

**MONTHLY UPDATES ON ADJUDICATION ORDERS**  
**Edition No.11 November 01, 2023 to November 30 2023**

**ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF NOVEMBER 2023**

**PRAGYA SPOTLIGHT**

- 1) Kanpur ROC has imposed the highest number of orders during the Month of November – i.e., 29 orders, followed by Gwalior ROC with 11 orders, Chennai and Ahmedabad ROC with 10 orders each.
- 2) The **highest number of orders** have been imposed for violation of **Section 12** of the Companies Act, 2013 i.e., Failure to maintain Registered office, Incorrect name printed in the letter head of the company.
- 3) **Ahmedabad ROC** has imposed 9 orders followed by Gwalior ROC with 7 orders for Non-compliance in filing of form INC-20 A for commencement of business.
- 4) Kanpur, Chandigarh, Gwalior have penalized 9 companies under Section 92 for Non filing of Annual returns within 60 days from the date of AGM.
- 5) Kanpur, Chandigarh, Gwalior, Pune have penalized 8 companies under Section 137 for Non filing of Financial statements within 30 days from the date of AGM
- 6) Delhi ROC have penalized 2 companies under section 89, for failure to file form MGT-6 regarding non-disclosure of Beneficial Interest.
- 7) Kanpur and Chennai ROC have penalized 4 Companies under section 117 for failure to file copy of resolution in form MGT-14 along with explanatory statement within 30 days of passing the resolution.
- 8) Chennai ROC has penalized 1 company for delay in filing vacancy of Whole time Company Secretary under Section 203
- 9) Kanpur and Chennai ROC have penalized 4 Companies under section 134 for the following:
  - Failure to provide clarification/explanation regarding Emphasis of Matter by Statutory Auditor in Board's report.
  - Failure to disclose "technology Absorption" in Board's report.
  - Failure to disclose "Internal Complaints Committee" in Board's report.
  - Failure to respond to the qualified opinion made by the Auditor in Board's report.

- 10) Kanpur ROC has penalized 2 Companies under Section 153 for Non-compliance in filing of DIR-3 KYC
- 11) Chennai ROC has penalized 1 Company under Section 180(I)(c) for failure to pass special resolution for availment of loan exceeding the statutory limit
- 12) Chennai ROC has penalized 1 Company under Section 56(4)(a) for Delay in issue of share certificate.
- 13) Chennai ROC has penalized 1 Company under Section 158 for failure to mention DIN of the directors while signing financials.
- 14) Mumbai ROC has penalized 2 Companies under Section 62 for :
  - a) Failure to make the required disclosure with respect to scheme of ESOP in the explanatory statement annexed to the notice of the General meeting
  - b) While issuing convertible notes, the company had adhered to the provisions of section 62(1)(c) instead of section 62(3)

## ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF NOVEMBER 2023

<b>Non filing of Annual return as prescribed u/s 92</b>				
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	KANPUR-6	<p><b><u>In three instances</u></b></p> <p>Maximum penalty on the company: Rs. 500,000</p> <p>Maximum penalty on the director: Rs. 50,000</p> <p><b><u>Penalty for one instance:</u></b></p> <p>Company: Rs. 290,200</p> <p>Directors: Rs. 145,100</p> <p><b><u>Penalty for another instance:</u></b></p> <p>Company and Directors: Rs. 218,500</p>	Orders passed against the Company which defaulted in filing of Annual return for various years and non-filing of Annual return within 60 days from the date of AGM	For all the five instances, the companies did not file the Annual return for various years. Notice was issued to the company calling for enquiry and then after hearing the companies were penalized.
2	GWALIOR-2	<p><b><u>Maximum Penalty:</u></b></p> <p>On company Rs.3,56,400/-</p>	Orders passed against the Company which defaulted in	For all the instances, the companies did not file the Annual return for various years

		Each director Rs.1,50,000/-	filing of Annual return for various years and non-filing of Annual return within 60 days from the date of AGM	
<b>3</b>	<b>CHANDIGARH-1</b>	On company Rs.45,600/-and each director Rs.45,600/-		
<b>Non filing of Financials as prescribed u/s 137</b>				
<b>SL. NO</b>	<b>ROC JURISDICTION AND NO. OF ORDERS PASSED</b>	<b>ORDER PASSED AGAINST AND AMOUNT OF PENALTY</b>	<b>NATURE OF NON-COMPLIANCE</b>	<b>OTHER RELEVANT POINTS, IF ANY</b>
<b>1</b>	<b>KANPUR-5</b>	Maximum penalty on Company – Rs.20,21,000/- and minimum penalty – Rs.3,00,200/- Maximum penalty on Directors – Rs.11,93,000/- and minimum penalty – Rs.3,00,200/-		For all the four instances, the companies did not file the financial statements for various years. Notice was issued to the company calling for enquiry and then after hearing the companies were penalized.
<b>2</b>	<b>PUNE-1</b>	NA	Non-filing of financial statements by defaulting companies within 30 days from the date of AGM.	In this instance, penalty was not imposed because the company has rectified the non-compliance within 30 days of issue of show cause notice in line with section 454(3)

<b>3</b>	<b>CHANDIGARH-1</b>	On company Rs.2,40,900/-and each director Rs.1,48,900/-		In this instance, Company failed to file its financials statement for three years
<b>4</b>	<b>GWALIOR-1</b>	On company Rs.3,23,000/-and each director Rs.1,50,000/-		
<b>Non-maintenance of Registered office as prescribed u/s 12</b>				
<b>SL. NO</b>	<b>ROC JURISDICTION AND NO. OF ORDERS PASSED</b>	<b>ORDER PASSED AGAINST AND AMOUNT OF PENALTY</b>	<b>NATURE OF NON-COMPLIANCE</b>	<b>OTHER RELEVANT POINTS, IF ANY</b>
<b>1</b>	<b>ERNAKULAM-2</b>	Maximum penalty on the Company – Rs.1,00,000/- and on the Directors – Rs.1,00,000/- each	Non maintenance of registered office	For both the instances, Letter issued by the ROC to the company and the Directors which were returned undelivered. So, Adjudication order was sent to the company for violating section 12(1). No response received from company and Directors. So, Maximum penalty was imposed as per section 12(8)
<b>2</b>	<b>GWALIOR-1</b>	Maximum penalty on the Company – Rs.37,000/- and on the Directors – Rs.37,000/- each		In this Instance, the letter issued by ROC were returned undelivered and none of the

				representatives of the company appeared for the hearing.
<b>3</b>	<b>KANPUR-12</b>	Maximum penalty on the Company – Rs.1,42,000/- and on the Directors – Rs.1,42,000/- each	<p>1)Non maintenance of registered office</p> <p>2)In correct name printed in the letter head of the company</p>	<p>In one of the instances, the company received an adjudication order from ROC for non-compliance under section 12. The company responded to the notice with proof that they are maintaining the registered office in the mentioned address. <u>Authorities verified the office personally and penalty was not imposed.</u></p> <p>In another instance, in form ADT-1 filed by the company, wrong company name was printed in the letterhead of the appointment letter of the Auditor. Company admitted the default and filed the rectified form ADT-1.</p> <p>In eight instances, letter issued by ROC were returned undelivered and none of the representatives of the company appeared for the hearing.</p>

4	PATNA-2	<p>Maximum penalty on the Company – Rs. 42,000/- and on the Directors – Rs. 42,000/- each</p>	<p>Non maintenance of registered office</p>	<p>In one of the instances, the adjudication notice issued to the company and one of the directors of the Company was returned due to incomplete address. Since it is a small company penalty was imposed under section 446B.</p>
5	PUNE-2	<p>Maximum penalty on the Company – Rs. 93,000/- and on the Directors – Rs. 93,000/- each</p>		<p>In both the instances, the adjudication notice issued to the company and one of the directors of the Company was returned due to incomplete address.</p>
6	AHMEDABAD-1	<p>On Company Rs.50,000/- and on Director Rs.50,000/-</p>		<p>In this instance letter issued by the office to company and the directors were not delivered. So Show cause notice was sent to the company for violating section 12(1). No response received from company and Directors. Since the company is a small company penalty was imposed under section 446B</p>

**Delay in filing of E-Form INC 20A (Declaration of Commencement of Business) as prescribed u/s 10A**

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	<b>GWALIOR-7</b>	Maximum Penalty on Company Rs.1,00,000/- and on Directors Rs. 50,000/- each	Orders passed against the Company for failure to file form INC-20A for commencement of business	In all the seven instances, the company failed to file form INC-20A for commencement of business which needs to be filed within 180 days from the date of incorporation. Among these, 6 companies were producer companies, so penalty was imposed under section 446B.
2	<b>AHMEDABAD-9</b>	Maximum Penalty on Company Rs.50,000/- and on Directors Rs. 1,00,000/- each	Orders passed against the Company for failure to file form INC-20A for commencement of business	In all the instances, the ROC issued STK-1 notice for failure to file form INC-20A. The same was dropped once the company filed the declaration INC-20A with a delayed filing.  Penalty was imposed under section 446B.



**Non-compliance under Appointment and qualification of Director as prescribed u/s 153**

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	KANPUR-2	Maximum Penalty on the defaulting Director – Rs.50,000/-	Orders passed against the Company for: <ol style="list-style-type: none"> <li>1) Non-compliance under Appointment and qualification of Director</li> <li>2) Non-compliance in filing of DIR-3 KYC</li> </ol>	<p>In one instance, the company has violated Sec.153 relating to filing of Form DIR 3 KYC. Since no response was received from Company, penalty has been levied without any further detailing.</p> <p>In another instance, the KYC status of one director was deactivated due to non-filing of DIR-3 KYC and while he still continued as director of the company. ROC was not satisfied with the response received from the company and the defaulting director was penalized.</p>

### NON-COMPLIANCE UNDER SECTION 89

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	DELHI-2	On Company Rs.5,00,000/- and on Directors Rs. 2,00,000/- each	Failure to file form MGT-6	<p>In one instance, an adjudication order was issued to the company and the company responded that they have filed form BEN-2, MGT-4 and MGT-5 but did not file form MGT-6. In response to this order, the company subsequently filed form MGT-6 with a delay of 664 days.</p> <p>In another instance, the company failed to file form MGT-6 with a delayed filing of 534 days.</p>

**NON-COMPLIANCE UNDER SECTION 134**

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	KANPUR-2	On company Rs.3,00,000/-and on defaulting directors Rs 50,000/-	<p>The Company was unable to comply with below provision of Section 134 of the Act: -</p> <ol style="list-style-type: none"> <li>1) Failure to provide clarification/explanation regarding emphasis in Director's report.</li> <li>2) Failure to report about qualified opinion made by the auditor in boards report</li> </ol>	<p>In this instance, Auditor had made an emphasis in auditor report regarding forfeited advance amount and that litigation was pending for the same. The company had not provided sufficient documents and not commented on this auditor's remarks in the Directors' report as well.</p> <p>In another instance, the Auditor had given a qualified report and mentioned that the company did not have appropriate system to record receipts and payments. This qualified opinion was not included in the Board's report</p>

2	CHENNAI-2	<b>MAXIMUM PENALTY</b> On Company Rs.6,00,000/- On Director Rs.2,00,000/-	The Company was unable to comply with below provision of Section 134 of the Act: -  1) Failure to disclose "technology Absorption" and "Internal Complaints Committee" in boards report	In the first instance, the company failed to disclose "technology Absorption" in Board's report.  In another instance, the company failed to disclose "Internal Complaints Committee" in Board's report for various years.
---	-----------	--	---	--

**NON-COMPLIANCE UNDER SECTION 117**

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	KANUPUR-2	Maximum Penalty on Company - Rs.3,93,300/-	Failure to file copy of resolution in form MGT-14 along with explanatory statement within 30 days of passing the resolution	In three instances, the company failed to file copy of resolution in form MGT-14 along with explanatory statement for approval of accounts for many years.
2	CHENNAI-2	Maximum penalty on Company Rs.10,40,600/- On Director Rs.3,00,000/-		

				Due diligence the company noted that they have failed to file form MGT-14 for the Board Resolution passed for approval of the Financial Statements and Board's Report
<b>NON-COMPLIANCE UNDER SECTION 149</b>				
<b>SL. NO</b>	<b>ROC JURISDICTION AND NO. OF ORDERS PASSED</b>	<b>ORDER PASSED AGAINST AND AMOUNT OF PENALTY</b>	<b>NATURE OF NON-COMPLIANCE</b>	<b>OTHER RELEVANT POINTS, IF ANY</b>
<b>1</b>	<b>MUMBAI-2</b>	Maximum Penalty on Company Rs.1,85,000/- and on Directors Rs. 1,00,000/- each.	Delay in appointing one Women Director	In one instance, the company responded that there was a delay in appointment of Woman Director because they could not find a suitable person for that position.  In another instance, the company (MSRDC SEA LINK LIMITED) is a wholly owned subsidiary of Maharashtra state transport which is a Government company.  The Board of Directors of MSRDC SEA LINK LIMITED (MSLL) will be nominated by the Government.

The Board of Maharashtra state transport consists of IAS officers nominated by the Government. The Board had delayed in appointing a Woman Director for MSLL

**NON-COMPLIANCE UNDER SECTION 62**

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	MUMBAI-2	Maximum Penalty on Company Rs.1,85,000/- and on Directors Rs. 1,00,000/- each	1) Failure to disclose ESOP scheme in EGM. 2) While issuing convertible notes, the company carried out provisions under section 62(1)(c) in place of section 62(3)	<p>In this instance, the company failed to make the required disclosure with respect to scheme of ESOP in the explanatory statement annexed to the notice of the General meeting.</p> <p>To rectify the same, the company filed revised E-Form MGT-14. Since it is a small company, the penalty was levied under section 446B.</p> <p>In second instance, while issuing convertible notes, the company had complied with the provisions of section 62(1)(c) in place of section 62(3)</p>

				The company also responded that since the term "Convertible notes" is not specifically mentioned in the Companies Act, the interpretation by the company was wrong which led to additional compliance only. However, this stance was not accepted, and penalty was levied.
<b>NON-COMPLIANCE UNDER SECTION 143</b>				
<b>SL. NO</b>	<b>ROC JURISDICTION AND NO. OF ORDERS PASSED</b>	<b>ORDER PASSED AGAINST AND AMOUNT OF PENALTY</b>	<b>NATURE OF NON-COMPLIANCE</b>	<b>OTHER RELEVANT POINTS, IF ANY</b>
<b>1</b>	<b>CHENNAI-2</b>	On Auditor Rs. 20,000/-	<ol style="list-style-type: none"> <li>1) Non-compliance by the auditor for misreporting in the auditor's report</li> <li>2) Failure to comply with AS 15</li> </ol>	In one instance, the auditor mentioned in the auditor's report that the company did not have accumulated losses whereas factually in the balance sheet - the reserves & surplus were shown in negative figures. The company responded that there was a typographical error in the auditor's report. But the MCA has responded that it was misreporting by the auditor.

				<p>The auditor had not qualified multiple instances of non adherence to Schedule III format by the company.</p> <p>In another instance the auditor failed to comply with requirements of AS 15 in terms of failure to submit a report to the members in general meeting which ought to include the following:</p> <ul style="list-style-type: none"> <li>a) financial statement</li> <li>b) Accounting and accounting standard</li> <li>c) Auditor should mention that the said financials give a true and fair view of the state of affairs of the company</li> </ul>
<b>NON-COMPLIANCE UNDER SECTION 158</b>				
<b>SL. NO</b>	<b>ROC JURISDICTION AND NO. OF ORDERS PASSED</b>	<b>ORDER PASSED AGAINST AND AMOUNT OF PENALTY</b>	<b>NATURE OF NON-COMPLIANCE</b>	<b>OTHER RELEVANT POINTS, IF ANY</b>
<b>1</b>	<b>CHENNAI-1</b>	On Company Rs.1,00,000/- and on Directors Rs.1,00,000/-	Failure to mention DIN of the directors while signing financials	In this instance, the company failed to mention DIN of the Directors while signing financials and they were penalized.



**NON-COMPLIANCE UNDER SECTION 180(1)(c)**

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	CHENNAI-1	On company Rs.30,000/- on Directors Rs.30,000/-	Failure to pass special resolution to avail loan exceeding the statutory limit	In this instance, Company has failed to pass special resolution for availing loan from directors exceeding aggregate of its paid up capital, free reserves and Securities Premium.

**NON-COMPLIANCE UNDER SECTION 203**

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	CHENNAI-1	On Company Rs.5,00,000/- On Directors Rs.50,000/- each	Delay in filling up the vacancy in appointing whole time Company Secretary	In this Instance, the company did not appoint a whole-time Company Secretary within 6 months of the resignation of the existing Company secretary. Hence the company was penalized.

**NON-COMPLIANCE UNDER SECTION 56(4)**

<b>SL. NO</b>	<b>ROC JURISDICTION AND NO. OF ORDERS PASSED</b>	<b>ORDER PASSED AGAINST AND AMOUNT OF PENALTY</b>	<b>NATURE OF NON-COMPLIANCE</b>	<b>OTHER RELEVANT POINTS, IF ANY</b>
<b>1</b>	<b>CHENNAI-1</b>	On Company Rs.50,000/- On Directors Rs.50,000/-	Delay in issue of share certificate	In this instance, company received the Subscription money in the bank account and delayed in issue of share certificates to the subscribers

**ADJUDICATION ORDERS OF THE RD DURING THE MONTH OF MONTH OF NOVEMBER**

SL. NO	RD JURISDICTION AND NUMBER OF ORDERS PASSED	PENALTY REDUCED	NATURE OF NON- COMPLIANCE	OTHER RELEVANT POINTS
NIL				