



# **PRAGYA** [Issue no. 18]

**A SUMMARY ON ADJUDICATION ORDERS OF ROCs**

**DURING THE MONTH OF JUNE 2024**

# Pragya – Spotlight



- In One instance (Public Limited Company) the Company had not dematerialized its shares and transferred shares in demat form. In another instance (Public Limited Company), the promoters, Directors, KMP had not demat their shares and the company allotted shares; further the shares were allotted in physical form. The companies and their directors were penalized under Section 29.
- A Company had not mentioned the address and occupation of the allottees in the list of allottees attached to PAS-3 filed with Registrar of Companies. The Company and Directors were penalized under Rule 12(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Section 39(5);
- A Company opened Private Placement offer of equity shares, without closing / completing the previous offer. The Company was penalized under Section 42 (5)
- A company in association with TYKE conducted online pitching session to include public to subscribe its NCDs. ROC considered this as violation of Section 42 (7). Apart from penalty, the company and directors were directed to refund all the money raised with interest within 30 days

Contd.

# Pragya – Spotlight



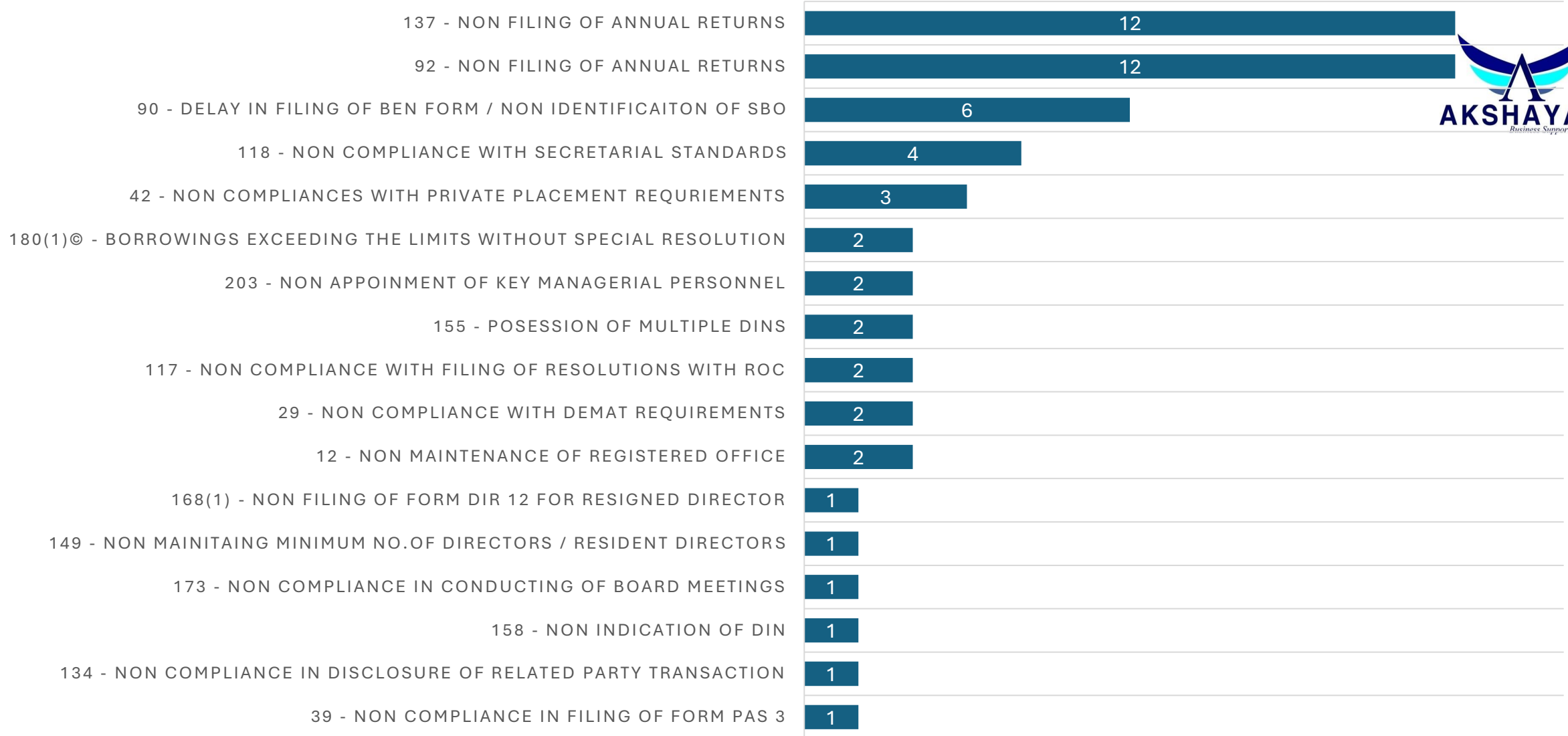
- In sixes instances, the companies were penalized for the following non compliances under Section 90
  - Failure to file declaration by Significant Beneficial Owner (SBO)
  - Failure to identify SBO
  - Delay in filing of Form SBO
- In two instances, the Companies were penalized for non filing of MGT 14 for passing Special Resolution / resolution approving financials (Public Company)
- In Four instances, the Companies were penalized for non compliances with Secretarial Standard 1 &2
  - Minutes were not bounded
  - Non mentioning of Date and place of signing in the minutes
  - Gap between two meetings is more than 120 days
  - Not numbering pages of minutes book

Contd.

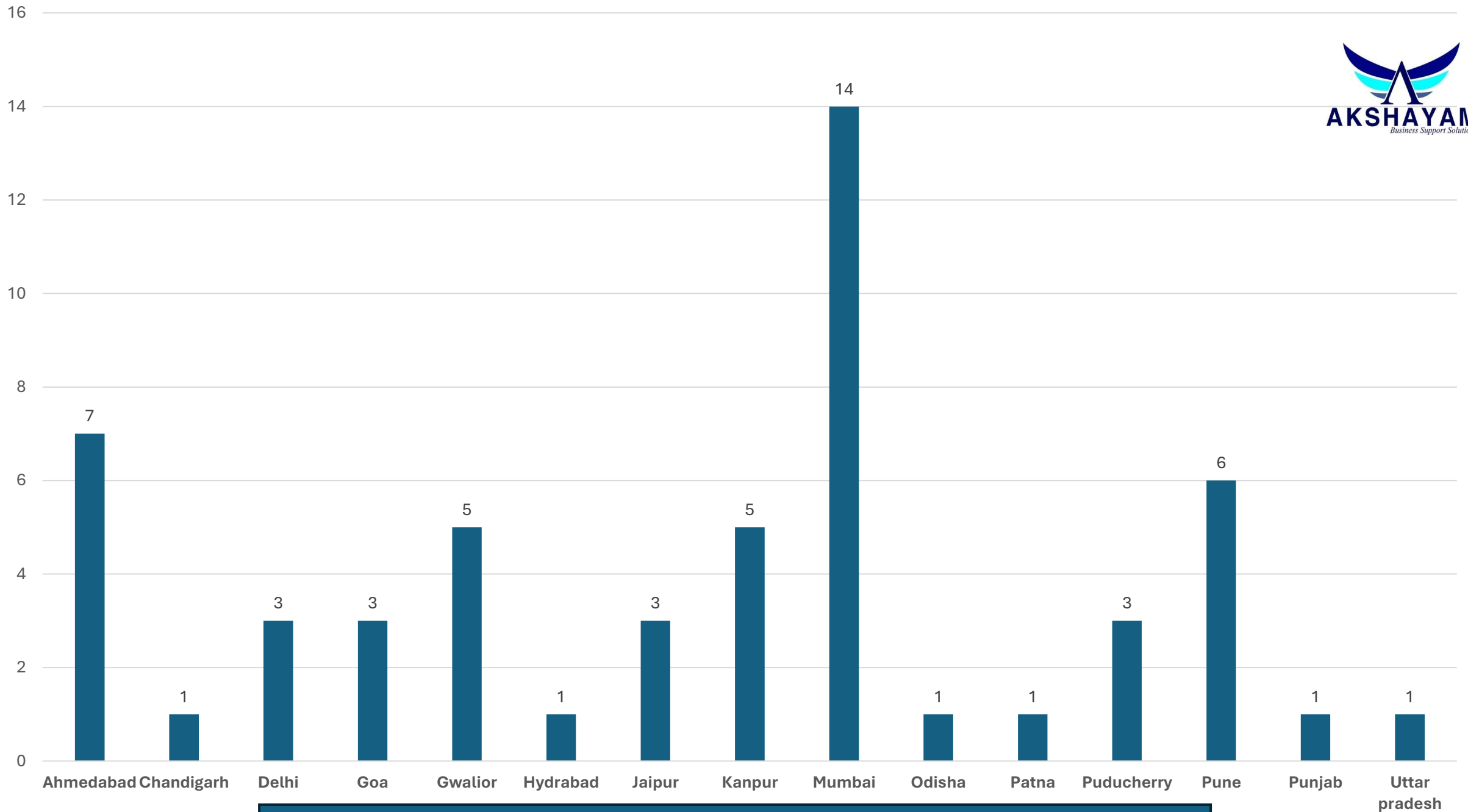
# Pragya – Spotlight



- In one case, a Company was penalized under Section 134 for wrongly reporting the nature of the relationship of the related party (Reported it as Associate Company instead of company having significant influence) and also for non-Reporting of transactions with a related Party.
- In two cases, the ROC penalized the Directors for possessing more than one Director Identification number
- In one case, the ROC penalized the Director for Failure to mention Director Identification Number (DIN) while furnishing required information under Section 158 of the Companies Act, 2013.
- In one case, the Company held board meeting with more than a gap of 120 days and also did not conduct minimum of 4 board meetings in a calendar year. The Company was penalized separately under Section 173 as well as Section 118 (noncompliance of SS 1)
- In two cases, the companies were penalized for non appointment of Company Secretary within the due date.
- In one case, Company did not file DIR 12 intimating resignation of director. ROC on the basis of complaint from the Resigned director, sent notice to the Company and penalized the Company and its directors for non-compliance.
- In two cases, the Companies (Public Limited) were penalized for borrowing money in excess of limits prescribed under Section 180 (1) (c) of Companies, without obtaining special resolution.



## Instances of Non-Compliances – Provisions wise



**Count of Penalty Orders – ROC wise**



Flat No.7, Door No.10 Madhans,

South Canal Bank Road,

Mandavelipakkam, Chennai 600028.

[bhuvana.r@akshayamcorporate.com](mailto:bhuvana.r@akshayamcorporate.com) | [jayanth.v@akshayamcorporate.com](mailto:jayanth.v@akshayamcorporate.com)

[www.akshayamcorporate.com](http://www.akshayamcorporate.com) ;

Mobile: 9789982805 | 9962156708