

MONTHLY UPDATES ON ADJUDICATION ORDERS

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ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF JULY 2023

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1. Gujarat and Dadra Nagar Haveli (Ahmedabad) ROC has imposed the highest number of orders during the Month of July – i.e., 13 orders, followed by Gwalior with 9 orders.
2. **4 Adjudication Orders out of the total 53 orders passed by ROCs across India**, were based on the **Suo moto Adjudication** filed by the defaulting Companies.
3. The **highest number of orders** have been imposed under **Sections 92 and 137 (together)** of the Companies Act, 2013 i.e. delay in filing of Financial Statements and Annual Return, followed by orders passed for violation of **Section 12** of the Companies Act, 2013 i.e., non-maintenance of Registered Office and information to be included in the name board and letterhead of the official documents of the Company.
4. Payment of additional fees for delayed filing does not absolve the Company from the penal proceedings by the Regulators.
5. A Company was penalized for failing to consequently number the pages of the minutes of the meetings held, failing to score out the blank pages in the minutes and failing to obtain signature of the Chairman in the scored out pages as well.
6. A Company has failed to serially number the minutes of its meetings and was penalized for the same.
7. Penalty was imposed on a Director for holding two Director Identification Numbers (DINs) and both being held in actively operating Companies, thereby creating complications in surrendering one of the DINs.
8. Non compliances adjudicated have been under the following heads:
 - Delay in filing of E-Form INC 20A (Declaration of Commencement of Business)
 - a) Failure to maintain Registered office as communication from Authorities returned undelivered
 - b) Failure to include the CIN, registered office address, contact details such as mail ID and mobile number, website address, etc., in the letterhead of the official documents of the Company

- Failure to maintain statutory registers
- Failure to comply to with provisions of Private Placement (opening of separate Bank Account, Circulation of offer documents before filing prescribed forms and delay in filing of allotment forms)
- Failure to appoint Key Managerial Personnel
- Failure to appoint internal auditors
- Failure to circulate Notice of the Meeting
- Delay in filing of e-forms
- Failure to maintain minutes of the Board Meeting in prescribed form
- Failure to transfer unspent CSR amount within six months from the end of the financial year.
- Holding of more than one Director's Identification Number (DIN)
- Violation of various provisions of CA 1956 and CA 2013
- a) Delay in filing of Financial Statements and Annual Return
- b) Non-filing of Financial Statements and Annual Return
- c) Improper Disclosure in Annual Return and Board's Report
- d) Erroneously mentioning the product or service code of the principal turnover

Delay in filing of E-Form INC 20A (Declaration of Commencement of Business)				
SL. NO	ROC JURISDICTION AND NUMBER OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	GWALIOR - 4	Company: Rs 50,000 Directors: Rs 1,00,000 each	Orders passed against the Companies which defaulted in filing of E-form INC 20A within 180 days from the date of Incorporation.	
<p>a) Failure to maintain Registered office as communication from Authorities got undelivered</p> <p>b) Failure to include the CIN, registered office address, contact details such as mail ID and mobile number, website address, etc., in the letterhead of the official documents of the Company</p>				
SL. NO	ROC JURISDICTION AND NO. OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	AHMEDABAD – 4 ERNAKULM – 1 GWALIOR – 3 HIMACHAL PRADESH -1 PATNA - 2	Company and Officer in Default: Rs 1,00,000 maximum	<ul style="list-style-type: none"> Failure to respond to the show-cause Notice/Notice of inquiry sent u/s 206 issued by the ROC 	

2	ERNAKULAM – 1	Company and Officer in Default: Rs 1,00,000	<ul style="list-style-type: none">• Failure to file ACTIVE form and form INC 22 for shifting of registered office	
3	GWALIOR – 2	Company and Officer in Default: Rs 1,00,000 maximum	<ul style="list-style-type: none">• Failure to provide the details required (Name, CIN, Registered Office, Contact number, website, and email ID) in the letter head	

Failure to comply to with provisions of Private Placement (opening of separate Bank Account, Circulation of offer documents before filing prescribed forms and delay in filing of allotment forms)				
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	PUNE -1	Company and Officer in default – 15,00,000	<p>The Company was unable to comply with following provisions of Section 42 of the Act:-</p> <ol style="list-style-type: none"> 1. Opening of Separate Bank Account for receipt of private placement share application money. 2. Filing of Form MGT-14 before circulation of private placement offer letter and within 30 days from the date of passing special resolution for issue of shares on private placement basis. 3. Filing of Form PAS-3 within 15 days from the date of allotment. 	Suo-moto adjudication

Failure to maintain statutory registers				
SL. NO	DATE OF ORDER AND ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	PATNA - 1	Company: Rs 3,00,000 Officer in Default: Rs 50,000	<ul style="list-style-type: none"> Company has failed to maintain statutory registers such as members registers and the like as required u/s 88 	

Failure to file E – Forms as prescribed u/s 117 of the Companies Act, 2013				
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	AHMEDABAD - 2	Company and Officer in default : Rs.38,100 each	<ul style="list-style-type: none"> Delay in filing of E-form MGT 14 for resolutions passed 	

Failure to circulate Notice of the Meeting				
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	PUNE - 2	Officer in default: Rs 25,000	<ul style="list-style-type: none"> The Company has failed to provide prior notice of its 251st the Board Meeting as per section 173 read with section 118(10) and Secretarial Standard 1 to Independent Directors Company has not filed Annual returns from the year 2014-15 and hence no record of Board meetings held till date is available 	

Delay in transfer of unspent CSR amount to unspent CSR account				
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	CHENNAI -1	Company: Rs 29,00,000	Company has failed to transfer the unspent CSR amount to the specific bank account within 30 days from the end of the financial year 2020-21.	Suo moto Adjudication filed by Company.

		Directors of the company: Rs 1,45,000		
<p>a) Delay in filing of Financial Statements and Annual Return</p> <p>b) Non-filing of Financial Statements and Annual Return</p> <p>c) Improper disclosure in Annual Return</p> <p>d) Erroneously mentioning the product or service code of the principal turnover</p>				
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	AHMEDABAD – 4 PATNA - 1	Company : Rs 2,00,000 maximum Officer in default: Rs. 50, 000 maximum	<ul style="list-style-type: none"> • Failure to file Financial Statements • Failure to file Annual Return • Failure to file cash flow statement along with financial statement 	
2	CHENNAI – 2 AHMEDABAD - 1	Company : Rs 2,00,000 maximum Officer in default: Rs. 50, 000 maximum	<ul style="list-style-type: none"> • Failure to disclose all requisite information in Annual Return 	
3	CHENNAI – 2 HIMACHAL PRADESH – 2	Company : Rs 2,00,000 maximum Officer in default: Rs. 50, 000 maximum	<ul style="list-style-type: none"> • Delay in holding of AGM and filing of financial statements and annual return 	

4	SHILLONG - 3	Company : Rs 2,00,000 maximum Officer in default: Rs. 50, 000 maximum	<ul style="list-style-type: none"> Registrar of Companies, Guwahati has filed a Criminal Case against three Companies and its Directors for contravention of sections 92 and 137 	Suo-moto Adjudication
5	CHENNAI – 2	Company Rs 3,00,000 Officer in Default : Rs 50,000	<ul style="list-style-type: none"> Company has failed to disclose in its Board report whether maintenance of cost records is applicable to the Company and if yes, whether the records have been maintained. Company has failed to properly disclose the details of Subsidiary and Associate Companies on the Board's report whereas the same has been shown in MGT 9 	
6	DELHI – 1	Company and Officer in Default: Rs 20,000	<ul style="list-style-type: none"> Company had erroneously mentioned the product or service code from which principal turnover is generated as 8517, brought to its notice via a show cause notice received from Cost Audit branch of MCA 	Suo-moto Adjudication

Failure to appoint internal auditors

SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	AHMEDABAD - 1	Company: Rs.2,00,000 Officers in default: Rs.50,000	<ul style="list-style-type: none"> The Company's turnover had exceeded Rs.200 crores during 2018-19 and 2019-29 and has not appointed internal auditors 	

Failure to appoint Key Managerial Personnel

SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	CHATTISGARH – 1 MUMBAI – 1 PATNA – 1	Company: Rs 5,00,000 maximum Officers in default: Rs 5,00,000 maximum	<ul style="list-style-type: none"> • Failure to fill the vacancy in the office of Company Secretary of the Company • Failure to appoint KMP after crossing the threshold limits 	

Failure to maintain minutes of the Board Meeting in prescribed form

SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	PUNE - 2	Company: Maximum: Rs 75,000 Minimum: Rs 25,000	<ul style="list-style-type: none"> • The Company has failed to consecutively number the pages of the minutes of the meetings held and has not scored out the blank pages and such blank 	

		Officers in default: Maximum: Rs 15,000 Minimum: Rs 5,000	pages are not signed by the Chairman of the meeting. Minutes of the meeting of the Company are not serially numbered	
2	DELHI - 1	Company Rs.25,000 Officer in Default Rs. 5,000	Company has failed to mention the number of Board meetings held during the year and the director's attendance to the meetings	

Holding of more than one Director Identification Number (DIN)

SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	CHENNAI -1	Director: Rs 5,03,500	The Director has obtained 2 DINs, in violation of section 155. Both DINs are associated with Companies actively operating, thereby leading to complications in surrender of any of the DINs	

Violation of various provisions of CA 1956 and CA 2013				
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	CUTTACK -1	Company and Officer in default – 7,50,000	Inquiry under section 206 has revealed many violations under Companies Act 1956 and Companies Act 2013, pursuance to which the Company has admitted the violations and opted for compounding of offences	