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### **Companies (Accounts) Second Amendment Rules, 2024**

In exercise of the powers conferred by Companies Act, 2013, the Central Government hereby notified Companies (Accounts) Second Amendment Rules, 2024, which shall come into force on the date of their publication in the Official Gazette. By this notification, E-Form CSR-2 for the FY 2023-24 must be filed separately on or before March 31, 2025 (which was 31.12.2024 previously), after filing the specified forms AOC-4 or AOC-4-NBFC (Ind AS) or AOC-4 XBRL.

### **Ministry of Corporate Affairs has taken several steps to improve ease of doing business and enhance ease of compliance.**

The Centre for Processing Accelerated Corporate Exit (C-PACE) was established vide MCA Notification dated 17th March 2023 to centralize and speed up the voluntary strike off process of companies u/s 248 (2) of the Companies Act, 2013 in a fast-track mode in order to facilitate 'Ease of Doing Business' in India. The MCA has centralized the striking off of Limited Liability Partnerships (LLPs) by empowering the CPACE for processing of e-Forms related to striking off of LLPs, as well. To improve ease of doing business and enhance ease of compliance.

### **Adjudication Order for violation of Section 149(1) of Companies Act, 2013 in matter of Solitaire Investments Co Limited**

It was observed that the company is a listed company on Bombay stock





exchange since 19.10.1982. As per Section 149 of Companies Act, 2013, the company was required to appoint a women director however the company had not appointed a woman director.

In light of this, the Adjudicating Officer had issued a show-cause notice to the company and its officers in default, seeking an explanation for non-compliance and no response has been submitted by the company in response to the notice.

Considering the facts and circumstances, and in the absence of any reply to the show-cause notice, the Adjudicating Officer had proceeded with the matter ex-parte. Consequently, a penalty of INR 3,00,000 (three lakh rupees) has been imposed on the company for non-compliance with Section 149 of the Companies Act, 2013. Additionally, a penalty of INR 1,00,000 (one lakh rupees) has been imposed on each of the officers in default under Section 172 of the Act. The Adjudicating Officer, exercising the powers vested under Section 454 of the Companies Act, 2013, has therefore imposed the penalty as mentioned above.

### **Adjudication Order for violation of Section 173(1) of Companies Act, 2013 in matter of Velodyne Lidar India Private Limited**

The company has filed a suo-motu adjudication application for violation of Section 173(1) of the Companies Act, 2013, as it failed to convene its first board meeting for the financial year 2023-24 within the prescribed 120-day



## Notifications & Updates

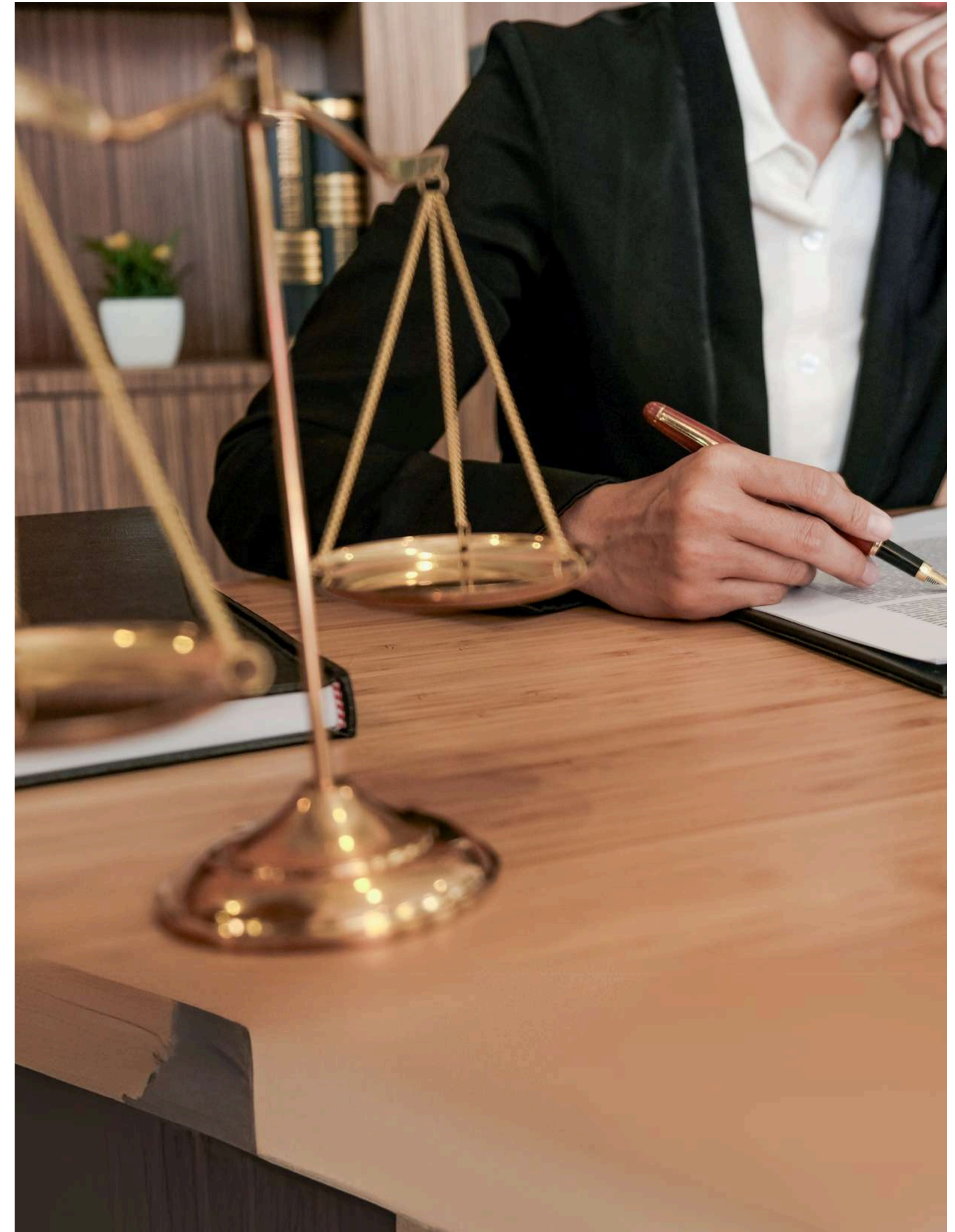
interval. The last board meeting for FY 2022-23 was held on 14.03.2023, meaning the meeting for FY 2023-24 should have taken place by 12.07.2023. However, the company held the meeting on 29.09.2023, resulting in a delay of 79 days. Adjudication proceedings were initiated, and a notice of hearing was sent to the company. The hearing was attended by a practicing company secretary and the authorized representative of the company. During the proceedings, it was noted that the company did not qualify as a small company, meaning Section 446B of the Companies Act, 2013, was not applicable.

After considering all facts and circumstances, the adjudicating officer, in the exercise of powers under Section 454 of the Act, imposed a penalty of ₹88,000 on the company and ₹50,000 on each officer in default under Section 450 of the Companies Act, 2013.

### **Adjudication Order for violation of Section 203(1) of Companies Act, 2013 in matter of Xurmo Technologies Private Limited**

The company has submitted a suo-moto application for adjudication regarding a violation of Section 203(1) of the Companies Act, 2013. As the company exceeded the required threshold, it was obligated to appoint a company secretary. Adjudication proceedings were initiated, and a notice of hearing was issued. An authorized representative of the company attended the hearing.

After reviewing the facts and circumstances of the case, as well as the





company's submissions, the adjudicating officer concluded that the company and its officers had violated the provisions of Section 203(1) of the Companies Act, 2013. As a result, they were deemed liable for a penalty under Section 203(5) of the Act. The imposed penalty amounted to fifty thousand rupees, with a daily fine of one thousand rupees for any continuing violation, subject to a maximum of five lakh rupees.

### **Penalty Order passed under Section 177 for violation of Section 173(1) of Companies Act, 2013 in matter of M/s. KCP Infra Limited**

The company has submitted a suo-motu adjudication application regarding the violation of Sections 177 and 178 of the Companies Act, 2013. The Adjudicating Authority issued a hearing notice to both, the company and its officer(s) in default. The hearing was attended by the company's authorized representative.

After considering all the relevant facts and circumstances, it was determined that the company had violated Sections 177 and 178 of the Companies Act, 2013, and was therefore liable for a penalty. In accordance with the powers granted under Section 454 of the Act, the Adjudicating Officer imposed a penalty of ₹5,00,000 on the company and ₹1,00,000 on each officer in default under Section 178 of the Companies Act, 2013.

### **Penalty Levied for violation of Section 56(4) of Companies Act, 2013 in matter of Aptia Group India Private Limited**

## Notifications & Updates

The Company had filed an adjudication application concerning a violation of the provisions under Section 56(4) of the Companies Act, 2013. In response, the Adjudicating Authority issued a show-cause notice to the Company. The Company reiterated the facts and its position, and its authorized representative appeared for the hearing on its behalf. Section 56(4) of the Companies Act, 2013 mandates that a company must issue share certificates to the subscribers of the memorandum within two months of its incorporation.

Further, Section 56(6) of the Companies Act, 2013 specifies that in the event of a default under Section 56(4), both the company and every officer in default shall be liable to a penalty of ₹50,000.

After considering the matter, the Adjudicating Officer concluded that the Company had failed to comply with the requirements of Section 56(4) of the Companies Act, 2013. Consequently, a penalty of ₹50,000 was imposed on the Company, along with a similar penalty on each officer found in default.

### **Order for Penalty passed under Section 159 for violation of Section 155 of Companies Act, 2013 in matter of Dr. Prince Surana (Director)**

Mr. Prince Surana, Director, has voluntarily filed a suo-motu adjudication application in relation to a violation of Section 155 of the Companies Act, 2013. It was observed that the Director had inadvertently obtained two



## Notifications & Updates

Director Identification Numbers (DINs), but there was no malafide intention behind this action. Under Section 155, read with Rule 11 of the Companies Act, 2013, it is stipulated that an individual shall not apply for, obtain, or hold more than one DIN. If a person possesses multiple DINs, they are liable to a penalty under Section 159 of the Act.

The Adjudicating Officer concluded that the Director had indeed violated the provisions of Section 155 of the Companies Act, 2013. Consequently, exercising the powers conferred under Section 454 of the Act, the Officer imposed a penalty of Rs. 54,250 on the Director. The nature of the violation was considered non-repetitive, and there was no evidence to suggest any ill-intent on the part of the Director, which was factored into the determination of the penalty amount.

### **Delhi High Court Order in matter of Ganesh Chandra Bamrana and Ors Versus Rukmani Gupta**

The case addressed whether individuals can face proceedings under Section 138 of the Negotiable Instrument Act, 1881 (cheque dishonour) after a company is admitted to the Corporate Insolvency Resolution Process (CIRP) and a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 (IBC) is in effect.

The Legal issue was whether individuals acting on behalf of a company

under CIRP, can be held liable for dishonouring of cheque under the Negotiable Instrument Act, 1881 during a moratorium.

The Delhi High Court held that GANESH CHANDRA BAMRANA AND ORS could not be held vicariously liable for cheque dishonour during the moratorium giving the context of Govind Prasad Todi v. Govt. of NCT of Delhi, in which it was held that legal proceedings under Section 138 of the Negotiable Instrument Act, 1881 cannot proceed during the moratorium.

High Court stated that the moratorium under Section 14 of the IBC halts all legal actions against the corporate debtor. The IRP assumes control over the corporate debtor's bank accounts, disabling directors from operating them. Cheques issued and dishonoured during the moratorium period cannot be attributed to the directors due to their lack of control over the accounts. Liability under Section 138 of the Negotiable Instrument Act, 1881 requires individuals to be in charge of and responsible for the company's operations at the time of the offence. This condition is not met once the IRP takes control.

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**For any further assistance contact our team at [kmt@vkalra.com](mailto:kmt@vkalra.com)**

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