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SPEED-POST**BEFORE THE ADJUDICATING OFFICER****REGISTRAR OF COMPANIES, GUJARAT, DADRA & NAGAR HAVELI**No. ROC//Sec.454 (4)/Sec. 203/Solis Pharmachem/STA (MD) 23-24 ^{6262 To 66} Dated: **04 DEC 2023****ORDER FOR PENALTY UNDER SECTION 454 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ADJUDICATION OF PENALTIES) RULES, 2014 and COMPANIES (ADJUDICATION OF PENALTIES) AMENDMENT RULES, 2019 FOR VIOLATION OF SECTION 203 OF THE COMPANIES ACT, 2013****IN THE MATTER OF M/S. SOLIS PHARMACHEM PRIVATE LIMITED****(U24100GJ2019PTC111161)****Date of hearing: 22.11.2023****PRESENT:**

1. Shri Keerthi Thej N. (ROC), Adjudicating Officer
2. Shri Indrajit Vania (DROC), Presenting Officer
3. Shri Vinit Nagar, Authorised Representative of the Company.

प्राप्त दिनांक: 05.12.23
 Received Date: 05.12.23
 प्रादेशिक निदेशक कार्यालय, ड.प.क्षे., अहमदाबाद
 O/o. Regional Director, NVR, Ahmedabad
 कार्यालय कायम संग्रहालय
 Ministry of Corporate Affairs
 सामग्री सत्यापित नहीं है। Contents not verified

Company/ Officers/ Directors/ KMP/ Authorized Representative:**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 power 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. M/S. SOLIS PHARMACHEM PRIVATE LIMITED (hereinafter referred to as "Company") is a company registered under the provisions of the Companies Act, 1956/2013 in the State of Gujarat on 03.12.2019, having CIN: U24100GJ2019PTC111161 and presently having its registered office situated at "Plot No. 4707/A/5 Sentogen Plot , Near Lyka Chokdi, Bharuch, Ankleshwar, Gujarat, India, 393002".

Facts of the case

3. That with reference to a suo-moto application filed by company in GNL-1 vide SRN F63476352 dated 25.08.2023, the Company has issued only one Class of Shares i.e. Equity Shares having a face value of Rs. 10 Each and having right to vote. The classification of the Company's Share Capital in terms of its Authorized Share capital and issued, subscribed and paid-up Share Capital are as under:
 - A. **The Authorized Capital:** Presently, the Authorized Share Capital of the Company is Rs. 25,00,00,000/- (Two Crore Fifty Lac) Equity shares of Rs. 10/- (Rupees Ten) each; and
 - B. **Issued, Subscribed and Paid up Share Capital:** The issued, subscribed capital and Paid-up Share Capital of the Company is Rs. 24,75,79,000/- (Rupees Twenty-four Crore Seventy Five Lac Seventy Nine Thousand Only) divided into 2,47,57,900/- (Two Crore Forty-seven Lac Fifty-seven Thousand Nine Hundred Only) Equity shares of Rs. 10/- (Rupees Ten) each.

4. Grounds of making an application

- (i) During the course of due diligence undertaken by the present management at the time of acquisition of control over the business and management of the Company from the erstwhile Board of Directors, it was identified that, the paid-up share capital of the Company pursuant to the allotment of equity shares made on 13-12-2021 was increased to Rs. 10,60,83,500/- and resulting to the said allotment, the Company was required to appoint the Whole-time Company Secretary as per the provision of Sec. 203 of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (ii) Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 states that, every Private Company which has a paid-up share capital of Ten Crore rupees or more shall have a whole time company secretary but the Company has failed to appoint Whole-time Company Secretary.
- (iii) Pursuant to the acquisition of the Company by the current management, the Board of Directors at its Meeting held on June 2, 2023 has appointed CS Mansi Bansal (ICSI Membership No. A-71002) as a Whole-time Company Secretary and thereafter, recommendation was also made by her to move an application before the Hon'ble Adjudicating Office, the Registrar of Companies, Gujarat, Dadra & Nagar Haveli under Section 454 of the Companies Act, 2013 for the adjudication of penalties under Section 454 of the Companies Act, 2013 read with Companies (Adjudication of Penalties) Rules, 2014 for the offence as made under Sec. 203 of the Companies Act, 2013 and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the period of 13-06-2022 to 01-06-2023 (354 days) taking into consideration the provision of Sec. 203(4) of the Companies Act, 2013.
- (iv) The following were the Directors on the Board of the Company during the period of default i.e. 13-06-2022 to 01-06-2023 (354 days)

Sr. No.	Name of Directors & their DIN	Date of Appointment	Date of Resignation
1.	Mr. Pooran Chand DIN - 02651964	April 18, 2022	June 2, 2023
2.	Ms. Namita Bansal DIN - 02651974	April 18, 2022	June 2, 2023
3.	Mr. Binu K Acharya DIN - 08658147	August 1, 2020	June 2, 2023

- (v) Taking into consideration the provision of Sec. 203(5) of the Companies Act, 2013, which states that;

Section 203(5), If any Company makes any default in complying with the provisions of this section, such company shall be liable to penalty of five lakh rupees and every director and key managerial personnel of the company who is in default shall be liable to a penalty of fifty thousand rupees and where the default is a continuing one, with a further penalty of one thousand rupees for each day after the first day during which such default continues but not exceeding five lakh rupees.

And accordingly, the applicants have calculated the penalty in the present application as under-

Solis Pharmachem Private Limited ('the Company')	Rs. 5,00,000	Rs. 5,00,000 /-
Mr. Pooran Chand	Rs. 1000* 354 Days	Rs. 3,54,000 /-
Ms. Namita Bansal	Rs. 1000* 354 Days	Rs. 3,54,000 /-
Mr. Binu K Acharya	Rs. 1000* 354 Days	Rs. 3,54,000 /-

- (vi) The Registrar of Companies vide the Companies (Amendment) Act, 2019 is entrusted with power to adjudicate penalty as provided under Section 203 of the Companies Act, 2013 w.e.f. 15.05.2023. The DGC&A vide letter dated 11.05.2022 has instructed that all cases filed under

Companies Act, 1956 and Companies Act, 2013 can be considered under In House Adjudication Penalty Mechanism (IAM). In pursuant to the instruction of the Ministry vide letter dated 11.05.2022 further directed that all cases filed under CA, 1956 and CA, 2013 can be considered for adjudication process which are now decriminalized (earlier prosecutions to be filed by Companies Amendment Act effective from 02.11.2018 and further Amendment in 2020 effective from 28.09.2020).

SUBMISSION OF PRESENTING OFFICER:

- (vii) Presenting officer has submitted that the matter is fit for further proceedings as the company and its Officers in default are liable for penalty under section **203(5)** of the Companies Act, 2013 for non-compliance of Section 203 of the company viz. SOLIS PHARMACHEM PRIVATE LIMITED in the financial Year 2022-23 and 2023-24.
- (viii) It is further submitted that there is reasonable ground to believe that the company and its officers in default have violated the provisions of Section 203 of the Companies Act, 2013 as noticed though the company has filed suo-motto application for adjudication. In view of the facts narrated above, the company and its directors/ officers, in default are liable for penalty in pursuant to Section 203(5) of the Companies Act, 2013 and Rules, made thereunder.
- (ix) The Presenting Officer further submitted that it is observed from the Balance Sheet/ Financial statement as at 31.03.2023 the paid-up capital of the company is Rs. 24,75,79,000/- and Turnover is Rs. 4,25,37,779/-. Hence, as per the Ministry's Notification No. G.S.R. 700(E) dated 15.09.2022, in 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 does 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:

1. While adjudging quantum of penalty under Section 203(5) of the Companies Act, 2013, the Adjudicating 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.
2. 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.
3. Having considered the facts and circumstances of the case and submissions made by the presenting Officer and after taking into account the facts cited above, the undersigned has reasonable cause to believe that the company and its officers in default have failed to comply with the Provisions of Section 203 of the Companies Act, 2013, I hereby impose penalty as under:

Default for non-compliance under Section 203 of the Companies Act, 2013

Violation Under Companies Act, 2013	Company/ Directors/ Officer	No. of Days For Default	Penalty for Default (Rs.) in Pursuant to Section 203(5) of the C.A. 2013	Penalty to Be imposed for Default (Rs.)	Maximum Limit for Penalty (Rs.) as per Section 203(5) Of C.A. 2013
Section 203	Solis Pharmachem Private Limited (Company)		500000	500000	500000
	Mr. Pooran Chand	354 days	50,000/- + 354x 1000= 4,04,000/-	4,04,000	500000
	Ms. Namita Bansal	354 days	50,000/- + 354x 1000= 4,04,000/-	4,04,000	500000
	Mr. Binu K Acharya	354 days	50,000/- + 354x 1000= 4,04,000/-	4,04,000	500000

[Default counted from 13.06.2022 to 01.06.2023]

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

- The company/ Officer is further directed to rectify the default failing which this office shall be proceeded further the matter in pursuant to Section 454A of the Companies Act, 2013 for the non-compliance of the aforesaid provisions of the Companies Act, 2013.
- The noticees 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.
- Appeal against this order may be filed in writing with the Regional Director, North-Western Region, Ministry of Corporate Affairs, ROC Bhavan, Opp. Rupal Park, Nr. Ankur Bus Stand, Naranpura, Ahmedabad (Gujarat) 380013 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(5) & 454 (6) of the Companies Act, 2013 read with the Companies (Adjudication of Penalties) Rules, 2014 as amended by Companies (Adjudication of Penalties) Amendment Rules, 2019].
- 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 the fine which shall not less than Twenty Five Thousand Rupees but which may be extend to Five Lakhs 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 by which may extend to one Lakhs Rupees or with both.

The adjudication notice stands disposed of with this order.


(KEERTHI THEJ N., ICLS)
 REGISTRAR OF COMPANIES
 GUJARAT, DADRA AND NAGAR HAVELI
 ADJUDICATING OFFICER

To

1. M/s. Solis Pharmachem Private Limited
Plot No. 4707/A/5, Sentogen Plot,
Near Lyka chokdi, Ankleshwar,
Bharuch, Gujarat, 393002, India.
2. Mr. Pooran Chand
196 Highland View Drive Birmingham
Alabama, 35242USA
3. Namita Bansal
196 Highland View Drive Birmingham
Alabama, 35242USA
4. Binu Keshavan Acharya
23, RACHANA NAGAR, MAKTAMPUR ROAD,
BHARUCH, 392001, GUJARAT, INDIA

Kx.
(KEERTHI THEJ N., ICLS)
REGISTRAR OF COMPANIES
GUJARAT, DADRA AND NAGAR HAVELI
ADJUDICATING OFFICER

Copy to:
Ministry of Corporate Affairs,
Through Proper Channel)
The Regional Director (NWR)
Ministry of Corporate Affairs, Ahmedabad-380013.

O/C
[Signature]
24/11/23

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24.11.23

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