

PRAGYA SPOTLIGHT

ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF FEBRUARY

1. Bangalore's ROC issued the **highest number of orders, totaling 10**, followed closely by Pune with 8 orders.
2. The **highest number of ROC orders** have been imposed for violation of **Section 137** of the Companies Act, 2013 i.e., non-filing of financial statements as per the provisions of the Act.
3. Pune has penalized for not numbering the minutes of Board and General meetings consecutively under section 118.
4. Delhi ROC levied penalties against a **Certifying Professional** for incorrectly filing the PAS-3 form.
5. Similarly, Delhi ROC penalized a **Company Secretary** for the belated submission of annual returns and financial statements to the registrar, as mandated by Sections 92 and 137.

6. Kolkata ROC has penalized an **Auditor** for not disclosing the details of dues in the Audit report.
7. Pune, ROC has penalized a **registered shareholder** for not filing the declaration form with MGT-4 as he was only the registered owner and not a beneficial owner, pursuant to section 89(1) of the Companies Act, 2013 and rule 9(1) of the Companies (Management and Administration) Rules, 2014
8. The **highest number of RD orders** have been imposed for violation of **Section 203** of the Companies Act, 2013 i.e., non-appointment of key managerial personnel as per the Provisions of the Act.
9. RD **reduced the penalties** imposed by ROC by **85% for 7 orders in violation of section 203**. Common reason given by the appellant companies is:
 - COVID-19 impacted their business due to which they could not find a suitable candidate.

ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF FEBRUARY

NON-COMPLIANCE OF RULE 8(3) OF THE COMPANIES (REGISTRATION OFFICES AND FEES) RULES,2014				
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	DELHI - 1	On Director – Rs.10,000/- On Certifying Professional - Rs.10,000/-	Defect in e Form PAS-3	In this instance, it is found that the Company has filed e form PAS-3 with the defect. In the Board Resolution attached to the e-form total consideration was stated incorrectly.

NON-COMPLIANCE OF PROVISIONS OF SECTION 10A				
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	BANGALORE-2	On Company - Rs.25,000/- On Managing Director - Rs.50,000/-	Non filing of INC 20A form	In this instance, the company was obligated to submit Form INC 20A within the stipulated timeframe, by August 16, 2021, which equated to 180 days from its date of incorporation. However, the company filed the form on July 12, 2022, resulting in a delay of 330 days.
2		On Company - Rs.25,000/- On each Director - Rs.50,000/-		In this instance, the company was obligated to submit Form INC 20A within 180 days from its incorporation. However, the company filed the form with a delay of 273 days. (14.06.2021 to 13.03.2022)

NON-MAINTENANCE OF REGISTERED OFFICE AS PRESCRIBED UNDER SECTION 12

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	ERNAKULAM - 1	On Company – Rs. 50,000/- On directors – Rs. 50,000/-	Non maintenance of Registered office from 2023-2024	In this instance, a complaint letter has been sent to the Company through RPAD which had been returned / undelivered with postal

				endorsement. A show cause notice was sent to the company for non-existence of registered office. The company replied that they have changed their address.
2	GWALIOR-1	On Company – Rs.1,00,000/- On Directors – Rs.1,00,000/-	Non maintenance of Registered office	In this instance, ROC received a complaint that the Company has not maintained its registered office capable of receiving and acknowledging communication and notices
3	PATNA - 1	On Company – Rs.35,000/- On each Director – Rs.35,000/-		
4	CUTTACK – 1	No penalty imposed	Incorrect usage of the name of the Company	In this instance, the company violated the naming provisions by indicating their name as 'Utkal Chamber of Commercial and Industry' instead of 'Utkal Chamber of Commercial and Industry Limited', which got published in 'Times of India'.
5	BANGALORE-1	On Company – Rs.10,000/- On each Managing Director – Rs.10,000/-	Incorrect address on the letterhead	In this instance, the company did not include its building number along with the address on the letterhead.

NON-COMPLIANCE IN PRIVATE PLACEMENT AS PRESCRIBED UNDER SECTION 42

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	BANGALORE – 2	On Company - Rs.14,000/- On Managing Director - Rs.14,000/- On Wholetime Director - Rs.14,000/-	Non filing of PAS-3 Form	In this instance, the company raised funds through private placement and utilised them without filing necessary form with the registrar.

2		<p>On Company – Rs.2,00,000/-</p> <p>On each Director – Rs.1,00,000/-</p>	<p>Filed PAS-3 Form without required attachments and prescribed disclosures</p>	<p>In this instance, the company raised funds through private placements. Subsequently, the company ought to annex explanatory statements to each notice for general meetings. However, the company neglected to fulfill this requirement, resulting in non-compliance.</p>
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NON-FILING OF DECLARATION AS PRESCRIBED U/S 89

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	PUNE-1	<p>On Company - Rs.5,00,000/-</p> <p>On each Director - Rs.2,00,000/-</p> <p>On Registered owner of Shareholder - Rs. 1,59,200/-</p>	<p>Failed to make declaration with MGT-4 form</p>	<p>In this instance, it is found that one of the shareholders of the company failed to file the declaration in form MGT-4 and the company had not filed the return of declaration in Form MGT-6 with ROC</p>

NON-FILING OF ANNUAL RETURN AS PRESCRIBED U/S 92

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	AHMEDABAD – 1	On Company Rs.1,00,000/- On each Director - Rs.25,000/-	Failure to file Annual return (MGT 7) for the FY 2020-2021 and 2021-2022	
2	GWALIOR-2	On Company – Rs.14,000/- On each Director – Rs.14,000/-	Failure to file Annual return (MGT 7) for the FY 2018-2019 and 2022-2023	
		On Company - Rs.6,36,600/- On each Director - Rs.2,50,000/-	Non filing of Annual return for the Financial Years 2017-18 to 2021-22	
3	CHANDIGARH	On Company - Rs. 1,29,200/- On each Director - Rs. 75,000/-	Non filing of Annual return (MGT 7) for the Financial Years 2019-2020, 2020-2021, 2021-2022.	
4	PUNE – 1	No penalty imposed	Non filing of Annual return	In this instance, the company has conducted the Annual General meeting

				but failed to file the AOC 4 form with ROC. Subsequently, they filed the form and made good the default. Consequently, no penalty was imposed.
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NON-FILING OF RESOLUTIONS WITH THE REGISTRAR AS PRESCRIBED UNDER SECTION 117

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	BANGALORE-1	On Company - Rs.3,95,700/- On each Director - Rs. 1,50,000/- On each Key Managerial Personnel - Rs.1,29,000/- On Ex-CS - Rs. 1,00,000/-	Non filing of MGT-14 form	In this instance, the company passed a resolution authorizing the exercise of borrowing powers by the Board. However, it did not file necessary forms with the registrar.

NON-MAINTENANCE OF SECRETARIAL STANDARDS AS PRESCRIBED UNDER SECTION 118.

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	PUNE - 1	On Company - Rs.25,000/- On each Director - Rs. 5000/-	Non maintenance of secretarial standards with respect to general and Board meetings	In this instance, pages of minutes of the Board and General meetings are not consecutively numbered.
2	BANGALORE – 1	On Company – Rs.75,000/- On Director – Rs. 5000/- On Managing Director – Rs.15,000/- On each Whole time Director – Rs. 10,000/- On Company Secretary – 10,000/-	Non maintenance of secretarial standards in recording Minutes of the Board Meeting	
NON-FILING OF FINANCIAL STATEMENT AS PRESCRIBED U/S 137				
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	AHMEDABAD – 1	Maximum Penalty on Company – Rs. 1,00,000/-	Failure to file a financial statement for	

		Maximum Penalty on Director – Rs. 25,000/-	the FY 2020-2021 and 2021-2022	
2	GWALIOR-2	On Company – Rs.17,100/- On Directors – Rs,17,100/-	Failure to file a financial statement for the FY 2018-2019 and 2022-2023	
		On Company - Rs.4,39,000/- On each Director - Rs.2,00,000/-	Failure to file Financial Statements AOC - 4 for the FY 2018-19 to 2021-2022	
3	PUNE-2	On Company - Rs.64,700/- On each Director- Rs.50,000/-	failed to file financial statements AOC-4 NBFC from 2021-2023	
		No Penalty Imposed	Non-Filing of AOC - 4	In this instance, the company has conducted the Annual General meeting but failed to file the AOC 4 form with ROC. Subsequently, they filed the form and made good on the default. Consequently, no penalty was imposed.

4	KOLKATA-1	On Company - Rs.2,00,000/- On each Directors - Rs.50,000/-	Defect in e-form AOC- 4	
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NON-FILING OF ANNUAL RETURNS AND FINANCIAL STATEMENT AS PRESCRIBED UNDER SECTION 92 & 137

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	Delhi - 2	On Company – Rs.35,700/- On directors – Rs. 35,700/- On Company Secretary – Rs.35,700/-	Delay in filing Annual return and financial statements	In both instances, the company filed annual return and financial statement with the registrar belatedly.
2		On Company – Rs.74,400/- On Directors – Rs.74,400/-		

NON-APPOINTMENT OF INTERNAL AUDITOR AS PRESCRIBED UNDER SECTION 138

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	PUNE-1	On Company - Rs.2,00,000/- On each Directors - Rs.50,000/-	Failed to Appoint Internal Auditor	
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NON-COMPLIANCE OF SECTION 143 READ WITH SECTION 129

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	KOLKATA-1	On Auditor - Rs.1,50,000/-	Non-Disclosure of financial statements in Audit report	In this instance, the company filed the Audit report without disclosing the details regarding the outstanding dues.

NON-COMPLIANCE IN HOLDING MEETING OF BOARD U/s 173

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-1	On each Director – Rs. 25,000/-	Failure to give notice to the	

			directors for board meeting	
2	BANGALORE-2	On Company – Rs.1,14,000/- On each Director – Rs. 50,000/-	Failure in holding board meeting	In this instance, the company had failed to convene its fourth board meeting for the fiscal year 2022-2023. The third meeting for the same fiscal year took place on September 29, 2022, and as per the Act, the subsequent board meeting should have held within 120 days, specifically by January 26, 2023. However, the company convened its next board meeting on May 12, 2023, thereby resulting in a delay of 105 days.
		On Company – Rs.12,000/- On Director – Rs.12,000/-		In this instance, the company had failed to convene its second board meeting for the fiscal year 2022-23 within the stipulated timeframe of 120 days. The First meeting was held on May 12, 2022, and as per the Act, the subsequent board meeting should have taken place within 120 days, specifically by September 9, 2022. However, the company conducted the subsequent board meeting on September 12, 2022, resulting in a delay of 3 days.

NON-COMPLIANCE IN DISCLOSURE OF INTEREST BY DIRECTOR AS PRESCRIBED UNDER SECTION 184

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	BANGALORE-1	On Director - Rs.1,00,000/-	Non-disclosure of interest or concern by Director	In this instance, Mr. Amber Alam was appointed as the Director on Board of the holding company on April 26, 2023. He is obligated to disclose his interest on or before his first meeting as Director, which he failed, thereby violating Section 184(1) of the Companies Act,2013.

NON-COMPLIANCE IN RELATED PARTY TRANSACTION U/s 188

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	PUNE-1	On Company – Rs. 5,00,000/- On each Director – Rs.5,00,000/-	Failure to obtain board meeting approval for a related party transaction	In this instance, the company has not disclosed the date of the board meeting approving the related party transaction in its AOC 2 which is an annexure to the board meeting.

NON-COMPLIANCE IN APPOINTING MANAGING DIRECTOR AS PRESCRIBED UNDER SECTION 196 r/w clause (e) of Part I of Schedule V

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	AHMEDABAD	On Company – Rs.2,00,000/- On each Director – Rs.50,000/-	Non-compliance in appointing Managing Director	In this instance, the company failed to obtain failed to obtain Central Government approval for Managing Director who was a non-resident.

NON-APPOINTMENT OF WHOLE-TIME KEY MANAGERIAL PERSON AS PRESCRIBED UNDER SECTION 203(1)

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 - 1	Penalty on Company – Rs.5,00,000/- Penalty on Director – Rs.68,000/-	Delayed appointment of Company Secretary	
2	BANGALORE-1		Failure to appoint Company Secretary from 2014 to 2019	

ADJUDICATION ORDERS OF THE RD DURING THE MONTH OF FEBRUARY

NON-COMPLIANCE IN PRIVATE PLACEMENT AS PRESCRIBED UNDER SECTION 42						
SL.NO	RD JURISDICTION AND NO OF ORDERS PASSED	PENALTY IMPOSED BY ROC	PENALTY MODIFIED/CONFIRMED/REDUCED	ORDER PASSED BY RD	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	Southeast – 1	On Company – Rs.7,42,500/- On each Director – Rs.7,42,500/-	RD reduced the penalty by 90%	On Company - Rs.74,250/- On each Director Rs.74,250/-	The Company defaulted in circulating PAS-4 form with delay	In this instance, the Company has raised funds through Private Placement. The Company circulated the PAS-4 form with delay of 42 days.

NON-FILING OF RESOLUTIONS WITH THE REGISTRAR AS PRESCRIBED UNDER SECTION 117

SL.NO	RD JURISDICTION AND NO OF ORDERS PASSED	PENALTY IMPOSED BY ROC	PENALTY MODIFIED/CONFIRMED/REDUCED	ORDER PASSED BY RD	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	Southeast – 1	On Company - Rs.3,95,700/- On each Director - Rs. 1,50,000/- On each Key Managerial Personnel - Rs.1,29,000/-	RD reduced the penalty by 80%	On Company reduced to Rs.79,140/- On each Officer - Rs.30,000/- On Ex Cs - Rs.20,000/-	Non filing of MGT-14 form	In this instance, the company passed a resolution authorizing the exercise of borrowing powers by the Board. However,

		On Ex-CS - Rs. 1,00,000/-				it did not file necessary forms with the Registrar.
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NON-COMPLIANCE OF SECTION 134

SL.NO	RD JURISDICTION AND NO OF ORDERS PASSED	PENALTY IMPOSED BY ROC	PENALTY MODIFIED/CONFIRMED/REDUCED	ORDER PASSED BY RD	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	Southeast – 1	On Company – Rs.9,00,000/- On each Director – Rs.1,50,000/- On Director – Rs.50,000/-	RD reduced the penalty by 80%	On Company reduced to Rs.1,80,000/- On each Director reduced to Rs.30,000/- On Director	The Company failed to disclose details of the deposit collected in the Director's Report	

				reduced to Rs.10,000/-		
NON-COMPLIANCE OF SECTION 135						
SL.NO	RD JURISDICTION AND NO OF ORDERS PASSED	PENALTY IMPOSED BY ROC	PENALTY MODIFIED/CONFIRMED/REDUCED	ORDER PASSED BY RD	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1	Southeast – 2	On Company – Rs.1,00,00,000/- On each Director – Rs.2,00,000/-	RD reduced the penalty by 90%	On Company - Rs.10,00,000/- On each Director – Rs.20,000/-	Delay in transferring unspent amount towards CSR policy to the special account	In both instances, the Company transferred the unspent amount towards the Corporate Social Responsibility policy to the fund specified in Schedule

					VII or special account with delay.
2		<p>On Company – Rs.31,26,064/-</p> <p>On Company Secretary – Rs.1,56,304/-</p> <p>On Managing Director – Rs.31,21,624/-</p>	RD reduced the penalty by 80%	<p>On Company – Rs.6,24,212/-</p> <p>On Company Secretary – Rs.62,447/-</p> <p>On Managing Director – Rs.31,216/-</p>	

NON-APPOINTMENT OF WHOLE-TIME KEY MANAGERIAL PERSON AS PRESCRIBED UNDER SECTION 203(1)

SL.NO	RD JURISDICTION AND NO OF ORDERS PASSED	PENALTY IMPOSED BY ROC	PENALTY MODIFIED/CONFIRMED/REDUCED	ORDER PASSED BY RD	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
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1	SOUTHEAST - 9	On Company - Rs. 5,00,000/- On each Director -Rs.5,00,000/-	RD reduced the penalty by 85% for the company	On Company – Rs.75,000/- On director – Rs.75,000/-	Failure to appoint Company Secretary	Reason cited by the company: the absence of a qualified candidate for the position and insufficient funds to offer remuneration.
2		On Company – Rs.5,00,000/- On each Director – Rs.1,96,000/-		On Company - Rs.75,000/- On each Director – Rs.29,400/-		
3		On Company - Rs.5,00,000/- On each Director - Rs.5,00,000/-		On Company - Rs.75,000/- On each Director - Rs.75,000/-	Non appointment of Company Secretary from 2018 to 2023	In this instance, the company rectified the situation by appointing Company Secretary on December 1, 2023, thereby fulfilling the requirements stipulated in Section

				<p>203 of the Companies Act, 2013.</p> <p>Reason cited by the company:</p> <p>The delay in compliance was unintentional and inadvertent, with no adverse financial implications for the company or its stakeholders, nor any detrimental impact on the interests of the wider public.</p>
4	<p>On Company - Rs.5,00,000/- On each Director - Rs.5,00,000/-</p>	<p>On Company reduced to Rs.75,000/- On each Director reduced to Rs.75,000/-</p>	<p>Non appointment of Company Secretary from 2016 to 2019</p>	<p>Reason cited by the Company:</p> <p>The company had not commenced its commercial</p>

	On each Director - 3,47,000/-	On each Director reduced to Rs.52,050/-	and from 2022 to 2023.	operations, and there were no employees in the company.
5	On Company - Rs.5,00,000/- On each Director - Rs.5,00,000/-	On Company reduced to Rs.75,000/- On each Director reduced to Rs.75,000/-	Non appointment of Company Secretary from 2017 to 2019	Reason cited by the Company: The company has indicated that it is operating at a loss and has not engaged in any business activities, resulting in a lack of revenue generation.
6	On Company - Rs.5,00,000/- On each Director - Rs.5,00,000/-	On Company reduced to Rs.75,000/- On each Director reduced to Rs.75,000/-	Non appointment of Company Secretary from 2018 to 2024	Reasons cited by the Company: 1. The management of the Company remained inactive for four

				<p>years due to the COVID-19 pandemic, the company was unable to find suitable personnel.</p> <p>2. The management has decisively resolved to cease operations of the Company within the forthcoming two to three months.</p>
7	<p>On Company - Rs.5,00,000/- On each Director - Rs.5,00,000/- Nominee Director - Rs.1,62,000/-</p>	<p>On Company reduced to Rs.75,000/- On each Director reduced to Rs.75,000/- Nominee Director - Rs.24,300/-</p>	<p>Non appointment of Company Secretary from 2014 to 2018 and from 2020 to 2021</p>	<p>Reasons cited by the company:</p> <p>1. Company has made their best</p>

					<p>efforts to appoint a whole-time company secretary. However, the company has not found suitable candidate.</p> <p>2. Covid 19 had severely impacted the business.</p>
8	<p>On Company – Rs.5,00,000/-</p> <p>On each Director – Rs. 4,38,000/-</p> <p>On Director – Rs.2,09,000/-</p>	<p>RD reduced the penalty by 75%</p>	<p>On Company reduced to Rs.1,25,000/-</p> <p>On each Director reduced to Rs.1,09,500/-</p> <p>On Director – Rs.52,250/-</p>	<p>Non appointment of Company Secretary from 2020 to 2023</p>	<p>Reason given by the company:</p> <p>Due to the Covid 19 pandemic, the company encountered challenges in identifying a qualified candidate to fulfil the position.</p>

9		On Company – Rs.5,00,000/- On Director – Rs.5,00,000/- On CFO – Rs.5,00,000/-	Confirmed	RD directed to pay the penalty levied by the ROC within 30 days	Non-appointment of Company Secretary from 2003 to 2018	In this instance, the Company failed to appoint whole time Company Secretary for 15 years.
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