



भारत सरकार

कारपोरेट कार्य मंत्रालय

कार्यालय कम्पनी रजिस्ट्रार, गुजरात, दादरा एवं नगर हवेली

आर.ओ.सी. भवन, रुपल पार्क के सामने,

अंकुर बस स्टैंड के पास, नारणपुरा, अहमदाबाद (गुजरात) - 380013.

दूरभाष संख्या : 079 27438531, फेक्स सं. : 079-27438371

वेबसाइट : www.mca.gov.in, ईमेल : roc.ahmedabad@mca.gov.in

GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

OFFICE OF THE REGISTRAR OF COMPANIES,

GUJARAT, DADRA & NAGAR HAVELI

ROC Bhavan, Opp. Rupal Park,

Nr. Ankur Bus Stand, Naranpura, Ahmedabad (Gujarat) - 380013.

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BEFORE THE ADJUDICATING OFFICER

REGISTRAR OF COMPANIES, GUJARAT, DADRA & NAGAR HAVELI

24/9 To 16

No. ROC-GJ/ADJ. ORDER/64/STEELSMITH CONTINENTAL/ SEC G.454/ 2023-24

Dated: 12 SEP 2024

ORDER FOR PENALTY UNDER SECTION 454 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ADJUDICATION OF PENALTIES) RULES, 2014 FOR VIOLATION OF SECTION 64 OF THE COMPANIES ACT, 2013 READ WITH SECTION 55 AND RULES MADE THEREUNDER.

IN THE MATTER OF

STEELSMITH CONTINENTAL MANUFACTURING PRIVATE LIMITED

(U29230GJ2000PTC038395)

12/09/2024

Date of hearing -14.08.2024

PRESENT:

1. Shri Keerthi Thej N. (ROC), Adjudicating Officer
2. Shri Indrajit Vania (DROC), Presenting Officer

प्राप्त दिनांक.....
Received Date:.....
प्रादेशिक निदेशक कार्यालय, उ.प.क्षे., अहमदाबाद
O/o. Regional Director, NWR, Ahmedabad
कारपोरेट कार्य मंत्रालय
Ministry of Corporate Affairs
सामग्री सत्यापित नहीं है / Contents not verified

Company/ Officers/Directors/KMP/Authorized Representative:

Shri Kashyap Shah, PCS - Authorized representative of the Company/Director of the company present before the Adjudicating Authority.

Appointment of Adjudication Authority: -

1. The Ministry of Corporate Affairs vide its Gazette Notification No. A-42011/112/2014-Ad. II dated 24.03.2015 has appointed the undersigned as Adjudicating Officer in exercise of the powers conferred under section 454 of the Companies Act, 2013 (hereinafter known as Act) read with Companies (Adjudication of Penalties) Rules, 2014 (Notification No. GSR 254(E) dated 31.03.2014) for adjudging penalties under the provisions of Act.

Company:

2. **WHEREAS, STEELSMITH CONTINENTAL MANUFACTURING PRIVATE LIMITED** (herein after referred to as "company") is a company registered under the provisions of the Companies Act, 1956/2013 in the State of Gujarat, having CIN: **U29230GJ2000PTC038395** and presently having its registered office situated at "Shree Balaji, Block No.43, Plot No.52 & 53, Village Lamdapura, Taluka Savli, Vadodara, Gujarat".

3. **Authorized and Paid up Share Capital**

The authorized capital of the company is Rs.10,00,00,000 (Rupees Ten Crores) divided into 60,00,000 (Sixty Lakhs) equity shares of Rs.10/- (Ten) each and 40,00,000 (forty lakhs) Redeemable Preference Shares of Rs.10/- (Ten) each. The issued, subscribed and paid-up share capital of the company is Rs.4,71,85,780/- (Rupees Four Crores Seventy One lakhs Eighty Five Thousands Seven hundred and Eighty only) divided into 47,18,578 (Forty Seven Lakhs Eighteen Thousand and Eighty only) divided into 47,18,578 (Forty Seven Lakhs Eighteen Thousands Five Hundred and Seventy Eight) equity shares of Rs.10 (Ten) each.

4. **Fact of the case:**

The applicant company hereby state that it had at its Board Meeting held on June 2, 2022 passed a Board Resolution under the provisions of Section 55 of the Companies Act, 2013 read with rules made thereunder and other applicable provisions, for redemption of 1,70,000 redeemable preference shares of Rs.10/- each.

As per provisions of Section 62 of the Companies Act, 2013, E-form SH-7 is required to be filed within 30 days of passing the Board resolution for redemption of 1,70,000 preference shares. However, the company could not file E-form within the prescribed time due to technical reasons. The company filed e-form SH-7 on 15.04.2023, vide SRN AA1959627, however, the said form was rejected on 17.11.2023. Finally, the company filed fresh e-form SH-7 vide SRN AA6519218 dated 17.01.2024 (which is approved on 30.04.2024) for redemption of the preference shares. Upon submission of the said form, the Hon'ble O/o ROC, Ministry of Corporate Affairs has asked the company to re-submit the form with following remarks:

"Comments: - "FORM IS FILED WITH A DELAY. NECESSARY CONDONATION OF DELAY APPLICATION REQUIRED TO BE FILED AND THE SRN TO BE INITIATED"

Accordingly, as directed by the Hon'ble ROC office as per email dated 29.01.2023, this application for adjudication of delayed filing of E-form SH-7 is made.

5. **Ground of making an application: -**

The delayed filing of E-form SH-7 was purely the unintended lapse of the company in filing form in time. The default came into notice of the company when Ms. Urmi

Majethia, Practicing Company Secretaries of the company conducted review of all secretarial records as good corporate governance practice.

The company has filed Suo-moto application under Section 454 of the Companies Act, 2013 before the Adjudicating Officer for violation under Section 64 of the Companies Act, 2013 for Penal Provision of Section 64 (2) of the Companies Act, 2013.

6. **WHEREAS**, Sub-section (2) of Section 64 of the provides that. *“Where any company fails to comply with the provisions of sub-section (1) such company and every officer who is in default shall be liable to a penalty of (five hundred rupees) for each day during which such default continues, (subject to a maximum of five lakh rupees in case of a company and one lakh rupees in case of an officer who is in default)”* {Substituted for “One Thousand rupees” by the Companies (Amendment) Act, 2020 with effect from 21.12.2020}.
7. **WHEREAS**, the Company has failed to file Form SH-7 for redemption of preference shares within prescribed time limit with Registrar of Companies. The said company has redeemed the preference shares on 02.06.2022. During the Course of due diligence undertaken by the Board of Directors, it was identified that the form SH-7 for redemption of Preference Shares was inadvertently missed to file with Registrar of Companies within due date i.e. 30 days from the date of redemption i.e. 02.07.2022 and the same was filed vide SRN AA1959627 dated 15.04.2023. However, the said form was rejected on 17.11.2023. Thereafter, the Company was again filed e-form SH-7 vide SRN AA6519218 on 17.01.2024 which was subsequently approved on 30.04.2024 as per MCA portal.

[Date extended up to 02.07.2022 to 30.04.2024 for 669 days)

8. The following Officer in default was the KMP of the company during the period of default i.e. 02.07.2022 to 30.04.2024.

Sr. No.	Name of Officers & their DIN	Date of Appointment
1.	Mr. Krishnakant Haridas Popat Managing Director DIN: 00689065	19.07.2000

Submission of the Presenting Officer

9. The Presenting Officer submitted that the company has violated Section 64(1) (c) of the Companies Act, 2013, The said company has redeemed the preference shares on 02.06.2022. However, the Company has failed to file Form SH-7 for redemption of preference shares with Registrar of Companies within 30 days from the date of redeemed the preference shares, in such manner, with such fees as may be prescribed the Adjudication officer empowered to impose penalty under the provisions of Section 64 (2) of the Companies Act, 2013..

10. The Presenting Officer has further submitted that it is observed from the Annual Return up to 30.09.2023 the paid-up capital of the company is Rs.4,71,85,780/- and Turnover is Rs.1,409,007,719.18. Hence, as per the Ministry's Notification No. G.S.R. 700(E) dated 15.09.2022, in the light of Companies (Specification of definition details) Amendment Rules, 2022 with respect to the provisions of Section 2(85) of the Companies Act, 2013, the **company has not fall under the ambit of "small company"**. Therefore, the provisions of imposing lesser penalty as per the provisions of Section 446B of the Companies Act, 2013 shall not be applied to the company.

ORDER:

11. While adjudging quantum of penalty under section 64 (2) of the Companies Act, 2013, the Adjudication Officer shall have due regard to the following factors, namely:
- (a) The amount of disproportionate gain or unfair advantage, whenever quantifiable, made as a result of default.
 - (b) The amount of loss caused to an investor or group of investors as a result of the default.
 - (c) The repetitive nature of default.
12. With regard to the above factors to be considered while determining the quantum of penalty, it is noted that the disproportionate gain or unfair advantage made by the notice or loss caused to the investor as a result of the delay on the part of the notice to redress the investor grievance are not available on the record. Further, it may also be added that it is difficult to quantify the unfair advantage made by the notice or the loss caused to the investors in a default of this nature.
13. The undersigned considered the submission made by the representative of the Company. Having considered the facts and circumstances of the case and after taking into account the factors above, the undersigned has reasonable cause to believe that the company and its officer(s) in default(s) have violated the provision of section 64 of the Companies Act, 2013 by delay in filing of e-form SH-7 for redemption of preference shares with Registrar of Companies within 30 days from the date of redeemed the preference shares. I hereby imposed penalty on the Company and its Officer(s) in default u/s 64 of the Companies Act, 2013 for penal provisions of section 64(2) of the Companies Act, 2013 as per Table below: -

Default for non-filing of form SH-7 w.e.f. 02.07.2022 to 30.04.2024 (669 days)

<u>Nature of Default</u>	<u>Violation under Companies Act, 2013</u>	<u>Company/ Directors/Officers</u>	<u>No. of Days for default</u>	<u>Penalty for default (Rs.)</u>	<u>Maximum Limit For Penalty (Rs)</u>	<u>Penalty To be Imposed (Rs.)</u>
<u>Non filing of form SH-7</u>	<u>Sec. 64(2)</u>	STEELSMITH CONTINENTAL MANUFACTURING PRIVATE LIMITED	669 days	500x669= Rs.3,34,500/-	5,00,000/-	Rs.3,34,500/-
		Mr. Krishnakant Haridas Popat Managing Director	669 days	500x669= Rs.3,34,500/-	1,00,000/-	1,00,000/-

AO is of the opinion that penalty is commensurate with the aforesaid default committed by the Noticees:

14. The company/ Officer is further directed to rectify the default failing which this office shall proceed further in the matter pursuant to Section 454A of the Companies Act, 2013 for the non-compliance of the aforesaid provisions of the Companies Act, 2013.
15. The noticee shall pay the amount of penalty individually for the company and its officers from their personal sources/ income by way of e-payment available on Ministry Website www.mca.gov.in under "Pay Miscellaneous fees" category in MCA fee and payment Services under Rule 3(14) of Company (Adjudication of Penalties) (Amendment) Rules, 2019 within 60 days from the date of receipt of this order and copy of this adjudication order and Challan/SRN generated after payment of penalty through online mode shall be filed in INC-28 under the MCA portal without further reference.
16. Appeal if any, against this order may be filed in writing with the Regional Director, North Western Regional, Ministry of Corporate Affairs, ROC Bhavan, Opp. Rupal Park, Nr. Ankur Bus stand, Naranpura, Ahmedabad (Gujarat) 380 013 within a period of sixty days from the date of receipt of this order, in Form ADJ setting forth the grounds of appeal and shall be accompanied by the certified copy of this order. (Section 454 of the Companies Act, 2013 read with the Companies (Adjudicating of Penalties) Rules, 2014 as amended by Companies (Adjudication of Penalties) Amendment Rules, 2019).
17. Please note that as per the provisions of **section 454(8)(i)** of the Companies Act, 2013, where company does not pay the penalty imposed by the Adjudication officer or the Regional Director within a period of **Ninety days (90 days)** from the date of the receipt of the copy or order, the

company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakhs rupees. Further as per section 454(8)(ii) of the Companies Act, 2013, where an officer of a company who is in default does not pay the penalty within a period of **Ninety days (90 days)** from the date of receipt of the copy of the order, such officers shall be punishable with imprisonment which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both.

18. Your attention is also invited to section 454(8) of the Companies Act, 2013 in the event of non-compliance of this order which provides that in case of default in payment of penalty, prosecution will be filed u/s. 454(8)(ii) of the Companies Act, 2013 at your own costs without any further notice.

The adjudication notice stands disposed of with this order.

14.11.09.24
Registrar of Companies
& Adjudicating Officer
Gujarat, Dadra Nagar Haveli

To,

1. M/s. Steelsmith Continental Manufacturing Private Limited
"Shree Balaji", Block No.43, Plot No. 52 & 32,
Village- Lamdapura, Taluka- Savli,
Vadodara-391775 (Gujarat).
2. Mr. Krishnakant Haridas Popat (Managing Director)
80, Nageshwar Society, Nageshwar Temple,
Harni Road, Vadodara-390006.

14.11.09.24
Registrar of Companies
& Adjudicating Officer
Gujarat, Dadra Nagar Haveli

Copy to:

Ministry of Corporate Affairs, (Through Proper Channel)

The Regional Director, (NWR), Ministry of Corporate Affairs, Ahmedabad-380013
(for information please)