

- (a) the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than ^{69a}[one crore rupees or twice the amount of deposit accepted by the company, whichever is lower] but which may extend to ten crore rupees; and
- (b) every officer of the company who is in default shall be punishable with imprisonment which may extend to ^{69b}[seven years and with fine] which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees ^{69c}[***]:

Provided that if it is proved that the officer of the company who is in default, has contravened such provisions knowingly or wilfully with the intention to deceive the company or its shareholders or depositors or creditors or tax authorities, he shall be liable for action under section 447.]

CHAPTER VI

REGISTRATION OF CHARGES

⁷⁰**Duty to register charges, etc.**⁷¹

⁷²**77.** (1) It shall be the duty of every company creating⁷³ a charge⁷³ within or outside India, on its property or assets or any of its undertakings, whether tangible or otherwise, and situated in or outside India, to register the particulars of the charge signed by the company and the charge-holder together with the instruments, if any, creating such charge in such form⁷⁴, on payment of such fees and in such manner as may be prescribed⁷⁵, with the Registrar within thirty days of its creation:

^{69a}. Substituted for "one crore rupees" by the Companies (Amendment) Act, 2017, w.e.f. 9-2-2018.

^{69b}. Substituted for "seven years or with fine", *ibid*.

^{69c}. Words ", or with both" omitted, *ibid*.

⁷⁰. Corresponds to sections 125 and 132 of the 1956 Act.

⁷¹. For relevant Case Laws, *see* Taxmann's Master Guide to Companies Act.

⁷². Enforced with effect from 1-4-2014.

⁷³. For meaning of the terms "charge" and "created", *see* **Appendix II**.

⁷⁴. *See* rule 3 and Form Nos. CHG 1 & 9 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

⁷⁵. *See* rule 12 and Table annexed to Companies (Registration Offices & Fees) Rules, 2014 (**Division Two**).

⁷⁶**[Provided** that the Registrar may, on an application^{76a} by the company, allow such registration to be made—

- (a) in case of charges created before the commencement of the Companies (Amendment) Act, 2019, within a period of three hundred days of such creation; or
- (b) in case of charges created on or after the commencement of the Companies (Amendment) Act, 2019, within a period of sixty days of such creation,

on payment of such additional fees as may be prescribed^{76b}:

Provided further that if the registration is not made within the period specified—

- (a) in clause (a) to the first proviso, the registration of the charge shall be made within six months from the date of commencement of the Companies (Amendment) Act, 2019, on payment of such additional fees as may be prescribed^{76b} and different fees may be prescribed for different classes of companies;
- (b) in clause (b) to the first proviso, the Registrar may, on an application, allow such registration to be made within a further period of sixty days after payment of such ad valorem fees as may be prescribed^{76b}.]

Provided also that any subsequent registration of a charge shall not prejudice any right acquired in respect of any property before the charge is actually registered:

^{76c}**[Provided also** that this section shall not apply to such charges as may be prescribed in consultation with the Reserve Bank of India.]

(2) Where a charge is registered with the Registrar under sub-section (1), he shall issue a certificate of registration of such charge in such form and in such manner as may be prescribed⁷⁷ to the company and, as the case may be, to the person in whose favour the charge is created⁷⁸.

76. Substituted by the Companies (Amendment) Act, 2019, w.r.e.f. **2-11-2018**. Prior to their substitution, first and second provisos read as under :

“Provided that the Registrar may, on an application by the company, allow such registration to be made within a period of three hundred days of such creation on payment of such additional fees as may be prescribed:

Provided further that if registration is not made within a period of three hundred days of such creation, the company shall seek extension of time in accordance with section 87:”

76a. See rule 4 and Form No. CHG 1 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

76b. See rule 12 and Table annexed to Companies (Registration Offices & Fees) Rules, 2014 (**Division Two**).

76c. Inserted by the Companies (Amendment) Act, 2017, w.e.f. 7-5-2018.

77. See rule 6 and Form Nos. CHG 2 & 3 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

78. For meaning of the term “created”, see **Appendix II**.

(3) Notwithstanding anything contained in any other law for the time being in force, no charge created^{78a} by a company shall be taken into account by the liquidator⁷⁹[appointed under this Act or the Insolvency and Bankruptcy Code, 2016, as the case may be,] or any other creditor unless it is duly registered under sub-section (1) and a certificate of registration of such charge is given by the Registrar under sub-section (2).

(4) Nothing in sub-section (3) shall prejudice any contract or obligation for the repayment of the money secured by a charge.

⁸⁰**Application for registration of charge.**

⁸¹**78.** Where a company fails to ^{81a}[register the charge within the period of thirty days referred to in sub-section (1) of section 77], without prejudice to its liability in respect of any offence under this Chapter, the person in whose favour the charge is created may apply to the Registrar for registration of the charge along with the instrument created for the charge, within such time and in such form and manner as may be prescribed⁸² and the Registrar may, on such application, within a period of fourteen days after giving notice to the company, unless the company itself registers the charge or shows sufficient cause why such charge should not be registered, allow such registration on payment of such fees, as may be prescribed⁸³:

Provided that where registration is effected on application of the person in whose favour the charge is created, that person shall be entitled to recover from the company the amount of any fees or additional fees paid by him to the Registrar for the purpose of registration of charge.

⁸⁴**Section 77 to apply in certain matters**⁸⁵.

⁸⁶**79.**⁸⁷ The provisions of section 77 relating to registration of charges shall, so far as may be, apply to—

78a. For meaning of the term “created”, see **Appendix II**.

79. Inserted by the Insolvency and Bankruptcy Code, 2016, w.e.f. 15-11-2016.

80. Corresponds to section 134 of the 1956 Act.

81. Enforced with effect from 1-4-2014.

81a. Substituted for “register the charge within the period specified in section 77” by the Companies (Amendment) Act, 2017, w.e.f. 7-5-2018.

82. See rule 3 and Form Nos. CHG 1 & 9 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

83. See rule 12 and Table annexed to Companies (Registration Offices & Fees) Rules, 2014 (**Division Two**).

84. Corresponds to sections 127 and 135 of the 1956 Act.

85. For relevant Case Laws, see Taxmann’s Master Guide to Companies Act.

86. Enforced with effect from 1-4-2014.

87. See rules 3 & 5 and Form Nos. CHG 1 & 9 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

- (a) a company acquiring any property subject to a charge within the meaning of that section; or
- (b) any modification in the terms or conditions or the extent or operation of any charge registered under that section.

⁸⁸**Date of notice of charge**⁸⁹.

⁹⁰**80.** 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.

⁹¹**Register of charges to be kept by Registrar.**

⁹²**81.** (1) The Registrar shall, in respect of every company, keep a register containing particulars of the charges registered under this Chapter in such form and in such manner as may be prescribed.⁹³

(2) A register kept in pursuance of this section shall be open to inspection by any person on payment of such fees as may be prescribed⁹⁴ for each inspection.

⁹⁵**Company to report satisfaction of charge.**⁹⁶

⁹⁷**82.** ⁹⁸(1) A company shall give intimation to the Registrar in the prescribed form^{98a}, of the payment or satisfaction in full of any charge registered

88. Corresponds to section 126 of the 1956 Act.

89. For relevant Case Laws, see Taxmann's Master Guide to Companies Act.

90. Enforced with effect from 1-4-2014.

91. Corresponds to section 130 of the 1956 Act.

92. Enforced with effect from 1-4-2014.

93. See rule 7 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

94. See rule 12 and Table annexed to Companies (Registration Offices & Fees) Rules, 2014 (**Division Two**).

95. Corresponds to section 138 of the 1956 Act.

96. For relevant Case Laws, see Taxmann's Master Guide to Companies Act.

97. Enforced with effect from 1-4-2014.

98. In case of an unlisted public company which is licensed to operate by RBI or SEBI or IRDA from the International Financial Services Centre located in an approved multi services SEZ set-up under the SEZ Act, in sub-section (1) of section 82, the following proviso shall be inserted, namely:—

“Provided that in case of a Specified IFSC public company, the Registrar may, on an application by the company, allow such registration to be made within a period of three hundred days of such creation on payment of such additional fees as may be prescribed.”.—
Notification No. GSR 8(E), dated 4-1-2017.

In case of a private company which is licensed to operate by RBI or SEBI or IRDA from the International Financial Services Centre located in an approved multi services SEZ set-up under the SEZ Act, in sub-section (1) of section 82, the following proviso shall be inserted, namely:—

“Provided that in case of a Specified IFSC private company, the Registrar may, on an application by the company, allow such registration to be made within a period of three hundred days of such creation on payment of such additional fees as may be prescribed.”.—
Notification No. GSR 9(E), dated 4-1-2017.

98a. See rule 8 and Form Nos. CHG 4 & 5 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

under this Chapter within a period of thirty days from the date of such payment or satisfaction ⁹⁹[***]:

^{99a}[**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.]

(2) The Registrar shall, on receipt of intimation under sub-section (1), cause a notice to be sent to the holder of the charge calling upon him to show cause within such time not exceeding fourteen days, as may be specified in such notice, as to why payment or satisfaction in full should not be recorded as intimated to the Registrar, and if no cause is shown, by such holder of the charge, the Registrar shall order that a memorandum of satisfaction shall be entered in the register of charges kept by him under section 81 and shall inform the company that he has done so:

Provided that the notice referred to in this sub-section shall not be required to be sent, in case the intimation to the Registrar in this regard is in the specified form ^{99b} and signed by the holder of charge.

(3) If any cause is shown, the Registrar shall record a note to that effect in the register of charges and shall inform the company.

(4) Nothing in this section shall be deemed to affect the powers of the Registrar to make an entry in the register of charges under section 83 or otherwise than on receipt of an intimation from the company.

Power of Registrar to make entries of satisfaction and release in absence of intimation from company.

²⁸³. (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.

99. Words "and the provisions of sub-section (1) of section 77 shall, as far as may be, apply to an intimation given under this section" omitted by the Companies (Amendment) Act, 2017, w.e.f. 5-7-2018.

99a. Inserted, *ibid*.

99b. See rule 8 and Form Nos. CHG 4 & 5 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

1. Corresponds to sections 139 and 140 of the 1956 Act.
2. Enforced with effect from 1-4-2014.

(2) The Registrar shall inform the affected parties within thirty days of making the entry in the register of charges kept under sub-section (1) of section 81.

³**Intimation of appointment of receiver or manager.**

⁴**84.** (1) If any person obtains an order for the appointment of a receiver of, or of a person to manage, the property, subject to a charge, of a company or if any person appoints such receiver or person under any power contained in any instrument, he shall, within a period of thirty days from the date of the passing of the order or of the making of the appointment, give notice⁵ of such appointment to the company and the Registrar along with a copy of the order or instrument and the Registrar shall, on payment of the prescribed⁶ fees, register particulars of the receiver, person or instrument in the register of charges.

(2) Any person appointed under sub-section (1) shall, on ceasing to hold such appointment, give to the company and the Registrar a notice to that effect and the Registrar shall register such notice.

⁷**Company's register of charges⁸.**

⁹**85.** (1) Every company shall keep at its registered office a register of charges in such form and in such manner as may be prescribed¹⁰, which shall include therein all charges and floating charges affecting any property or assets of the company or any of its undertakings, indicating in each case such particulars as may be prescribed:

Provided that a copy of the instrument creating the charge shall also be kept at the registered office of the company along with the register of charges.

(2) The register of charges and instrument of charges, kept under sub-section (1) shall be open for inspection¹¹ during business hours—

(a) by any member or creditor without any payment of fees; or

(b) by any other person on payment of such fees as may be prescribed¹²,

subject to such reasonable restrictions as the company may, by its articles, impose.

3. Corresponds to section 137 of the 1956 Act.

4. Enforced with effect from 1-4-2014.

5. See rule 9 and Form No. CHG 6 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

6. See rule 12 and Table annexed to Companies (Registration Offices & Fees) Rules, 2014 (**Division Two**).

7. Corresponds to sections 136, 143 and 144 of the 1956 Act.

8. For relevant Case Laws, see Taxmann's Master Guide to Companies Act.

9. Enforced with effect from 1-4-2014.

10. See rule 10 and Form No. CHG 7 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

11. See rule 11 of the Companies (Registration of Charges) Rules, 2014 (**Division Two**).

12. See rule 12 and Table annexed to Companies (Registration Offices & Fees) Rules, 2014 (**Division Two**).

¹³**Punishment for contravention.**

¹⁴**86.** ^{14a}[(1)] If any company contravenes any provision of this Chapter, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to ten lakh rupees and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both.

^{14b}[(2) *If any person wilfully furnishes any false or incorrect information or knowingly suppresses any material information, required to be registered in accordance with the provisions of section 77, he shall be liable for action under section 447.*]

¹⁵[¹⁶**Rectification by Central Government in Register of charges**¹⁷.

87. *The Central Government*¹⁸ *on being satisfied that—*

- (a) *the omission to give intimation to the Registrar of the payment or satisfaction of a charge, within the time required under this Chapter; or*

13. Corresponds to section 142 of the 1956 Act.

14. Enforced with effect from 12-9-2013.

14a. Renumbered as sub-section (1) by the Companies (Amendment) Act, 2019, w.r.e.f. **2-11-2018**.

14b. Inserted, *ibid*.

15. Substituted, *ibid*. Prior to its substitution, section 87 was earlier enforced with effect from 1-4-2014, read as under :

“87. Rectification by Central Government in register of charges.—(1) The Central Government on being satisfied that—

- (i)(a) *the omission to file with the Registrar the particulars of any charge created by a company or any charge subject to which any property has been acquired by a company or any modification of such charge; or*
- (b) *the omission to register any charge within the time required under this Chapter or the omission to give intimation to the Registrar of the payment or the satisfaction of a charge, within the time required under this Chapter; or*
- (c) *the omission or mis-statement of any particular with respect to any such charge or modification or with respect to any memorandum of satisfaction or other entry made in pursuance of section 82 or section 83,*

was accidental or due to inadvertence or some other sufficient cause or it is not of a nature to prejudice the position of creditors or shareholders of the company; or

(ii) *on any other grounds, it is just and equitable to grant relief,*

it may on the application of the company or any person interested and on such terms and conditions as it may seem to the Central Government just and expedient, direct that the time for the filing of the particulars or for the registration of the charge or for the giving of intimation of payment or satisfaction shall be extended or, as the case may require, that the omission or mis-statement shall be rectified.

(2) *Where the Central Government extends the time for the registration of a charge, the order shall not prejudice any rights acquired in respect of the property concerned before the charge is actually registered.”*

16. Corresponds to section 141 of the 1956 Act.

17. For relevant Case Laws, see Taxmann’s Master Guide to Companies Act.

18. Powers are delegated to Regional Directors at Mumbai, Kolkata, Chennai, New Delhi, Ahmedabad, Hyderabad and Shillong.

- (b) *the omission or misstatement of any particulars, in any filing previously made to the registrar with respect to any charge or modification thereof or with respect to any memorandum of satisfaction or other entry made in pursuance of section 82 or section 83,*

was accidental or due to inadvertence or some other sufficient cause or it is not of a nature to prejudice the position of creditors or shareholders of the company, it may, on the application¹⁹ of the company or any person interested and on such terms and conditions as it deems just and expedient, direct that the time for the giving of intimation of payment or satisfaction shall be extended or, as the case may require, that the omission or misstatement shall be rectified.]

CHAPTER VII

MANAGEMENT AND ADMINISTRATION

²⁰**Register of members, etc.**²¹

²²**88.** (1) Every company shall keep and maintain the following registers in such form and in such manner as may be prescribed²³, namely:—

- (a) register of members²³ indicating separately for each class of equity and preference shares held by each member residing in or outside India;
- (b) register of debenture-holders²³; and
- (c) register of any other security holders²³.

(2) Every register maintained under sub-section (1) shall include an index²⁴ of the names included therein²⁴.

(3) The register and index of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996²⁵ (22 of 1996), shall be deemed to be the corresponding register and index for the purposes of this Act.

(4) A company may, if so authorised by its articles, keep in any country outside India, in such manner as may be prescribed²⁶, a part of the register referred to in sub-section (1), called “foreign register” containing the names and particulars of the members, debenture-holders, other security holders or beneficial owners residing outside India.

19. See rule 12 and Form No. CHG 8 of the Companies (Registration of Charges) Rules, 2014. See also Form No. INC 28 of the Companies (Incorporation) Rules, 2014 (**Division Two**).

20. Corresponds to sections 150, 151, 152, 152A, 157 and 158 of the 1956 Act.

21. For relevant Case Laws, see Taxmann’s Master Guide to Companies Act. See also Table F of Schedule I.

22. Enforced with effect from 1-4-2014.

23. See rules 3, 4, 5, 8 & 28 and Form Nos. MGT 1 to MGT 2 of the Companies (Management and Administration) Rules, 2014 (**Division Two**).

24. See rule 6 of the Companies (Management and Administration) Rules, 2014 (**Division Two**).

25. For text of section 11 of the Depositories Act, 1996, see **Appendix I**.

26. See rules 7, 8 & 28 and Form No. MGT 3 of the Companies (Management and Administration) Rules, 2014 (**Division Two**).