Criminal Liability for Misstatement in Prospectus	Liabe under Section 447
14.	35	Civil Liability for Misstatement in Prospectus	Liabe under Section 36
15.	36	Punishment for fraudulently inducing people to invest money	Liabe under Section 447
16.	37	Action by Affected Persons	Suit/ Action under Sections 34, 35 and/ or 36
17.	38	Punishment for Personation for Acquisition, etc. of Securities	Liabe under Section 447/ Disgorgement of Gain/ Seizure and disposal of securities
18.	39 {Except Sub-section (4)}	Allotment of Securities by Company	Penalty of Rs. 1,000 per day or Rs. 1,00,000 whichever is less
19.	40 {Except Sub-section (6)}	Securities to be dealt with in Stock Exchanges	For Company: Fine - Rs. 5,00,000 up to Rs. 50,00,000. For Officer in Default: Imprisonment of up to 1 year and/ or fine of Rs. 50,000 up to Rs. 3,00,000.
20.	44	Nature of Shares or Debentures	--
21.	45	Numbering of Shares	--
22.	49	Calls on Shares of same class to be made on uniform basis	--
23.	50	Company to accept un-paid Share Capital although not called-up	--
24.	51	Payment of Dividend in proportion to amount paid-up	--
25.	57	Punishment for Personation of Shareholder	Imprisonment of 1 year up to 3 years and Fine of Rs. 1,00,000 up to Rs. 5,00,000.
26.	58	Refusal of Registration and Appeal against Refusal	Imprisonment of 1 year up to 3 years and Fine of Rs. 1,00,000 up to Rs. 5,00,000 for contravention of order of the Tribunal.
27.	59	Rectification of Register of Members	Company: Fine of Rs. 1,00,000 up to Rs. 5,00,000 Officer in Default: Imprisonment of up to 1 year or fine of Rs. 1,00,000 up to Rs. 3,00,000.
28.	60	Publication of Authorised, Subscribed and Paid-up Capital	Company: Fine of Rs. 10,000 for each default. Officer in Default: Rs. 5,000 for each default.
29.	65	Unlimited Company to provide for Reserve Share Capital on conversion into Limited Company	--
30.	69	Transfer of Certain Sums to Capital Redemption Reserve Account	--
31.	70 {Except Sub-section (2)}	Prohibition for Buy Back in Certain Circumstances	--
32.	86	Punishment for Contravention	Company: Fine of Rs. 1,00,000 up to Rs. 10,00,000 Officer in Default: Imprisonment of up to 6 months or fine of Rs. 25,000 up to Rs. 1,00,000.
33.	91	Power to close register of members or Debenture Holders or other Security Holders	Company and Officer in Default: Rs. 5,000 per day up to a maximum of Rs. 1,00,000.
34.	100 {Except Sub-section (6)}	Calling of Extraordinary General Meeting	--
35.	102	Statement to be Annexed to Notice	Officer in Default: Fine up to Rs. 50,000 or five times the amount of benefit accruing to the Officer in Default or any of his relatives, whichever is more.
36.	103	Quorum for Meetings	--
37.	104	Chairman of Meetings	--
38.	105 {Except 3 rd and 4 th proviso of Sub-Section (1) and Sub-Section (7)}	Proxies	--
39.	106	Restriction on Voting Rights	--
40.	107	Voting by Show of Hands	--
41.	111	Circulation of Members' Resolution	Company and Officer in Default: Fine of Rs. 25,000.
42.	112	Representation of President and Governors in Meetings	--
43.	113	Representation of Corporations at Meeting	--

SL. NO.	THE COMPANIES ACT, 2013	TITLE OF THE SECTION	LIABILITY/PUNISHMENT FOR CONTRAVENTION
	{Except Sub-section (1)(b)}	of Companies and of Creditors	
44.	114	Ordinary and Special Resolutions	--
45.	116	Resolutions passed at Adjourned Meeting	--
46.	127	Punishment for failure to distribute dividends	Every Director: Imprisonment up to 2 years and Fine not less than Rs. 1,000 per day of default plus 18% interest.
47.	133	Central Government to prescribe Accounting Standards	--
48.	161 {Except Sub-section (2)}	Appointment of Additional Director, Alternate Director and Nominee Director	--
49.	162	Appointment of Directors to be voted individually	--
50.	163	Option to Adopt Principle of Proportional Representation for Appointment of Directors	--
51.	176	Defects in appointment of directors not to invalidate actions taken	--
52.	180	Restrictions on powers of Board	--
53.	181	Company to contribute to <i>bona fide</i> and Charitable Funds, etc.	--
54.	182	Prohibitions and restrictions regarding Political Contributions	Company: Fine of amount five times the sum contributed. Officer in Default: Imprisonment up to 6 months and Fine of amount five times the sum contributed.
55.	183	Power of Board and other persons to make Contributions to National Defence Fund, etc.	--
56.	185	Loan to directors, etc.	Company: Fine Rs. 5,00,000 up to Rs. 25,00,000. Director/ other person to whom issued: Imprisonment up to 6 months and/ or Fine of Rs. 5,00,000 up to Rs. 25,00,000.
57.	192	Restriction on Non-Cash Transactions Involving Directors	
58.	194	Prohibition on Forward Dealings in securities of Company by Director or Key Managerial Personnel	Officer in Default: Imprisonment up to 2 years and/ or Fine of Rs. 1,00,000 up to Rs. 5,00,000.
59.	195	Prohibition on Insider Trading of Securities	Imprisonment up to 5 years and/ or Fine of Rs. 5,00,000 up to Rs. 25,00,00,000 or 3 times the amount made by such trade.
60.	202	Compensation for loss of office of managing Or Whole-Time Director or Manager	--
61.	379	Application of Act to Foreign Companies	--
62.	382	Display of Name, etc., of Foreign Company	--
63.	383	Service on Foreign Company	--
64.	386 {Except Sub-section (a)}	Interpretation	--
65.	394	Annual Reports on Government Companies	--
66.	405	Power of Central Government to direct Companies to furnish information or statistics	Company: Fine up to Rs. 25,000. Officer in Default: Imprisonment up to 6 months and/ or Fine of Rs. 25, 000 up to Rs. 3,00,000.
67.	407	Definitions	--
68.	408	Constitution of National Company Law Tribunal	--
69.	409	Qualification of President and Members of Tribunal	--
70.	410	Constitution of Appellate Tribunal	--
71.	411	Qualifications of Chairperson and members of Appellate Tribunal	--
72.	412	Selection of Members of Tribunal and Appellate Tribunal	--
73.	413	Term of office of President, Chairperson and other Members	--

SL. NO.	THE COMPANIES ACT, 2013	TITLE OF THE SECTION	LIABILITY/PUNISHMENT FOR CONTRAVENTION
74.	414	Salary, allowances and other terms and conditions of service of Members	--
75.	439	Offences to be Non-Cognizable	--
76.	443	Power of Central Government to appoint Company Prosecutors	--
77.	444	Appeal against Acquittal	--
78.	445	Compensation for accusation without reasonable cause	--
79.	446	Application of Fines	--
80.	447	Punishment for Fraud	Imprisonment of 6 months up to 10 years and Fine of amount involved in fraud up to three times the sum involved.
81.	448	Punishment for False Statements	Liable under Section 447.
82.	449	Punishment for False Evidence	Imprisonment of 3 years up to 7 years and Fine up to Rs. 10,00,000.
83.	450	Punishment where no specific penalty or punishment is provided	Fine up to Rs. 10,000 and for continuing default additional fine up to Rs. 1,000 per day after the first day.
84.	451	Punishment in case of repeated default	Imprisonment as provided for the offence plus double fine.
85.	452	Punishment for wrongful withholding of property	Fine of Rs. 1,00,000 up to Rs. 5,00,000. If sub-section (2) not fulfilled imprisonment of up to 2 years.
86.	453	Punishment for improper use of "Limited" or "Private Limited"	Fine of Rs. 500 up to Rs. 2,000 per day.
87.	456	Protection of action taken in good faith	--
88.	457	Non-disclosure of information in certain cases	--
89.	458	Delegation by Central Government of its powers and functions	--
90.	459	Powers of Central Government or Tribunal to accord approval, etc., subject to conditions and to prescribe fees on applications	--
91.	460	Condonation of delay in certain cases	--
92.	461	Annual Report by Central Government	--
93.	462	Power to exempt class or classes of companies from provisions of this Act	--
94.	463	Power of court to grant relief in certain cases	--
95.	467	Power of Central Government to amend Schedules	--
96.	468	Powers of Central Government to make rules relating to winding up	--
97.	469	Power of Central Government to make rules	--
98.	470	Power to remove difficulties	--

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