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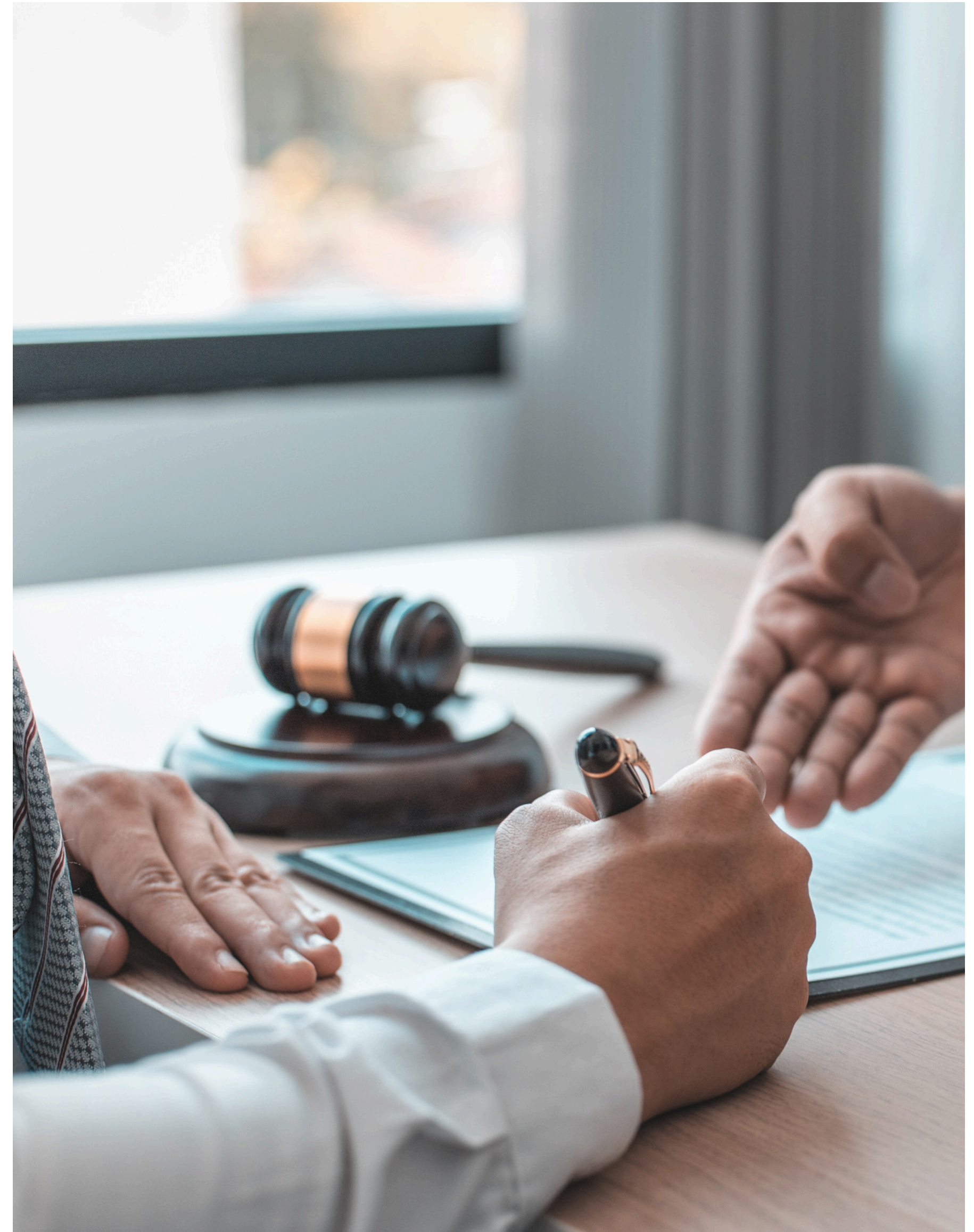
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Order in the Matter of Breach of Section 149 of the Companies Act, 2013 by Caparo Engineering India Limited- Appointment of Women Director

The Ministry of Corporate Affairs, through the Registrar of Companies (ROC), Delhi & Haryana, has levied penalties on Caparo Engineering India Limited for violating Section 149(1) of the Companies Act, 2013. This section, along with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, mandates that every public company with a paid-up share capital of ₹100 crore or more, or a turnover of ₹300 crore or more, must have at least one-woman director on its Board. Based on its audited financial statements for the financial year ending 31st March 2021, Caparo Engineering had a turnover exceeding ₹966 crore, thereby falling within the scope of this legal requirement. However, the company's compliance faltered following the resignation of its woman director, Ms. Nidhi Razdan, on 7th October 2021. According to the Rules, such a vacancy should be filled within three months. The company, however, failed to appoint a new woman director by 7th January 2022, thereby entering a period of statutory non-compliance.

The ROC initiated adjudication proceedings after issuing a Show Cause Notice on 27th July 2022. Caparo Engineering responded with a written explanation and availed a personal hearing through its authorized representative. While the company clarified that efforts were made to appoint a suitable candidate, they were unsuccessful until after the notice was served. In its order, the ROC determined the period of non-compliance





to be from 7th January 2022 to 27th July 2022. Consequently, a penalty of ₹1,51,000 was imposed on the company and ₹1,00,000 on its Chief Financial Officer, Mr. Sanjiv Kashyap, who was serving during the default period. Other directors were not penalized, as they held non-executive positions. The company has since complied by appointing a woman director. The ROC directed that the penalties be paid within 90 days, with an option to appeal the decision within 60 days. This action underscores the importance of timely compliance with corporate governance norms under Indian company law.

Order on Non-Compliance with Section 12 of the Companies Act – Ecospace Commodities Trade Private Limited

As per the Companies Act, every company must maintain a functional registered office and display relevant details on its documents and correspondence.

The Office of the Registrar of Companies (ROC), Delhi & Haryana, has issued an adjudication order under Section 454(3) of the Companies Act, 2013, against Ecospace Commodities Trade Private Limited and its directors for violation of Section 12(1) of the Act. The company, with its registered address at Swaroop Nagar, Delhi, failed to maintain a registered office capable of receiving official communication, as mandated by law. This breach came to light when notices sent under Section 206(1) in 2017 were returned undelivered with remarks indicating the addressee was untraceable.

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Following a directive from the Regional Director (NR), a show cause notice (SCN) was issued in October 2023. While one director, Mr. Jay Prakash Mukhiya, received the SCN, the company and other directors—Ms. Chandra Devi Biyala and Mr. Anil Kumar Bagri—did not respond. The absence of any reply confirmed continued non-compliance.

The Act stipulates penalties for non-compliance, which for small companies like Ecospace are halved. Accordingly, penalties were levied as follows: ₹50,000 on the company, and ₹50,000 each on directors Anil Kumar Bagri and Jay Prakash Mukhiya. Due to a shorter violation period, Ms. Chandra Devi Biyala was fined ₹50,000 (capped from a calculated ₹1,19,000).

The parties have been directed to pay the penalties via the MCA portal within 90 days and to rectify the violation by updating the registered office details through proper filing. They also retain the right to appeal to the Regional Director (Northern Region) within 60 days.

This case underscores the importance of statutory compliance regarding company offices and communication channels, a cornerstone for transparency and governance under the Companies Act.



Government Moves to Expedite Unclaimed Dividend and Share Transfers, Eases Age Norms for Senior Citizens

The government is undertaking several initiatives to expedite the transfer of unclaimed dividends and shares to rightful investors, following a directive from Finance and Corporate Affairs Minister Nirmala Sitharaman to address mounting complaints of delays. As part of these efforts, senior officials from the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (Sebi) will conduct investor camps in phases across the country. In a significant move aimed at benefiting thousands of senior citizens, the ministry also plans to lower the age threshold for priority claim processing from 75 to 70 years, with further relaxation to 60 years being considered. These measures target the quicker resolution of claims involving shares, dividends, and matured debentures that remain unclaimed for over seven years and are subsequently transferred to the Investor Education and Protection Fund Authority (IEPFA).

Order under Proceedings Initiated under Section 155 of the Companies Act, 2013 in the Matter of Paritosh Canning for holding Duplicate Director Identification Number

The Office of the Registrar of Companies, West Bengal, has issued an adjudication order under Section 159 of the Companies Act, 2013, against Mr. Paritosh Canning for violation of Section 155, which prohibits individuals from possessing more than one Director Identification Number

(DIN). Mr. Canning was initially allotted DIN 08337423 on January 21, 2019. However, during a period marked by technical disruptions following the transition to the MCA V3 portal, a second DIN (10092656) was inadvertently allotted to him on April 17, 2023, by a chartered accountant managing his filings. Upon realizing the duplication during his DIR-3 KYC update, Mr. Canning immediately attempted to rectify the issue by filing Form DIR-5 on March 20, 2024, seeking to surrender the duplicate DIN. Despite his proactive efforts and the absence of malicious intent, the MCA system flagged the issue for adjudication. After a hearing held on September 23, 2024, the Adjudicating Officer acknowledged the unintentional nature of the violation but held The director is required to pay the penalty within 90 days via the MCA portal. Non-compliance may lead to further legal consequences. Mr. Canning retains the right to appeal to the Regional Director (Eastern Region) within 60 days. This order underscores the critical need for caution and oversight in managing statutory director information, especially during transitional phases in regulatory systems.

Penalty on Shivnath Holdings Private Limited for Non-Compliance with Provisions of Section 12(3) of the Companies Act, 2013

The Ministry of Corporate Affairs appointed the Registrar of Companies, Delhi, as the Adjudicating Officer to penalize Shivnath Holdings Private Limited) for violating Section 12(3)(c) of the Companies Act, 2013. The company failed to print its Corporate Identity Number (CIN) on its official

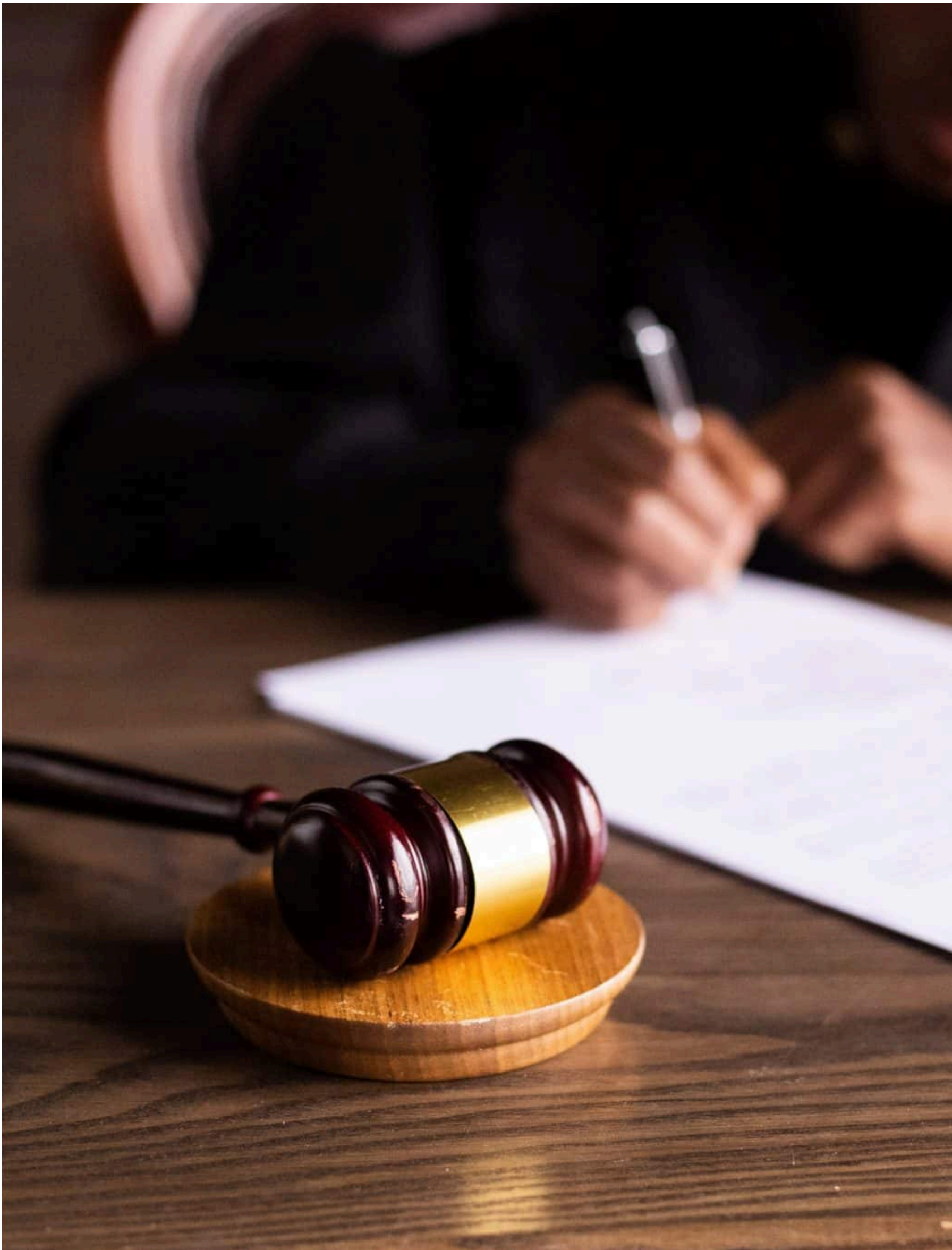


Notifications & Updates

documents—specifically, the notice and Board report dated 27.08.2014. A Show Cause Notice was issued, but no response was received initially. Upon follow-up, the company admitted the violation in its reply dated 06.06.2023. As a small company under Section 2(85), the penalty was halved per Section 446B. A penalty of ₹2,000 each was imposed on the company and its directors, Isha Garg and Mahesh Chander. Payment is to be made within 90 days via the MCA portal. The company is also directed to rectify the default and update its registered office details. Appeals may be filed with the Regional Director, Northern Region, within 60 days. The case is processed under the rules applicable prior to the 2024 amendments, per Gazette Notification dated 09.10.2024.

Order Imposing Penalty on Veeda Clinical Research Limited for Violation of Section 42 of the Companies Act, 2013

The Registrar of Companies, Gujarat, Dadra & Nagar Haveli, has issued an adjudication order against Veeda Clinical Research Limited for non-compliance with Section 42(6) of the Companies Act, 2013. The company received application money for share allotment on 09.05.2023 but failed to complete the allotment within the required 60-day period, instead finalizing it on 18.07.2023—an 11-day delay. Veeda Clinical submitted a suo moto application acknowledging the delay, attributing it to technical reasons and seeking adjudication under Section 450 of the Act, which applies in the absence of specific penalty provisions. As per the order, penalties of ₹21,000 each were imposed on the company, its Managing Director Mr.





Ajay Tandon, and CFO & Company Secretary Mr. Nirmal Bhatia. The company was found ineligible for reduced penalties as it does not fall under the definition of a “small company.” The adjudicating officer considered the nature of the violation, the absence of investor loss, and the lack of repetitive default while determining the penalty. The company and officers are directed to pay the penalty via the MCA portal within 60 days and submit proof using Form INC-28. Failure to comply may lead to stricter consequences, including prosecution, fines, and potential imprisonment under Section 454(8). This order, issued in accordance with applicable adjudication rules, disposes of the matter formally and emphasizes the importance of timely statutory compliance.

Penalty on Company for non-compliance of provisions of Section 12 of Companies Act, 2013 in matter of Divyam Infracon Private Limited

Divyam Infracon Private Limited, incorporated on 17.03.2011 in Gujarat with CIN U45200GJ2011PTC064474, was found to be in violation of Section 12(1) of the Companies Act, 2013, read with Rule 25A of the Companies (Incorporation) Rules, 2014. This rule mandates that all companies incorporated on or before 31st December 2017 must file e-Form ACTIVE (INC-22A) by 25.04.2019, confirming details of their registered office. Despite statutory requirements, the company failed to comply with this filing and did not respond to notices or attend the scheduled hearing on 21.02.2024.





Consequently, ex-parte adjudication proceedings were carried out. The inquiry under Section 206(4) also revealed the company had not updated basic statutory details (e.g., CIN, email, address) on its letterhead and MCA records, further violating Section 12(3)(c).

The Registrar of Companies found Divyam Infracon and its directors—Mr. Mukeshbhai Gobarbhai Chothani, Mr. Hareshbhai Gobarbhai Chothani, and Mr. Bhaveshkumar Kalabhai Sorathiya—in default and imposed a penalty of ₹1,00,000 on each, totaling ₹4,00,000 under Section 12(8) of the Companies Act, 2013.

The company and its officers must pay the penalty within 90 days through the MCA portal and file proof in Form INC-28. Failure to comply may result in further legal action, including fines and imprisonment as per Section 454(8) of the Act.

Calcutta High Court Reiterates IBC's Overriding Effect Over FEMA While Quashing Seizure Order

In a recent judgment, the Calcutta High Court quashed a provisional seizure order and notices issued under the Foreign Exchange Management Act, 1999 (FEMA), reaffirming the overriding effect of the Insolvency and Bankruptcy Code (IBC) over other legislations, including FEMA. The petition before the Court sought the quashing of actions initiated under FEMA, which were challenged on the ground of inconsistency with the IBC. Justice Jay Sengupta, presiding over the matter, observed that as consistently held by the Supreme Court in several decisions, the provisions of the IBC take precedence over conflicting provisions of other laws such as FEMA, emphasizing that Section 238 of the IBC is "very strongly worded indeed."

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