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GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES, KARNATAKA  
II FLOOR, "E" WING, KENDRIYA SADAN, KORAMANGALA, BANGALORE - 560 034

REF No. ROCB/ Adj. Order /Sec.454 sub. 140(8)/ 066697/2019

Date: 18-02-2020

**ORDER OF ADJUDICATION OF PENALTY UNDER SECTION 454 (3) OF COMPANIES ACT 2013 READ WITH RULE 3 OF THE COMPANIES (ADJUDICATION OF PENALITES) RULES 2014 FOR VIOLATION OF PROVISIONS OF SECTION 140(2) OF THE COMPANIES ACT 2013 BY M/s M.KUMARPAL & CO, STATUTORY AUDITOR OF M/S ARTHAM STOCK BROKERS PRIVATE LIMITED**

- 1 In the matter of ARTHAM STOCK BROKERS PRIVATE LIMITED incorporated on 14.11.2012 under the Registrar of Companies, Bangalore.
- 2 Whereas sub-section (2) of section 140 of the Companies Act, 2013 states, "*the auditor who has resigned from the company shall file within a period of thirty days from the date of resignation, a statement in the prescribed form ADT-3 with the company and the Registrar.*"
- 3 Whereas, Mr..Kumarpal jain of M/S KUMARPAL &CO tendered his resignation to the Board of Directors of the company on 30.09.2016, however, failed to file form ADT-3 with registrar of companies within the thirty days from the date of resignation and filed ADT-3 only on 18.06.2018 (with a delay of 596 days).
- 4 Whereas, the audit firm filed a compounding application dated **06.12.2018** with this office for the offence committed under section 140(2) of the Companies Act, 2013. Based on the application submitted by the firm this office has sent an adjudication notice dated 02.01.2020 to appear before the under signed on **18.01.2020 at 10.30 AM** in the chamber of Registrar of Companies.
- 5 Whereas, Mr. Vinay BL, a Company Secretary in whole-time practice appeared before the Registrar of Companies on behalf of M/s Kumarpal & Co, Chartered Accountants. Mr. Vinay B.L, produced the copy of the Balance Sheet for the year ended 31.03.2016 showing the Auditors Remuneration as **20,000/-**.
- 6 Whereas, the provisions of Section 140(3) of the Companies Act ,2013 stipulates that "*if the auditor does not comply with the provisions of Sub-Section (2), he or it shall be liable to a penalty of fifty thousand rupees or an amount equal to the remuneration of the auditor, whichever is less, and in case of continuing failure, with a further penalty of five hundred rupees, for each day after the first during which such failure continues, subject to a maximum of five lakh rupees*".
- 7 Accordingly, the undersigned in exercise of the powers vested to him vide Sec **454(1) & (3)** of Companies Act 2013 considering the delay in filing the requisite form, hereby impose a penalty of **Rs. 20,000/-** immediately in the MCA 21 portal and proof of payment be filed within **ninty** days in GNL-1 along with a copy of this order produced for verification within sixty days from the date of receipt of order.

- 8 Whereas sub-section (5) of section 454 of the Companies Act, 2013 provides that any person aggrieved by an order made by the adjudicating officer under sub-section (3) may prefer an appeal to the Regional Director having jurisdiction in the matter and further sub-section (6) provides that every appeal under sub-section (5) shall be filed within sixty days from the date on which the copy of the order made by the adjudicating officer is received by the aggrieved person and shall be in such form, manner and be accompanied by such fees as may be prescribed.
- 9 Please note that as per **Sec 454(8) (i)** of the Companies Act 2013 where an officer of a company or any other person who is in default fails to comply with the order under sub section (3) within a period of ninety days from the date of the receipt of the copy of the order, such officer 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.

In case of default in payment of penalty, prosecution will be filed U/s **454(8)** of the Companies Act 2013 at your own costs without any further notice.

  
(C V SAJEEVAN)  
REGISTRAR OF COMPANIES,  
KARNATAKA.

To

**F.No. ROCB/ Adj. Order /Sec.454 sub. 140(8)/ 066697/2019-2020**

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Shri.kumarpal Jain  
M/s M.Kumarpal &Co  
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