

Companies Act, 1956

Section 43 - Consequences of Default in Complying with Conditions Constituting a Company a Private Company

Where the articles of a company include the provisions which, under clause (iii) of sub-section (1) of section 3, are required to be included in the articles of a company in order to constitute it a private company, but default is made in complying with any of those provisions, the company shall cease to be entitled to the privileges and exemptions conferred on private companies by or under this Act, and this Act shall apply to the company as if it were not a private company:

Provided that the¹[Central Government] on being satisfied that the failure to comply with the conditions was accidental or due to inadvertence or to some other sufficient cause, or mat on other grounds it is just and equitable to grant relief, may, on the application of the company or any other person interested and on such terms and conditions as seem to the¹[Central Government] just and expedient, order that the company be relieved from such consequences as aforesaid.

1. Substituted by Act 31 of 1998, Section 67, for "Court" (w.e.f. 31-5-1991) and again Substituted by Act 11 of 2003, Section 8 for "Company Law Board".
