



भारत सरकार
कारपोरेट कार्य मंत्रालय
कार्यालय रजिस्ट्रार ऑफ कम्पनीज
पंजाब एवं चंडीगढ़,
कारपोरेट भवन
प्लॉट नम्बर 4-बी, सैक्टर 27-बी, चंडीगढ़
फोन नम्बर: 0172 2639415, 2639416

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
OFFICE OF THE REGISTRAR OF
COMPANIES PUNJAB AND CHANDIGARH,
CORPORATE BHAWAN
PLOT NO.4-B, SECTOR 27B, CHANDIGARH
PHONE NO.172-2639415, 2639416

No. ROC CHD/2021-22/12(8)/RP/029675/

3573

Dated: 28/07/22

ORDER UNDER SECTION 454 FOR VIOLATION OF SECTION 149 OF THE COMPANIES ACT, 2013, READ WITH COMPANIES (ADJUDICATION OF PENALTIES) RULES, 2014

IN THE MATTER OF M/S CEIGALL INDIA LIMITED

CIN: U45201PB2002PTC025257

1. The Ministry of Corporate Affairs vide its gazette notification no OS.831(E) dated 24.3.2015, has appointed the undersigned as **Adjudicating Officer(AO)** in exercise of the powers conferred by **section 454 of the Companies Act, 2013** (hereinafter known as Act) read with **Companies (Adjudication of Penalties) Rules, 2014** for adjudging penalties under the provisions of this Act.
2. Whereas M/s Ceigall India Limited (herein after referred to as "the Company") is a company registered with this office under the Provisions of the Companies Act, 2013/1956 (or previous Acts in force, as applicable) having its registered office situated at A-898, Tagore Nagar, Ludhiana as per data available with MCA website.

Provisions of the Act:-

3. Whereas as per **Section 149(1)** of the **Companies Act, 2013**,

Every company shall have a Board of Directors consisting of individuals as Directors and shall have

- a. a minimum number of three Directors in the case of a public company, two Directors in the case of a private company, and one director in the case of a One Person Company; and
- b. a maximum of fifteen Directors:

Provided that a company may appoint more than fifteen Directors after passing a special resolution:

Provided further that such class or classes of companies as may be prescribed, shall have at least one woman director.

Further, **Rule 3 of The Companies (Appointment and Qualification of Directors) Rules, 2014** read as under: -

3. Woman director on the Board.- The following class of companies shall appoint at least one woman director-

(i) every listed company;

(ii) every other public company having –

(a) paid-up share capital of one hundred crore rupees or more; or

(b) turnover of three hundred crore rupees or more:

Provided that a company, which has been incorporated under the Act and is covered under provisions of second proviso to sub-section (1) of section 149 shall comply with such provisions within a period of six months from the date of its incorporation:

Provided further that any intermittent vacancy of a woman director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later.

Explanation.- For the purposes of this rule, it is hereby clarified that the paid up share capital or turnover, as the case may be, as on the last date of latest audited financial statements shall be taken into account.

Facts about the case:-

4. The Company and its Managing Director have suo-moto filed application vide e-form GNL-1 (SRN T67662973) for adjudication of penalty under the provisions of Section 454 of the Act and rules thereunder and stated therein inter alia:-

- That the applicant admits their default and suo-moto moves the application for adjudication of penalty under Section 454 read with Section 172 of the Companies Act, 2013 in respect of non-appointment of a Woman Director on the Board of Directors of the Company within the specified time period and thereafter appointing the Director belatedly.
- That the company had to fill the vacancy of the Woman Director as per Rule 3 of The Companies (Appointment and Qualification of Directors) Rules, 2014 after the

vacancy caused by resignation of the erstwhile Woman Director on 16.03.2021 by the date of the next Board Meeting, i.e. by 15.06.2021. However, the company failed to do so.

- That the company had defaulted in filling the vacancy of the Woman Director within the stipulated time.
- That the company has made the default good by appointing another Woman Director with effect from 26.11.2021.
- Thereafter, e-form DIR-12 for the appointment of Woman Director was filed with the ROC on 01.11.2021 vide SRN T57370504. Hence, the default has been made good.

Thus, the Company and its directors have failed to comply with the provision of section 149(1) of the Companies, Act, 2013, in appointing the Woman Director on the Board of Directors, thereby attracting the penal provisions against the company and officers in default mentioned under section 2(60), of the Companies Act, 2013.

3. Thereafter, a "Notice for Inquiry" vide No. ROC CHD/2021-22/149/025257/3384 to 3385 dated 07.01.2022, was issued to the company and its officers in default as per [Rule 3(3), Companies (Adjudication of Penalties) Rules 2014] and a hearing was fixed for 28.01.2022 at 11.00 AM in the Office of Registrar of Companies, Punjab & Chandigarh, Plot No. 4-B, Sector 27-B, Madhya Marg, Chandigarh-160019.
4. That with reference to the notice of inquiry Sh. Rahul Jogi, Advocate appeared before the Registrar of Companies, Chandigarh on behalf of company and officers in default on 10.02.2022 (as hearing could not be held on 28.01.2022 and was adjourned due to leave of the undersigned) and asked for time of one week. As per request, hearing was adjourned to 15.02.2022 and accordingly Sh. Rahul Jogi, Advocate appeared before the Registrar of Companies on 15.02.2022.

Therefore, it is concluded that the company and its officers in default are liable for penalty as prescribed under Section 149 (1) read with Section 172 of the Companies Act, 2013. Further, it is pertinent to mention here that suo-moto application filed for adjudication has not been filed by all the officers in Default and notice may issued to the other officers in Default. Also, it is worthwhile to point out that Rahul Jogi, advocate in his submission made it clear that there is mistake in the adjudication application regarding period of Default. He pointed out that women Director was appointed on

26.10.2021 and not on 26.11.2021 as stated in the application. Also, aspect regarding appointment of the women Director was confirmed from the MCA portal and it was found that women director was appointed on 26.10.2021.

Further, on perusal of records it is found that vacancy of woman director was created on 16.03.2021 and was required to be filled up to 15.06.2021 in terms of the provisions of section 149(1) of the Act. The company appointed women director on 26.10.2021 and hence period of default is from 16.06.2021 to 25.10.2021 i.e for 132 days.

Accordingly, I inclined to impose a penalty as prescribed under Section 172 of Section of the Companies Act, 2013 for violation of section 149(1) of the Act. The details of the penalty imposed on the company and officers in default are as:

Nature of Default	Violations under Companies Act,2013	Name of person on whom penalty imposed	No. of days of default	penalty for default (Rs)	Total Default amount (Rs)	Maximum Limit for penalty (Rs)	Final penalty Imposed (Rs)
Non-appointment of Woman Director	149(1)	On Company	132	50000 + 500 per day	50,000 + 132*500= 116000	50000 +300000	116000
		Sh. Ramneek Sehgal	132	50000 + 500 per day	50,000 + 132*500= 116000	50000 +100000	116000

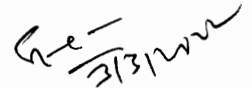
I am of this opinion that penalty is commensurate with the aforesaid failure committed by the Noticee and penalty so imposed upon the **Officers-in-default shall be paid from their personal sources/income.**

It is further directed that penalty imposed shall be paid through the **Ministry of Corporate Affairs portal only** as mentioned under **Rule 3(14) of Company (Adjudication of Penalties) (Amendment) Rules, 2019** under intimation to this office.

5. Appeal against this order may be filed in writing with the **Regional Director (Northern Region), Ministry of Corporate Affairs, CGO Complex, Lodhi Road, New Delhi**, 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 a certified copy of this order.
[Section 454(5) & 454(6) of the Act, read with Companies (Adjudication of Penalties) Rules, 2014].

6. Your attention is also invited to **Section 454(8)(i) and 454(8)(ii) of the Companies Act, 2013**, which state that in case of non-payment of penalty amount ,the company shall be punishable with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees And officer in default 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.
7. In terms of the provisions of sub-rule (9) of Rule 3 of the Companies (Adjudication of Penalties) Rules, 2014, copy of the order is being sent to M/s Ceigall India Limited at A-898, Tagore Nagar, Ludhiana-141001, Sh. Ramneek Sehgal, Managing Director, House No. G-9, South City, Ludhiana, Punjab-141001 and Regional Director (Northern Region), Ministry of Corporate Affairs, CGO Complex, Lodhi Road, New Delhi and will also be uploaded on website.



(Shyam Sunder)
Registrar of Companies & Adjudicating Officer
Punjab and Chandigarh

Copy to:-
Regional Director (NR), Ministry of Corporate Affairs, New Delhi for information and record.