

PART XXI

OFFENCES

MISCELLANEOUS OFFENCES

511. Where in any return, report, certificate, balance sheet or other document, required by or for the purposes of this Act, any person wilfully makes a statement which is false in any material particular knowing it to be false, shall be guilty of an offence and be liable on conviction to a fine not exceeding one million rupees or to imprisonment for a term not exceeding five years or to both such fine and imprisonment.

Penalty for false statement.

512. (1) Any person who, with intent to defraud or deceive a person—

Penalty for falsification of records.

- (a) destroys, parts with, mutilates, alters or falsifies, or is a party to the destruction, mutilation, alteration or falsification of any register, accounting records, book, paper or other document belonging or relating to a company ; or
- (b) makes or is a party to the making of a false entry in any register, accounting records, book, paper or other document belonging or relating to a company,

shall be guilty of an offence and be liable on conviction to a fine not exceeding one million rupees or to a term of imprisonment not exceeding five years or to both such fine and imprisonment.

513. Where any person or persons or trade carry on business under any name or title of which “Limited” or any contraction or imitation of that word is the last word, that person or those persons shall, unless duly incorporated with limited liability, be guilty of an offence and shall be liable on conviction to a fine not exceeding fifty thousand rupees.

Penalty for improper use of word “Limited”.

GENERAL PROVISIONS AS TO OFFENCES

Compounding
of certain
offences.

514. (1) Where any company has made default in complying with any provision of this Act requiring it to file with or deliver or send to the Registrar any account, document or return or to give notice to him of any matter, and has by reason of such default committed an offence under this Act, the Registrar may, if he thinks fit, instead of instituting proceedings in court or where such proceedings have already been instituted, instead of continuing such proceedings against the company or any officer of the company in respect of such offence, accept from the company or the officer, such sum of money as the Registrar may think proper in composition of the offence. Any sum so accepted shall be credited to the Fund established under this Act.

(2) Where the Registrar has accepted any sum of money under subsection (1) in composition of any offence, proceedings shall not be taken against the company or any officer of the company in respect of that offence or if already taken, shall not be continued.

(3) Where any sum of money payable in composition of an offence under the provisions of subsection (1) remains unpaid for a period of one month from the date fixed for its payment by the Registrar, or such extended time as the Registrar may allow, the Registrar may report the default in payment to a Magistrate. The amount unpaid shall be recovered from the company or any officer of the company in respect of the default, in the same manner as if it were a fine imposed by the court, and the court shall direct that the amount in default be credited to the Fund.

Offences
summarily
triable.

515. Notwithstanding anything contained in any other law to the contrary, all offences under this Act may be tried summarily by a Magistrate.

516. (1) A fine may be imposed by a court for any offence under this Act, notwithstanding that the fine exceeds the amount of the fine which the court may impose in the exercise of its ordinary jurisdiction.

Imposition and application of fines.

(2) The court imposing any fine under this Act, may direct that the whole or any part of it shall be applied in or towards payment of the costs of the proceedings or in or towards rewarding the persons on whose information or at whose suit the fine is recovered.

517. Nothing in this Act relating to the institution of criminal proceedings by the Attorney-General, shall be taken to preclude any person from instituting or carrying on any such proceedings.

Savings as to private prosecutors.

518. Where proceedings are instituted under this Act against any person by the Attorney-General, nothing in this Act shall be taken to require any person who has acted as attorney-at-law for the accused, to disclose any privileged communication made to him in that capacity.

Savings for privileged communications.

PART XXII

MISCELLANEOUS

PROHIBITION OF PARTNERSHIP WITH MORE THAN TWENTY MEMBERS

519. (1) No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any business that has for its object the acquisition of gain by the company, association or partnership, or by its individual members, unless it is registered as a company under this Act or under some other enactment.

Prohibition of partnership with more than twenty members.

(2) No company, association or partnership consisting of more than twenty persons, which is formed outside Sri Lanka, shall carry on in Sri Lanka any business that has for its object