



BURRA BHARGAVA & ASSOCIATES
COMPANY SECRETARIES

CHARGES

BY

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CHARGING SECTIONS & IMP DEFINITIONS

- Sections 77 to 87 of the Companies Act, 2013
- **Charge** - an interest or lien created on the property or assets of a company or any of its undertakings or both as security and includes a mortgage



REGISTRATION OF CHARGES

- Duty of the company
- When charge is created within or outside India
- On property/assets/undertakings (tangible or intangible)
- In India or outside India

to register the charge within 30 days from its creation



REGISTRATION OF CHARGES

Fee Structure

Charges created or modified before 02.11.2018 and allowed to be filed within a period of 300 days of such creation or 6 months from 02.11.2018 as the case may be

| SL NO | PERIOD OF DELAY | ADDITIONAL FEE |
|-------|-------------------------------------|---------------------|
| 1 | Upto 30 days | 2 times normal fee |
| 2 | More than 30 days and upto 60 days | 4 times normal fee |
| 3 | More than 60 days and upto 90 days | 6 times normal fee |
| 4 | More than 90 days and upto 180 days | 10 times normal fee |
| 5 | More than 180 days | 12 times normal fee |



REGISTRATION OF CHARGES

Fee Structure

Charges created or modified on or after 02.11.2018 and upto 31.07.2019

| SL NO | PERIOD OF DELAY | ADDITIONAL FEE |
|-------|------------------------------------|--------------------|
| 1 | Upto 30 days | 2 times normal fee |
| 2 | More than 30 days and upto 60 days | 4 times normal fee |
| 3 | More than 60 days and upto 90 days | 6 times normal fee |



REGISTRATION OF CHARGES

Fee Structure

Charges created or modified with effect from 01.08.2019

| SL NO | Period of Delay | Small companies and OPC | Other than Small Companies & OPC |
|-------|------------------------------------|---|--|
| 1 | Upto 30 days | 3 times normal fee | 6 times normal fee |
| 2 | More than 30 days and upto 90 days | 3 times normal fee + ad valorem fee of 0.025% of the amount secured by charge subject to max of Rs.1 lakh | 6 times normal fee + ad valorem fee of 0.05% of the amount secured by charge subject to max of Rs.5 lakh |



REGISTRATION OF CHARGES

- Subsequent Registration of charge shall not prejudice any right acquired in respect of any property before the charge is actually registered.
- No charge created by a company shall be taken into account by liquidator or any other creditor unless it is duly registered and certificate of registration of charge is given.
- Where any charge on any property or assets of a company or any of its undertakings is registered under [section 77](#), any person acquiring such property, assets, undertakings or part thereof or any share or interest therein shall be deemed to have notice of the charge from the date of such registration



SATISFACTION OF CHARGE

- A company shall give intimation to the Registrar regarding the payment or satisfaction in full of any charge registered under this Chapter within a period of 30 days from the date of such payment or satisfaction
- Provided that the Registrar may, on an application by the company or the charge holder, allow such intimation of payment or satisfaction to be made within a period of three hundred days of such payment or satisfaction on payment of such additional fees as may be prescribed



REGISTER OF CHARGES

- Every company shall keep at its registered office a register of charges in Form No. **CHG.7** and enter therein particulars of all the charges registered with the Registrar on any of the property, assets or undertaking of the company and the particulars of any property acquired subject to a charge as well as particulars of any modification of a charge and satisfaction of charge.
- The entries in the register of charges maintained by the company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be.



REGISTER OF CHARGES

Entries in the register shall be authenticated by a director or the secretary of the company or any other person authorised by the Board for the purpose.

The Register of Charges shall be preserved permanently and the instrument of charge or modification thereon shall be preserved for a period of 8 years from the date of satisfaction



CONTRAVENTION

FOR COMPANY

Fine not less than Rs.1 lakh
and extendable upto Rs.10
lakhs

FOR OFFICER IN DEFAULT

Imprisonment upto 6 months

OR

Fine not less than Rs.25,000
and extendable upto Rs.1lakh

OR

BOTH