

Companies Act, 1956

Section 80A - Redemption of Irredeemable preference shares, etc: [

1) Notwithstanding anything contained in the terms of issue of any preference shares, every preference share issued before the commencement of the Companies (Amendment) Act, 1988,- (a) which is irredeemable, shall be redeemed by the company within a period not exceeding five years from such commencement, or (b) which is not redeemable before the expiry of ten years from the date of issue thereon in accordance with the terms of its issue and which had not been redeemed before such commencement, shall be redeemed by the company on the date on which such share is due for redemption or within a period not exceeding ten years from such commencement, whichever is earlier: Provided that where a company is not in a position to redeem any such share within the period aforesaid and to pay the dividend, if any, due thereon (such shares being hereinafter referred to as unredeemed preference shares), it may, with the consent of the ["Tribunal"] , on a petition made by it in this behalf and notwithstanding anything contained in this Act, issue further redeemable preference shares equal to the amounts due (including the dividend thereon), in respect of the unredeemed preference shares, and on the issue of such further redeemable preference shares, the unredeemed shares shall be deemed to have been redeemed. (2) Nothing contained in (section 106) or any scheme referred to in (section 391) to 395, or in any scheme made under (section 396), shall be deemed to confer power on any class of shareholders by resolution or on ["any court or the Tribunal"] or the Central Government to vary or modify the provisions of this section. (3) If any default is made in complying with the provisions of this section,- (a) the company making such default shall be punishable with fine which may extend to [ten] thousand rupees for every day during which such default continues; and (b) every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years and shall also be liable to fine.]