

ROC LEVIES HEAVY PENALTY FOR NON-FILING OF FORM MGT-14

Case: Eco Pallet Pvt Ltd v. Registrar of Companies, Bangalore

Petitioner: Eco Pallet Pvt Ltd

Respondent: Registrar of Companies, Bangalore

Facts: Eco Pallet Pvt Ltd submitted adjudication applications on 20.12.2019 for adjudicating the matter pertaining to non-filing of e-form MGT-14 within stipulated time. It was further noticed that company has failed to file MGT 14 for consecutive 5 years even after filing special resolutions and further heavy penalty was imposed on company according to Section 117 of Companies Act 2013.

The Company is penalized with an overall amount of more than Rs. 1 crore. This indicates that non-filing of Form MGT-14 has powerful implications on the Company and its officers in default. RoC has been vigilant about the non-compliances done by the Companies, and it assures levy of heavy penalties for the same.

Provisions:

Section 117 of Companies Act 2013

(1) A copy of every resolution or any agreement in respect of matters specified in sub section (3) together with the explanatory section under Section 102 if any, annexed to the notice calling the meeting in which the resolution is proposed shall be filed with the Registrar within thirty days of passing or making thereof in such manner and with such fees as may be prescribed.

(2) If any company fails to file the resolution or the agreement under sub section (1) before the expiry of the period specified therein, such company shall be liable to a penalty of one lakh rupees 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 twenty five lakh rupees and every officer of the company, who is in default including liquidator of the company if any shall be liable to a penalty of fifty thousand rupees 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.

(3)) The provisions of this section shall apply to—

(a) special resolutions;

(b) resolutions which have been agreed to by all the members of a company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;

(c) any resolution of the Board of Directors of a company or agreement executed by a company,

relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director;

(d) resolutions or agreements which have been agreed to by any class of members but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by a specified majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind such class of members though not agreed to by all those members;

(f) resolutions requiring a company to be wound up voluntarily passed in pursuance of section 59 of the Insolvency and Bankruptcy Code, 2016

(g) resolutions passed in pursuance of sub-section (3) of section 179

Provided that no person shall be entitled under section 399 to inspect or obtain copies of such resolutions;

Detailed Penalty :

Date of Order	Order No	Date of passing Special Resolution	Transaction	Total Penalty (As per Sec 117) Rs.	Individual penalty charged (Rs.)
29.09.2021	079758	16.09.2016	Company passed special resolution on 16.09.2016 for issue of equity shares through private placement, hence it was required to file MGT-14 on or before 15.10.2016	24,53,500	Eco Pallet - 9,53,4500 Directors, Ms Priya Prakash - 5,00,000 Mr Bret lee- 5,00,000 Mr Michael Bruce - 5,00,000
29.09.2021	079758	01.07.2016	Company passed special resolution on 01.07.2016 for issue of equity shares through private placement hence it was required to file MGT-14 on or before 31.07.2016	24,91,500	Eco Pallet- 9,91,500

Mehta & Mehta
Company Secretaries

					<p>Directors,</p> <p>Ms Priya Prakash 5,00,000</p> <p>Mr Bret Lee- 5,00,000</p> <p>Mr Michael Bruce- 5,00,000</p>
29.09.2021	079758	03.04.2017	Company passed special resolution on 03.04.2017 for issue of equity shares through private placement hence it was required to file MGT-14 on or before 03.05.2017	23,53,000	<p>Eco Pallet- 8,53,500</p> <p>Directors,</p> <p>Ms Priya Prakash 5,00,000</p> <p>Mr Bret Lee- 5,00,000</p> <p>Mr Michael Bruce- 5,00,000</p>
28.09.2021	07958	04.12.2015	Company passed special resolution on 04.12.2015 for issue of equity shares through private placement hence it was required to file MGT-14 on or before 03.01.2016	25,96,500	<p>Eco Pallet- 10,96,500</p> <p>Directors,</p> <p>Ms Priya Prakash</p>

					5,00,000 Mr Bret Lee- 5,00,000 Mr Michael Bruce- 5,00,000
29.09.2021	07958	10.8.2016	Company passed special resolution on 10.8.2016 for issue of equity shares through private placement hence it was required to file MGT-14 on or before 9.9.2016	24,71,500	Eco Pallet- 9,71,500 Directors, Ms Priya Prakash 5,00,000 Mr Bret Lee- 5,00,000 Mr Michael Bruce- 5,00,000

Company and directors referred above shall pay penalty amount as indicated in each different order. They shall pay the penalty through MCA 21 portal within 60 days from the date of receipt of order. Further company need to file INC-28 as per the provisions of the Act attaching copy of adjudication order along with payment challans.

Conclusion:

It is advisable to file the applicable e-forms with RoC within the stipulated time period, non-compliance of which can result into severe penalties both on the Company and its officers.