


Untouched provisions of the Companies Act, 2013

ICSI Ahmedabad Chapter Foundation Day 4th August 2021



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“I cannot teach anybody anything. I can only make them think.”

- Socrates

Definitions Under Section 2 of Companies Act, 2013

(52) "**listed company**" means a company which has any of its **securities** listed on any **recognized stock exchange**;

Provided that such class of companies, which have listed or intend to list such class of securities, as may be prescribed in consultation with the SEBI, shall not be considered as listed companies.

"Securities" defined under SCRA

"Recognized Stock Exchange" means a stock exchange which is for the time being recognized by the Central Government under section 4.

Sec. 4 of SCRA: Grant of recognition to stock exchanges.

Presently, there are 8 Recognized Stock Exchanges (listed on SEBI portal)

Companies (Amendment) Act, 2020 w.e.f. 1st April, 2021

Rule 2A of the Companies (Specification of definitions details) Rules, 2014

Companies not to be considered as Listed Companies.-

For 2(52), the following classes of cos. shall not be considered as listed companies, namely:-

- (a) Public Companies** which have **not listed their equity shares** on a recognized stock exchange but have listed their –
 - i. NCD (non-convertible debt) securities** issued on **private placement** basis in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008; or
 - ii. non-convertible redeemable preference shares** issued on **private placement** basis in terms of SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; or



(b) **Private companies** which have listed their NCD securities on **private placement basis** on a recognized stock exchange in terms of **SEBI (Issue and Listing of Debt Securities) Regulations, 2008**;


(c) **Public companies** which have not listed their equity shares on a recognized stock exchange but whose equity shares are listed on a stock exchange in a **jurisdiction as specified in sub-section (3) of section 23 of the Act**.

Points for discussion

- a) **Listed Entity** definition as per SEBI (LODR)
- b) Appointment of CS as Compliance Officer (Reg. 6)
- c) Secretarial Audit (204)
- d) Appointment of Independent Directors (S. 149)
- e) Appointment of Woman Director (s. 149)
- f) Performance Evaluation of Board/Directors (S. 134)

Points for discussion

- g. Placing of financial statements on website (Sec. 136)
- h. Filing of Report of AGM (MGT-15) with ROC (S. 121)
- i. Constitution of Audit Committee and NRC (S. 177 & 178)
- j. Debenture Redemption Reserve (S. 71)



(60) "**officer who is in default**", for the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any penalty or punishment by way of imprisonment, fine or otherwise, means any of the following officers of a company, namely:—

(i) **whole-time director;**

(ii) **key managerial personnel (KMP);**

(iii) where there is **no KMP**, such director(s) as specified by the Board in this behalf and who has/have given his/their consent in writing to the Board to such specification OR **all the directors, if no director is so specified;**


(iv) any person who, **under the immediate authority of the Board or any KMP**, is **charged with any responsibility including maintenance, filing or distribution of accounts or records, authorises, actively participates in, knowingly permits, or knowingly fails** to take active steps to prevent, any default;



(v) any person in accordance with whose **advice, directions or instructions** the Board of Directors of the company is accustomed to act, *other than a person who gives advice to the Board in a professional capacity;*

(vi) **every director**, in respect of a contravention of any of the provisions of this Act, who is aware of such contravention by virtue of the receipt by him of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with his consent or connivance;

(vii) in respect of the issue or transfer of any shares of a company, the share transfer agents, registrars and merchant bankers to the issue or transfer;



Points for discussion

- a) **All** of the following officers (1956) v/s **Any** of the following (2013)
- b) Whether *mens rea* mandatory?
- c) Where Company has MD, whether NEDs would be liable?
- d) Can ID be considered as Officer-in-default?
- e) **Interpretation of a penal provision** (If there is reasonable interpretation which will avoid the penalty in a particular case, we must adopt that construction and if there are two reasonable constructions, we must give the more lenient one...)”
- f) When “**all directors**” would be liable?
- g) Meaning of ‘Person’. Does it include any juristic person?

Rectification of Name of Company


16.(1) If, through **inadvertence or otherwise**, a company on its first registration OR on its registration by a new name, is registered by a name which—

(a) in the opinion of the Central Government (RD),

- is identical with or resembles with name of an existing previously registered company,
- it **may** direct the company to change its name and
- the company shall change its name within 3 months **after adopting an ordinary resolution;**

(b) **on an application by a registered proprietor of a Trade Mark** that the name is identical with or resembles to a registered trade mark of such proprietor under the Trade Marks Act, 1999, made to the Central Government (RD)

- **within 3 years of incorporation or change of name of the company,**
- in the opinion of the Central Government (RD), is identical with or too nearly resembles to an existing trade mark,
- it **may** direct the company to change its name and
- the company shall change its name within 3 months **after adopting an ordinary resolution**




(2) After change of name, Company shall within 15 days, give notice to the ROC with the order of the RD, for carrying out changes in the COI and the memorandum.

(3) If a company makes default under sub-section (1), the **RD shall allot a new name** in the accordance with **Rule 33A inserted in Companies(Incorporation) Rules w.e.f. 1st Sep., 2021 i.e :**

- the letters “**ORDNC**” (which is an abbreviation of the words “**Order of Regional Director Not Complied**”)
- the **year of passing of the direction**
- serial number and the **existing CIN of the company**

and the Registrar shall enter the new name in the register of companies & **issue a fresh COI in Form INC-11C**

Nothing in this sub-section shall prevent a company from subsequently changing its name in accordance with the section 13.



Points for discussion

- Awareness of provisions of Trade Marks Act, 1999
- 3 years period for Regd. Trade Mark
- Not time limit for RD to issue direction for change of name
- To observe/ensure that Company's name (having Registered Trade Mark) is not used by any other company
- 'May' gives discretion to the Authority to direct for change of name

Authentication of Documents, Proceedings and Contracts

21. Save as otherwise provided in this Act,—

(a) a **document** or **proceeding** requiring authentication by a company; or

(b) **contracts** made by or on behalf of a company,

may be signed by any **key managerial personnel (KMP)** or an **officer** or ***employee** of the company **duly authorised by the Board** in this behalf.

** Inserted w.e.f. 9th Feb., 2018*

2(36) "**document**" includes summons, notice, requisition, order, declaration, **form and register**, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on **paper or in electronic form**;

2(51) "**key managerial personnel**", in relation to a company, means—

(i) the CEO or the MD or the Manager;

(ii) the CS;


(iii) the whole-time director;

(iv) the CFO;

(v) such other officer, not more than one level below the directors **who is in whole-time employment, designated as KMP** by the Board; and

(vi) such other officer as may be prescribed

2(59) "**officer**" includes any **director, manager or KMP** or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act



Points for discussion

Following persons can authenticate documents, contracts and proceedings on behalf of the Company:

- Directors
- Manager
- CEO
- CFO
- CS
- **Any officer reporting to a whole-time director being designated as KMP**
- Any employee

duly authorized by the Board


Can it be said that Directors and KMPs are deemed signatories for signing or executing documents & contracts on behalf of a company without any further authorization from the Board?

The Companies (Registration Offices and Fees) Rules, 2014

Rule 7, 5th proviso;

“Any correspondence (physically/electronically) and documents to be filed by any person shall contain **name, designation, address, Membership number or DIN**, as the case may be, of the person signing such document and make sure its correctness and in **no case**, correspondence, **merely with signature and writing authorised signatory shall be acceptable**’.

Rule 8(5): “the electronic forms required to be filed under the Act or the rules there-under shall be authenticated on behalf of the company by the MD or Director or Secretary or **other KMP**.”



Points for discussion

- Whether a KMP appointed under Sec. 2(51), as amended, can authenticate e-filings?
- despite the provisions for enablement of persons other than MD/WTD or Manager, CFO, CS to be designated as KMP, is there any **provision** to file **Form DIR 12** for such persons?
- Whether employee of any group company can be authorized to sign ‘contracts’ on behalf of the Company?
- Whether employee of any group company can be made Authorized Signatory for operating Bank accounts of the Company?

Kinds of Share Capital

43. The share capital of a company limited by shares shall be of two kinds, namely:—

(a) equity share capital—

(i) with voting rights; or

(ii) with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed; and

(b) preference share capital

MCA notification 5th June, 2015:

In case of private company - Section 43 shall not apply where memorandum or articles of association of the private company so provides.

Voting Rights


47. (1) Subject to the provisions of section 43, 50(2) and 188(1),—

(a) every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution; and

(b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.

MCA notification 5th June, 2015:

In case of private company - Section 47 shall not apply where memorandum or articles of association of the private company so provides.



Points for discussion

- Whether a Private Company can issue shares with NO Voting Rights?
- Whether a Private Company can issue shares with Differential Voting Rights without complying with requirement of the Rules?
- Whether a Private Company can have 'One Person – One Vote' right?


72. Power to Nominate

(1)&(2) Every holder or joint holder of securities of a company may, **at any time**, severally or jointly nominate, any person **to whom his securities shall vest in the event of his death** in the prescribed manner.

(3) **Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise**, in respect of the securities of a company, where a nomination made in the prescribed manner purports to confer on any person the **right to vest the securities of the company**, the nominee shall, on the death of the holder(s) of securities become **entitled to all the rights in the securities**, of the holder(s) in relation to such securities, **to the exclusion of all other persons**, unless the nomination is varied or cancelled in the prescribed manner.

Rule 19 of Companies (Share Capital & Debenture) Rules, 2014:

- Nomination in **Form No. SH.13** (nominated either individually or jointly)
- A corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under **section 88** within 2 months from the date of receipt
- In the event of death of the holder(s) of securities, the person nominated as the nominee may upon the production of such evidence which includes death certificate, elect, either-
 - a. to register himself as holder of the securities ; or**
 - a. to transfer the securities**
- A nomination may be cancelled, or varied by giving a notice to the company in **Form No. SH.14**.
- Where the nominee is a minor, the holder of the securities, making the nomination, may appoint a person in **Form No. SH-13** who shall become entitled to the securities of the company, in the event of death of the nominee during his minority.



Points for discussion

- **Whether Nomination under Sec. 72 will override Laws of Succession?**
- Who can be a Nominee? (Individual/Legal entity)
- Whether Nomination can be made for Shares in Demat mode?
- Discretionary Power of security holders

Case Law:

The Supreme Court (“SC”) judgment dated **July 6, 2020** (“**Judgment**”) in the matter of *Aruna Oswal v. Pankaj Oswal and Others*

- *Sec. 72 will override provisions of Succession Laws*

The SC observed that it was apparent from a bare reading of the provisions of Section 72(1) of CA 2013 that every holder of securities has a right to nominate any person to whom his securities shall “**vest**” in the event of his death.

In the case of joint holders also, they have a right to nominate any person to whom “all the rights in the securities shall vest” in the event of death of all joint holders.

The SC noted that sub-section (3) of Section 72 of the CA, 2013 contains a non-obstante clause in respect of anything contained in any other law for the time being in force or any disposition, whether testamentary or otherwise, where a nomination is validly made in the prescribed manner, it purports to confer on the person “the right to vest” the securities of the company, and therefore, all the rights in the securities shall vest in the nominee unless a nomination is varied or cancelled in the prescribed manner.



Earlier Cases: Following cases supported view that ‘Laws of succession will supersede Companies Act provisions’

- **Smt. Sarbati Devi and Another v. Smt. Usha Devi** [(1984) 1 SCC 424];
- **Vishin N. Khanchandani and Another v. Vidya Lachmandas Khanchandani and Another** [(2000) 6 SCC 724]; and
- **Ram Chander Talwar and Another v. Devender Kumar Talwar and Others** [(2010) 10 SCC 671]
- **Shakti Yezdani v. Jayanand Jayant Salgaonkar** where the BHC held that the non-obstante clause in the erstwhile Section 109A of the Companies Act, 1956 cannot supersede the general laws of succession.

Power of Registrar to Make Entries of Satisfaction and Release in Absence of Intimation from Company


83. (1) The Registrar may, **on evidence being given** to his satisfaction with respect to any registered charge,

(a) that the debt for which the charge was given has been paid or satisfied in whole or in part; or

(b) that part of the property or undertaking charged has been released from the charge or has ceased to form part of the company's property or undertaking,

enter in the register of charges a memorandum of satisfaction in whole or in part, or of the fact that part of the property or undertaking has been released from the charge or has ceased to form part of the company's property or undertaking, as the case may be, **notwithstanding the fact that no intimation has been received by him from the company.**

(2) The Registrar shall inform the affected parties within 30 days of making the entry in the register of charges (CHG-7).



Points for discussion

- a) No intimation by the Company
- b) ROC's *suo moto* power
- c) Cert. of Satisfaction in CHG-5 will be issued by ROC (Rule 8)


Power of Tribunal to Call Annual General Meeting

97. (1) If any default is made in holding the AGM of a company under [section 96](#),

- the Tribunal may, **notwithstanding anything contained in this Act or the articles of the company,**
- on the application of any member of the company,
- call, or direct the calling of, an AGM of the company and give such ancillary or consequential directions as the Tribunal thinks expedient:

Provided that such directions may include a direction that **one member of the company present in person or by proxy shall be deemed to constitute a meeting.**

(2) A general meeting held in pursuance of sub-section (1) shall, be deemed to be an AGM of the company under this Act.



Points for discussion

- a) If default is made in holding AGM
- b) Application by Any Member
- c) Whether Co. can make application to the Tribunal?
- d) One member of the Co., in person OR Proxy

Power of Tribunal to Call Meetings of Members, etc.

98.(1) If for any reason it is impracticable to call a meeting of a company, other than an AGM,.....


- the Tribunal may, **either *suo motu* or on the application of any director or member of the company** who would be entitled to vote at the meeting,—

(a) order a meeting of the company to be called, held and conducted in such manner as the Tribunal thinks fit; and

(b) give such ancillary or consequential directions as the Tribunal thinks expedient,.....

Provided that such directions may include a direction that **one member of the company present in person or by proxy shall be deemed to constitute a meeting.**

(2) Any meeting called, held and conducted in accordance with any order made under sub-section (1) shall, for all purposes, be deemed to be a meeting of the company duly called, held and conducted.



Points for discussion

- a) **If for any reason it is impracticable to call a meeting of a company, other than AGM,**
 - a) NCLT's *suo moto* power
 - b) Appl. by Director or Member
 - c) Appt. of Chairman of Meeting
- a) One member of the Co., in person OR Proxy

Quorum for Meetings

103. (1) Unless the articles of the company provide for a larger number,—

(a) in case of a **public company**,—

(i) 5 members personally present – 1,000 members;

(ii) 15 members personally present – 5,000 members;

(iii) 30 members personally present - > 5,000 members;

(b) in the case of a **private company**, two members personally present, shall be the quorum for a meeting of the company.

(2) If the quorum is not present within half-an-hour —

(a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or as Board may determine;

(b) the meeting, if called by requisitionists under [section 100](#), shall stand cancelled:.....

(3) **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.

Points for discussion

- a) **In case of private company - Section 103 shall apply, unless otherwise specified in respective sections or the articles of the company provide otherwise.**
(MCA notification dt. 5th June, 2015)
- b) Joint shareholding – whether both the joint members would be considered as Quorum
- c) Whether only Proxy holders would be counted as Quorum
- d) Whether single member may be considered as Quorum
- e) Where in a Company there are 2 Members. One member holds shares jointly with one other member and another holds shares in his individual name only.

In AGM/EGM, only joint shareholders are present in person. Whether they would be counted for quorum?


- i. For voting by show of hands
- ii. For voting by ballot papers



Section 144: Prohibited Services


An auditor appointed under this Act shall provide **only such other services** as are **approved by the Board of Directors or the audit committee**, as the case may be, but **which shall not include any of the following** (whether rendered directly or indirectly to the company or its holding company or subsidiary company)

- (a) accounting and book keeping services
- (b) internal audit;
- (c) design and implementation of any financial information system;
- (d) actuarial services;
- (e) investment advisory services;
- (f) investment banking services;
- (g) rendering of outsourced financial services;
- (h) management services; and
- (i) any other kind of services as may be prescribed



Explanation.—For the purposes of this sub-section, the term “**directly or indirectly**” shall include rendering of services by the auditor,—

- (i) in case of auditor being an individual, either himself or through his relative or any other person connected or associated with such individual or through any other entity, whatsoever, in which such individual has significant influence or control, or whose name or trade mark or brand is used by such individual;
- (ii) in case of auditor being a firm, either itself or through any of its partners or through its parent, subsidiary or associate entity or through any other entity, whatsoever, in which the firm or any partner of the firm has significant influence or control, or whose name or trade mark or brand is used by the firm or any of its partners




-Reference Audit Quality Report by NFRA(01/2019)

“management services”.

This is also not confined to the functional areas of finance and accounting to which all the other entries at clauses (a) to (g) seem to be related. There is no definition of “management services” provided in the Act.

In general, “Management Services” has to be taken as services for the management, either

- (a) in the form of doing actions/functions that would otherwise have to be done/undertaken by the management; or
- (a) providing any kind of support (inclusive of analysis, research, advice etc.)



Reading Section 2(2)(iv) of the Chartered Accountants Act, 1949, subject to Section 144 of the Companies Act, the conclusion is that

“as far as any statutory audit client is concerned, a CA cannot provide any service falling even under the category of “*management consultancy*” services, since all such services would be encompassed by the broader category of “management services” that stands prohibited by Section 144 of the Companies Act, 2013”.

As far as any other service, not falling within the scope of the prohibited services listed under Section 144, is concerned, the Audit Firm **should be put to strict proof** that the service provision does **not attract any of the threat categories. (g) Section 177 of the Companies Act vests with the Audit Committee the responsibility** for reviewing and monitoring the independence of the auditor.

This function of the Audit Committee cannot be usurped by the Board of Directors.

Duties of Director

166. (1) Subject to the provisions of this Act, a shall act in accordance with the articles of the company and shall:

- act **in good faith** in order to promote the objects of the company for the benefit of its members, and in the best interests of the company& its Stakeholders.
- exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- not assign his office and any assignment so made shall be void.

206 Power to call information, Inspect Books and conduct Inquiry

(1) Where on a scrutiny of any document filed by a company OR **on any information received by the Registrar**, it is of the opinion that any further information or explanation or documents relating to the company is necessary, a **written notice**—

(a) to furnish in writing such information or explanation; or

(b) to produce such documents, within such reasonable time,

(2) On the receipt of a notice under sub-section (1), it shall be the duty of the company and of its officers concerned to furnish such information or explanation to the best of their knowledge within time specified

Provided that where such information or explanation relates to any **past period**, the officers who **had been in the employment** of the company for such period, if so called upon by the Registrar through a notice served on them in writing, **shall also furnish** such information or explanation to the **best of their knowledge**.


(3) If **no information** is furnished to the ROC or is **inadequate** or if the Registrar is satisfied on a scrutiny of the documents furnished that an **unsatisfactory** state of affairs exists in the company ROC by another written notice, call on the company to produce for his inspection such further explanations as he may require at such place and at such time as he may specify in the notice

Provided that before any notice is served under this sub-section, the Registrar shall record his **reasons in writing** for issuing such notice

(4) If the Registrar is satisfied on the basis of information available with them business of a company is being carried on for a fraudulent or unlawful purpose or not in compliance with the provisions of this Act or if the grievances of investors are not being addressed, the Registrar may, after informing the company of the allegations made against it, call on the company additional information therein and carry out such inquiry after providing the company a reasonable opportunity of being heard:

Provided that the Central Government may, if it is satisfied that the circumstances so warrant, direct the Registrar or an inspector appointed by it for the purpose to carry out the inquiry under this sub-section:

Provided further that where business of a company has been or is being carried on for a fraudulent or unlawful purpose, every officer of the company who is in default shall be punishable under [section 447](#).



(5) Without prejudice to the foregoing provisions of this section, the Central Government may, if it is satisfied that the circumstances so warrant, direct inspection of books and papers of a company by an inspector appointed by it for the purpose.

(6) The Central Government may, having regard to the circumstances by general or special order, authorise any statutory authority to carry out the inspection of books of account of a company or class of companies.

(7) If a company fails to furnish any information or explanation or produce any document required under this section, the company and every officer of the company, who is in default shall be punishable with a fine which may extend to one lakh rupees and in the case of a continuing failure, with an additional fine which may extend to five hundred rupees for every day after the first during which the failure continues.

213-Investigation into Company's Affairs in other cases

The Tribunal may-

(a) On application by-

- (i) company having a **share capital**- by not less than 100 or members holding not less than 1/10th of the total voting power,
- (ii) company having no share capital –by not less than 1/5th of the persons on the company's register of members,


and supported by such evidence showing that the applicants have good reasons for seeking an order for conducting an investigation

(b) on an application made to it **by any other person** or otherwise, if it is satisfied that-

(i) the business of the company is being conducted with intent to defraud its creditors, members or any other person or otherwise for a fraudulent or unlawful purpose, or in a manner oppressive to any of its members or that the company was formed for any fraudulent or unlawful purpose

;

(ii) persons concerned in the formation of the company or the management of its affairs been guilty of fraud, misfeasance or other misconduct towards the company or members



(iii) the members of the company have not been given all the information with respect to its affairs which they might reasonably expect, including information relating to the calculation of the commission payable to a managing or other director, or the manager, of the company,
order, after giving a reasonable opportunity of being heard to the parties concerned, and where such an order is passed, the Central Government shall inspectors to investigate into the affairs of the company in respect of such matters and to report thereupon

Provided that if after investigation it is proved that—

(i) the business of the company is being conducted with intent to defraud its creditors, members or any other persons or otherwise for a fraudulent or unlawful purpose, or that the company was formed for any fraudulent or unlawful purpose; or

(ii) any person concerned in the formation of the company or the management of its affairs have in connection therewith been guilty of fraud, then,

every officer of the company who is in default and the person or persons concerned in the formation of the company or the management of its affairs shall be punishable for fraud in the manner as provided in [section 447](#).

216. Investigation of ownership of Company

(1) Where it appears to the Central Government that there is a reason so to do, it may appoint one or more inspectors to investigate and report on matters relating to the company, and its membership for the purpose of determining the true persons—

(a) who are or have been financially interested in the success or failure, whether real or apparent, of the company; or

(b) who are or have been able to control or to materially influence the policy of the company

(c) who have or had beneficial interest in shares of a company or who are or have been beneficial owners or significant beneficial owner of a company.

(2) Without prejudice to its powers under sub-section (1), the Central Government shall appoint one or more inspectors under that sub-section, **if the Tribunal**, in the course of any proceeding before it, directs by an order

(3) While appointing an inspector under sub-section (1), the Central Government may define the scope of the investigation, and in particular, may limit the investigation to matters connected with particular shares or debentures.

(4) Subject to the terms of appointment of an inspector, his powers **shall extend to the investigation of any circumstances** suggesting the existence of any arrangement or understanding which, **though not legally binding**, is or was observed or is likely to be observed in practice and which is relevant for the purposes of his investigation

221. Freezing of Assets of Company on Inquiry & Investigation

(1) Where it appears to the Tribunal,

- on a reference made to it by the Central Government or
- in connection with any inquiry or investigation into the affairs of a company or
- on any complaint made by such number of members as specified under sub-section (1) of [section 244](#)
- a creditor having 1 Lakh amount outstanding against the company or
- any other person having a reasonable ground to believe

that the removal, transfer or disposal of funds, assets, properties of the company is likely to take place

- is prejudicial to the interests of the company or its shareholders or creditors or in public interest,
- it may by order direct that such transfer, removal or disposal shall not take place during such **period not exceeding three years**

(2) In case of contravention of the order of the Tribunal under sub-section (1), the company shall be punishable

Fine- which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees and every officer of the company who is in default shall be punishable 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 five lakh rupees, or with both.

Thank You