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Companies Act, 2013,

Section 53 - Prohibition on Issue of Shares at Discount

- (1) Except as provided in section 54, a company shall not issue shares at a discount.
- (2) Any share issued by a company at a discounted price shall be void.
- (3) Where a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every officer 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 one lakh rupees but which may extend to five lakh rupees, or with both.