

MONTHLY UPDATES ON ADJUDICATION ORDERS

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ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF MARCH 2024

1. Mumbai's ROC has issued the **highest number of orders**, totalling **33**, followed closely by Chennai ROC with **20 orders**.
2. The **highest number of ROC orders** has been imposed for the violation of **Section 137** of the Companies Act, 2013, i.e., non-filing of financial statements as per the provisions of the Act.
3. Mumbai ROC has penalized the **CFO** for filing the Annual Return belatedly under Section 92.
4. Patna ROC has penalized a **CA** for not reporting the company's non-compliances in the audit report as prescribed under Section 143.
5. Chennai ROC has penalized a Director for **holding directorship in 29 companies simultaneously**, which violates Section 165 of the Companies Act, 2013.

6. Ahmedabad ROC has penalised a company for allotting equity shares in excess of the equity shares approved for issue under the ESOP scheme.

7. Ahmedabad ROC in an order noted that **any formal committee constituted for selection and remuneration of employees of the Companies for internal governance shall not be fall the purview of the provisions of the Act.**

Hence no penalty levied.

8. Chennai ROC has penalised two directors for **non-disclosure of particulars (134(3)(b) and (134(3)(h))** and it was considered as two separate instances of violation.

9. Delhi ROC stated that according to section 203(4) **the board of a company has the responsibility for filling vacancies in the office of whole-time Key Managerial Personnel (KMP).** Whereas the penalty provisions are applicable to Board as well as KMPs. Delhi ROC took a harmonious interpretation and levied penalties for Directors and KMP on Board and the Other KMPs of the company who are not part of Board were held not liable.

ADJUDICATION ORDERS OF THE ROC DURING THE MONTH OF MARCH

NON-COMPLIANCE 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	AHMEDABAD – 2	On Company – Rs. 65,500/- On each Director – Rs.65,500/-	Non maintenance of Registered office	
2		On Company – Rs. 1,00,000/- On each Director – Rs. 1,00,000/-	Not mentioning CIN on its letter head	In this instance, the company filed Form ADT-2 and RD-1 without including its CIN on its letter head.
3	PATNA – 2	On Company – Rs. 1,00,00/- On each Director - Rs. 1,00,000/-	Non maintenance of Registered office from 2022-2024 (494 days)	
4		On Company – Rs. 30,500/- On each Director – Rs.30,500/-	Non maintenance of Registered office for the year 2024	

5	PUNE – 1	On Company – Rs. 1,00,000/- On each Director – Rs. 1,00,000/-	Non maintenance of Registered office from 2021- 2024 (973 days)	
6	GWALIOR - 1	On Company – Rs. 1,00,000/- On each Director – Rs. 1,00,000/-	Non maintenance of Registered office for the year 2023 (274 days)	
7	CHENNAI – 4	On Company – Rs. 1,00,000/- On each Director – Rs. 1,00,000/-	Non maintenance of Registered office from 2022 - 2023	
8		On Company – Rs. 1,00,000/- On each Director – Rs. 1,00,000/-	Non maintenance of Registered office from 2023- 2024	
9		On Company – Rs.39,500/- On each Director – Rs.39,500/-	Non maintenance of Registered office from 2023- 2024 (79 days)	
10		On Company – Rs. 50,000/- On Director – Rs. 50,000/-	Non maintenance of Registered office from 2023- 2024	

NON-FILING OF RETURN OF ALLOTMENT 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	PUDUCHERRY – 1	On Company – Rs.13,05,000/- On each Director – Rs.13,05,000/-	Delay in filing return of allotment with ROC from 2014 to 2017 (1305 days)	In this instance, it is found that the company has been carrying share application money pending for allotment in its books for more than 7 years.

NON-COMPLIANCE UNDER SECTION 62

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/-	Non-compliance in the issuance of employee stock option	In this instance, the company allotted equity shares in excess of the equity shares approved for issue under the ESOP scheme.

NON-COMPLIANCE UNDER SECTION 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	GWALIOR – 1	On Company – Rs. 5,00,000/- On each Director – Rs. 2,00,000/-	Delay in filing of MGT 6 (3587 days)	In this instance, the company received the copies of MGT-4 and MGT-5 in 2014, however, filed MGT-6 with the registrar with delay of 3587 days.

NON-FILING OF ANNUAL RETURN AS PRESCRIBED UNDER SECTION 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 – 2	On Company – Rs. 1,00,000/- On each Director – Rs.25,000/-	Non filing of Annual Return from 2016 - 2023	
2		On Company – Rs. 2,00,000/- On each Director – Rs. 50,000/-	Non filing of Annual Return from 2009 - 2012	
3	MUMBAI - 16	Maximum Penalty: On Company – Rs. 83,300/- On Director – Rs. 83,300/-	Non filing of Annual Return from 2019 – 2020	In all these instances, the companies did not file the Annual return for the financial year 2019-2020. Notice was issued to each company, calling for enquiry, and then after hearing the companies were penalized.
4	GWALIOR – 3	On Company – Rs. 69,700/- On each Director – Rs. 69,700/-	Non filing of Annual Return for the Financial year 2021-2022 and 2022-2023	

5		On Company – Rs. 1,52,100/- On each Director - Rs.85,650/-	Non filing of Annual Return from 2019 - 2023	
6		On Company – Rs. 2,36,000/- On each Director – Rs. 1,10,700/-	Non filing of Annual Return from 2018-2023	
7	PUNE – 1	On Company – Rs. 4,36,000/- On each Director – Rs. 4,36,000/-	Non filing of Annual Return from 2019 - 2024	
8	CHENNAI - 6	On Company – Rs.27,900/- On each Director – Rs. 27,900/-	Non filing of Annual Return for the Financial year 2020- 2021 and 2021-2022	
9		On Company – Rs. 2,62,000/- On each Director – Rs. 1,00,000/-	Non filing of Annual Return for the FY 2018-2019 and 2019-2020	
10		On Company - Rs. 2,00,000/- On each Director – Rs. 50,000/-	Non filing of Annual Return for the financial year 2013- 2018	

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12	On Company - Rs. 1,88,600/- On Whole time Director – Rs. 50,000/-	Non filing of Annual Return for the financial year 2017-2018	
13			

NON-COMPLIANCE UNDER SECTION 94

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	CHENNAI – 1	On Company – Rs.1,00,000/- On each Director – Rs. 1,00,000/-	Non maintenance of registers at the registered office from 2022-2023	On inquiry, it is found that the company has vacated 2 years before.

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, during inspection, the Investigation officer has found that the minutes of the Board meeting and Shareholder's meeting were not numbered consecutively.

NON-COMPLIANCE UNDER SECTION 134

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	CHENNAI - 2	On Director – Rs. 50,000/-	Non-disclosure of number of meeting and date of the board meetings in the Director's Report for the Financial year 2018-19 and 2019-20	The Director was penalised non-compliance with section 134(3)(b) read with SS-4.

				The Director was penalised non-compliance of disclosure under section 134(3)(h) read with SS-4.
2			Non-attachment of particulars of Contract or Arrangements with related parties along with the Director's Report for the Financial year 2018-19 and 2019-20	Each non-disclosure of particulars (134(3)(b) and (134(3)(h) was considered as a separate violation.

NON-FILING OF FINANCIAL STATEMENTS UNDER SECTION 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 – 3	On Company – Rs. 1,00,000/- On each Director – Rs. 25,000/-	Non filing of Financial Statements for the FY 2015-2016 to 2021-2022	
2		On Company - Rs.1,00,000/- On each Director – Rs. 25,000/-	Non filing of Financial Statement for 3 FY from FY 2010 – FY 2012	In this instance, the Company has not filed statutory Balance sheet and their relevant Annual return.

3		<p>On Company – Rs. 1,14,100/-</p> <p>Maximum Penalty on Director – Rs. 50,000/-</p>	<p>Non filing of Financial Statements for the Financial year 2014-15</p>	<p>In this instance, during the financial year 2014-15, the company has amalgamated with Essar Steel Metal Trading Limited. However, the company has failed to file financial statements with the Registrar. Consequently, Essar Steel Metal Trading Limited has been penalized for this non-compliance.</p>
4	MUMBAI – 17	<p>Maximum Penalty:</p> <p>On Company – Rs. 3,63,000/-</p> <p>On Director – Rs. 1,36,300/-</p> <p>On CFO – Rs. 1,36,300/-</p>	<p>Non filing of Financial Statements for various years</p>	<p>In three instances, companies failed to file their Financial Statements for various years, leading to penalties for the CFOs of these companies.</p>
5	PATNA – 2	<p>On Company – Rs. 2,00,000/-</p> <p>On each Director – Rs. 50,000/-</p>	<p>Non filing of Financial Statement from 2017-2024</p>	

6		<p>On Company – Rs. 48,250/-</p> <p>On each Director – Rs. 25,000/-</p>	<p>Non filing of Financial Statement for the year 2020-2021 and 2021-2022</p>	
7	GWALIOR – 3	<p>On Company – Rs.51,400/-</p> <p>On each Director – Rs. 50,000/-</p>	<p>Non filing of Financial Statement for the Financial year 2021-2022 and 2022-2023</p>	
8		<p>On Company - Rs. 4,62,600/-</p> <p>On each Director – Rs.2,00,000/-</p>	<p>Non filing of balance sheet for the FY from 2018-2022</p>	
9		<p>On Company - Rs. 2,43,500/-</p> <p>On each Director – 1,12,200/-</p>	<p>Non filing of balance sheet for the FY from 2018-2023</p>	
10		<p>On Company – Rs. 1,58,100/-</p> <p>On each Director – Rs. 87,150/-</p>	<p>Non filing of Financial Statement from 2019 - 2024</p>	

11	PUNE – 1	On Company – Rs. 4,50,500/- On each Director - Rs. 4,50,500/-	Not filing Financial Statement for the FY 2018 - 2023
12	CHENNAI - 6	On Company – Rs. 77,050/- On each Director – Rs. 77,050/-	Non filing of Financial Statement for the Financial year 2020-2021 and 2021-2022
13		On Company – Rs. 1,52,300/- On each Director – Rs. 1,00,000/-	Non filing of Financial Statements for the FY 2018-2019 and 2019-2020
14		On Company – Rs 2,00,000/- On each Director – Rs. 50,000/-	Non filing of Financial Statements for the financial year 2013-2018
15			
16		On Company – Rs. 1,91,600/- On Whole time Director – Rs.50,000/-	Non filing of Financial Statements for the financial year 2017-2018
17			

NON-PERFORMANCE OF DUTIES OF AUDITOR AS PRESCRIBED UNDER SECTION 143

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	PATNA – 2	On CA – Rs. 10,000/-	Auditor failed to report the company's non-compliances in the audit report.	<p>In this instance, the below stated non-compliances has not been reported by the Auditor in the Audit reports thereby violated section 143.</p> <p>the Company failed to reflect true financial statements as prescribed under section 129 under the following circumstances:</p> <ol style="list-style-type: none"> 1. The Company has not attached Cash Flow Statement along with the Financial Statements. (read with AS-03) 2. The Company has not disclosed the name of the related party and nature of the related party transaction. (read with AS-18)

				<p>3. The Company has shown short term borrowings, however, failed to sub classify such short-term borrowings as Secured/Unsecured as per Schedule III of the Companies Act,2013.</p>
<p>2</p>		<p>On CA – Rs. 10,000/-</p>	<p>Auditor failed to report the company's non-compliances in the audit report.</p>	<p>In this instance, the Company has not attached Cash Flow Statement along with the Financial Statements (read with As-03) and the same has not been commented upon by Auditor in Audit reports.</p>

NON-COMPLIANCE UNDER SECTION 165

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	CHENNAI – 1	On Director – Rs. 2,00,000/-	Holding office as a director in more than twenty companies at the same time	In this instance, the Director held directorship in more than 20 companies.

NON-COMPLIANCE UNDER SECTION 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	DELHI – 1	On Company – Rs. 10,000/- On each Director – Rs. 10,000/- On CFO – Rs.10,000/-	Default in holding Board of Director's meeting	The company did not hold Four Board meetings in a calendar year.

		On Company Secretary – Rs.10,000/-		
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NON-COMPLIANCE UNDER SECTION 178

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	NO PENALTY LEVIED	Not constituting NRC committee	Company voluntarily formed a Nomination and remuneration committee with a Promoter Director as Chairman. As per DGCOA she is not a NED and constitution of NRC is not as per Companies Act, 2013. Company stated that provision of Section 178 was not applicable to the Company. ROC noted that any formal committee constituted for selection and remuneration of employees of the Companies for internal governance shall not be fall the purview of the

				provisions of the Act. Hence no penalty levied.
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NON-APPOINTMENT OF KEY MANEGERIAL PERSONNEL UNDER SECTION 203

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 Company – Rs.5,00,000/- On each Director – Rs. 2,99,000/-	Delayed appointment of Key Managerial Personnel (249 days)	According to section 203(4) the board of a company has the responsibility for filling vacancies in the office of whole-time Key Managerial Personnel (KMP). Whereas the penalty provisions are applicable to Board as well as KMPs . ROC took an harmonious interpretation and levied penalties for Directors and KMP on Board and Other KMPs of the company who are not part of Board were held not liable.

ADJUDICATION ORDERS OF THE RD DURING THE MONTH OF MARCH 2024

NO ORDERS WERE UPDATED BY RD IN MCA WEBSITE DURING THE MONTH

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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