

MONTHLY UPDATES ON ADJUDICATION ORDERS

Edition No.01 January 01, 2023 to January 31, 2023

ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF JANUARY 2023

PRAGYA SPOTLIGHT

1. Coimbatore ROC has imposed the highest number of orders during the Month of January – i.e., 46 orders, followed by Ahmedabad with 14 orders.
2. The Highest number of orders have been imposed under Section 92 and 137 of the Companies Act, 2013, for non-filing of the Annual Returns (MGT 7) and the Annual Financial Statements (AOC 4).
3. Four instances of listed entity being penalized has been observed, the details of which have been provided below.
4. Payment of additional fees for delayed filing does not absolve the Company from the penal proceedings by the Regulators.
5. Company and the Officers in Default were not penalized for failure to comply with Schedule III format, but the Auditors were penalized for their failure to report on the same
6. Non compliances adjudicated have been under the following heads:
 - Non filing of Financial Statements and Annual Return
 - Deviation from the main objects stated in MOA.
 - Failure to maintain Registered office as communication from Authorities got undelivered.
 - Failure to maintain proper name board in Registered office and in official communications.
 - Delay in filing of forms
 - Failure to appoint internal auditor.
 - Failure to maintain financials as per Schedule III format.
 - Failure to mention Director Identification Number.
 - Failure to hold Board meetings.
 - Failure to appoint Key Managerial Personnel

		Non filing of Financials and Annual Return		
SL. NO	ROC JURISDICTION AND NUMBER OF ORDERS PASSED	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS
1	PATNA - 2	Company - 10,21,800 Officer in default- 3,61,200	Order passed against the Companies which defaulted in filing of Annual Financial Statements since 2014 (incorporation)	The penalty amount is determined by the number of years of default (8 years)
2	AHMEDABAD - 2	Company – MGT 7: Min: 50,700 Max: 1,90,700 AOC 4: Min: 53,800 Max: 193750 Officer in Default: MGT 7: Min: Rs. 50,000 Max: Rs. 1,07,650 AOC 4: Min: Rs. 50,000 Max: Rs. 1,08,450	Orders passed against the Companies which defaulted in filing of the following; <ul style="list-style-type: none"> • Annual Return – MGT 7 • Annual Financial Statements – AOC 4 	The penalty amount is determined by the number of years of default. Minimum 1 year and Maximum 4 years
3	COIMBATORE - 46	Company – MGT 7: Min: 1,90,700 Max: 5,87,900 AOC 4: Min: 1,93,750 Max: 5,76,900 Officer in Default: MGT 7: Min: Rs. 1,50,000 Max: Rs. 2,00,000 AOC 4: Min: Rs. 1,50,000 Max: Rs. 2,00,000	Orders passed against the Companies which defaulted in filing of the following; <ul style="list-style-type: none"> • Annual Return – MGT 7 • Annual Financial Statements – AOC 4 	The penalty amount is determined by the number of years of default. Minimum 3 year and Maximum 5 years

		Deviation from the main objects stated in MOA		
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1.	AHMEDABAD	<p>Company: - Rs. 5,000</p> <p>Directors: Rs. 5,000 on each of the Directors</p>	<p>The Company was formed with the Object to convert/acquire/takeover an existing LLP. However, the Office of the Commissioner of GST found that the Company and LLP are still operating even after the change in constitution of the business at the same premises under different names and legal entities at the same address. it is prima facie revealed that the company carried out its business activities on a fraudulent and unlawful purpose and also breach of Main object No. 1 of the Company as stated under clause 3A on Memorandum of Association.</p>	

		a) Failure to maintain Registered office as communication from Authorities got undelivered b) Failure to maintain proper name board in Registered office and in official communications		
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	PATNA - 4	Company – Rs. 1000 Directors – Rs. 1000 Company – Rs. 25,000 Directors – Rs. 25,000 Company – Rs. 1500 Directors – Rs. 1500	<ul style="list-style-type: none"> • Failure to paint or affix its name, and the address of its registered office, on the outside of place of business. • Failure to maintain Registered Office – Letters issued to the Company returned undelivered. • Failure to paint or affix its name, and the address of its registered office, on the outside of place of business. 	Small Company, so lesser penalty imposed.
2	AHEMDABAD -3 CHATTISGARH - 1	Company – Rs. 1,00,000 Directors – Rs. 1,00,000 Company – Rs. 50,000 Director – Rs. 50,000 Company – Rs. 500 Director – Rs. 500	<ol style="list-style-type: none"> 1. Failure to mention the Name, Registered office, CIN, Telephone Number, Fax, Email and Website – in the attachments to the forms – MGT 14, MGT 7, SH 7 and ADT 1 2. Failure to Maintain Registered office since the Letter issued by ROC could not be delivered. 3. Failure to Maintain Registered office since the Letter issued by ROC could not be delivered. 4. Failure to Maintain Registered office since the Letter issued by ROC could not be delivered and returned with a remark, “Addressee cannot be located”. 	Maximum penalty has been imposed.

3	AHMEDABAD - 1	Company and the Officer in Default: Rs. 52,000	<p>SEBI had directed the Stock Exchange to issue advisory letter to the Company.</p> <p>However, the letter could not be delivered, and the letter was returned undelivered from the Registered Office.</p> <p>Hence, the SEBI has informed the ROC for necessary action for non-maintenance of the Registered Office.</p>	It is to be noted that the Company is a Listed Entity.
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		Delay in filing of forms		
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	AHMEDABAD	Company – Rs. 3,750 Directors – Rs. 3,750 on each of the 2 Directors	The Company had filed SH 7 for increase in authorized Share Capital with a delay of 15 days.	Small Company – So Lesser Penalty imposed
1	AHMEDABAD - 04	Company – Rs. 7250 Directors – Rs. 7250 Company – Rs. 30,000 Directors – Rs. 30,000 Company – Rs. 15,300 Directors – Rs. 15,300 Company – Rs. 6,700 Directors – Rs.6,700	<ul style="list-style-type: none"> • Company had filed MGT 14 for Alteration of Articles with a delay of 45 days. • Another Company had filed MGT 14 for the Alteration of Articles with a delay of 200 days. • The third Company had filed MGT 14 for the Alteration of MOA with a delay of 53 days. • The Fourth Company had filed MGT 14 for Alteration of Objects of MOA with a delay of 34 days. 	
2	CHENNAI - 01	Company: Rs. 8,65,400 Directors: Rs. 2,50,000	<ul style="list-style-type: none"> • The Public Company had not filed MGT 14 for Board Resolution passed for Adoption of Annual Financial Statements and attachments thereto since the FY 2014-15. 	

		Failure to appoint internal auditor		
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1.	AHMEDABAD – 2	<p>Company: Rs. 20,000</p> <p>Directors: Rs. 20,000 on 3 directors and Rs. 10,000 on 3 Directors</p> <p>Company and Director – Rs. 70,000</p>	<p>The Company is required to appoint Internal Auditor for the FY 2018-19, 2019-20, since the turnover the Company exceeded Rs. 200 crores during the FY 2017-18.</p> <p>Company being a Listed company, has failed to appoint Internal Auditor for the FY 2014-2021</p>	

Failure to maintain financials as per Schedule III format			
ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
PATNA - 01	2 Audit Firms – Rs. 10,000 and Rs. 5,000 respectively.	Company had failed to comply with format of the Schedule III o of the Companies Act, 2013. The Auditor had failed to report the same in their Auditor’s Report.	It is interesting to note that the Company and the Officers in Default were not penalized for failure to comply with Schedule III format, but the Auditors were penalized for their failure to report on the same.

		Failure to mention Director Identification Number		
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	CHENNAI - 01	Company and Officers in Default – Rs. 1,50,000	<ul style="list-style-type: none"> Failure to mention the DIN of the Directors in the Financial Statements attached to the AOC -4 	

		Failure to hold Board meetings		
SL. NO	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	PATNA	Company – Rs. 80,000 Directors – Rs. 80,000	The Company had not filed Annual Returns (MGT 7) since incorporation. Hence it appears that the Company has not conducted any Board Meetings since incorporation.	

		Failure to appoint Key Managerial Personnel		
Key	ROC JURISDICTION	ORDER PASSED AGAINST AND AMOUNT OF PENALTY	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	CHENNAI - 01	Company – Rs. 5,00,000 Officer in Default – Rs. 2,63,000	The Company had appointed a Whole Time Company Secretary with a delay of 213 days.	
2	AHMEDABAD - 02	Company – Rs. 5,00,000 Officer in Default – Rs. 5,00,000 Company – Rs. 5,00,000 Officer in Default – Rs. 5,00,000	The Company, being a Listed Company had failed to appoint a Whole Time Chief Financial Officer. The Company, being a Listed Company had failed to appoint a Whole Time Company Secretary.	