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भारत सरकार
GOVERNMENT OF INDIA

कारपोरेट कार्य मंत्रालय
MINISTRY OF CORPORATE AFFAIRS

कम्पनी पंजीयक का कार्यालय, तमिल नाडु, अंदमान & निकोबार द्वीपपुंज, चेन्नई
OFFICE OF REGISTRAR OF COMPANIES, TAMIL NADU, ANDAMAN & NICOBAR ISLANDS, CHENNAI
दूसरा मंजिल, 'सी' विंग, शास्त्री भवन, 26, हाडोस रोड, नुंगम्पाक्कम, चेन्नई - 6
II FLOOR, C- WING, SHASTRI BHAVAN, 26, HADDOWS ROAD, NUNGAMBAKKAM, CHENNAI- 6

F.NO.ROC/CHN/SPENDFLO/ADJ/S.56/2024

DATE:

15 APR 2024

ADJUDICATION ORDER UNDER SECTION 56 OF THE COMPANIES ACT, 2013
IN THE MATTER OF M/S. SPENDFLO INDIA PRIVATE LIMITED

1. Appointment of Adjudicating Officer:-

The Ministry of Corporate Affairs vide its Gazette Notification No. A-42011/112/2014-Ad.II, dated 24.03.2015 has appointed Registrar of Companies, Chennai as Adjudicating Officer in exercise of the powers conferred by section 454(1) of the Companies Act, 2013 (hereinafter referred as Act or Companies Act, 2013) r/w Companies (Adjudication of Penalties) Rules, 2014 for adjudging penalties under the provisions of this Act.

2. Company: -

Whereas the company viz M/s. Spendflo India Private Limited with CIN :U72100TN2019PTC133310 (herein after referred as 'company' or 'subject company') is a registered company with this office under the Companies Act, 2013 having its registered office as per MCA21 Registry at Ocean Trinity Square, 7B South phase, Guindy Industrial

Estate, Chennai City Corporation, Tamil Nadu 600032. The financial & other details of the subject company as available on MCA-21 portal is stated as under:

S.No.	Particulars	Details as per MGT 7 for the FY 2022-23
1.	Paid up Capital	Rs.1,00,000/-
2.	a. Revenue from Operation	Rs.40,63,620/-
	b. Other Income	Rs.725/-
	c. Profit for the Period	Rs.87,504/-
3.	Whether it is a Holding Company	No
4.	Whether it is a Subsidiary Company	Yes
5.	Whether company registered under Section 8 of the Act?	No
6.	Whether company registered under any other special Act?	No

3. Directors during the period of Violation

S.No.	Name of Director Default	Designation	Date of Appointment	Date of Cessation
1.	Swaminathan Sridharan	Director	19.12.2019	30.03.2023
2.	Siddharth Sridharan	Director	19.12.2019

4. Section and Penal Provision as per Companies Act, 2013

Section 56 of the Companies Act -: Transfer and Transmission of Securities

(1) *A company shall not register a transfer of securities of the company, or the interest of a member in the company in the case of a company having no share capital, other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer, in such form as may be prescribed, duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the company by the transferor or the transferee within a period of sixty days from the date of execution, along with the certificate relating to the securities, or if no such certificate is in existence, along with the letter of allotment of securities:*

Provided that where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the company may register the transfer on such terms as to indemnity as the Board may think fit.

- (6) *Where any default is made in complying with the provisions of sub-sections (1) to (5), the company and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.*

5. Facts of the case

Whereas the Company M/s. Spendflo India Private Limited (formerly known as Sabari Adamas Industries Private Limited) its director namely Mr. Siddharth Sridharan and Mr. Swaminathan Sridharan have filed eform GNL-1 vide SRN F66131376 dated 06.10.2023 and also submitted Physical Application u/s 454 of the Companies Act, 2013 for violation of Section 56 of the Companies Act, 2013. As per the application, the company has received & executed Share Transfer Forms dated 04.03.2022. The Board of Directors of the company ie., Mr. Siddharth Sridharan and Ex Director namely Mr. Swaminathan Sridharan approved the transfer of 10,000 Equity shares of Rs.10 each as per the table given below on 10th March 2022.

Sl.No	Name of the Transferor	Folio No	Share Certificate No	No of Shares	Distinctive No's	Name of the Transferee	Folio No.
1.	Siddharth Sridharan	01	01	9000	1-9000	Spendflo Inc	03
2.	Swaminathan Sridharan	02	03	999	9001-9999		
3.	Sridharan Swaminathan	02	04	1	9999-10000	Siddharth Sridharan on behalf of Spendflo Inc	04

The Share Transfer Forms received by the company were not paid with adequate stamp duty, that resulted in violation of Provision of Section 56 of the Companies Act, 2013. The stamp duty on share Transfer was paid on 21st March 2022. The share Transfer approved by the Board without duly stamped instrument i.e, date of Board meeting for approval of transfer prior to the date of payment of stamp duty. Hence, the applicants prays for the adjudication of penalty and plead that the mistake committed was an inadvertent error.

6. Adjudication Hearing:

On the basis of Adjudication Application, this Adjudicating Authority had issued Adjudication Hearing Notice to the Company and its Officers in default on 26.02.2024 fixing the hearing date as 05.03.2024 at 11.00 A.M. In Pursuant to hearing notice issued on 22.12.2023, Shri. Abishek Giya, PCS , authorized representative for the company and the officers in default has appeared before the Adjudicating Authority. The Adjudicating Authority instructed to submit the Board Resolution Passed by the Spendflo INC for investment/acquisition of share in the company and necessary documents related to change of name of the company from Sabari Adamas Industries Private Limited to Spendflo India Private Limited. Shri. Abishek Giya, PCS made submissions that, *"the said violation may be adjudicated and accepted to pay the penalty as prescribed under section 56(6) of the Companies Act, 2013"*. Further, requested to take lenient view on imposing the penalty taking into consideration of the provisions of Section 446B of the Companies Act, 2013. Shri. Abishek Giya has submitted the requisite documents vide letter dated 12.03.2024.

7. Decision

Without prejudice to any other legal proceedings having considered the facts and circumstances of the case and after taking into account the factors above, it is concluded that (i) the company and its Officers in default have violated Section 56 of the Companies Act, 2013 and are liable for penalty as prescribed under Section 56(6) of the Companies Act, 2013.

(i) Further, the company being a subsidiary of Spendflo Inc does not fall under the definition of small company as per provision of section 2(85) of the companies Act, 2013. Therefore, imposing the provision of lesser penalty as per section 446(b) shall not be applicable in this case.

(ii) Accordingly, I am inclined to impose a penalty as prescribed under Sub-section 6 of Section 56 of the Companies Act, 2013. The details of the penalty imposed on the company and officers in default are shown in the table below:

Company and Officers in default	Penalty for default (Rs)	Maximum Penalty (Rs)	Penalty Imposed (Rs.)
Spendflo India Private Limited	Rs.50,000/-	Rs.50,000/-	Rs.50,000/-
Swaminathan Sridharan	Rs.50,000/-	Rs.50,000/-	Rs.50,000/-
Siddharth Sridharan	Rs.50,000/-	Rs.50,000/-	Rs.50,000/-

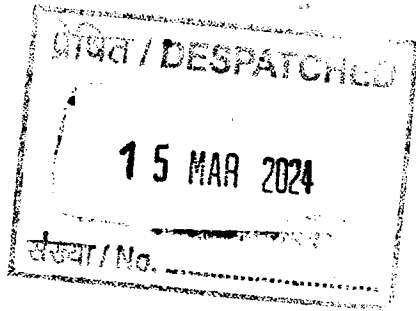
Therefore, in view of the above said violation, the undersigned in exercise of the powers vested to him under Section 454(1) & (3) of the Companies Act, 2013, hereby impose a penalty of Rs.50,000/- (Rupees fifty thousand) to the company and Rs.50,000/- (Rupees Fifty thousand) to each of the Officers in default. Totally Rs.1,50,000/- (Rupees One lakh fifty thousand) for violation of Section 56 of the Companies Act, 2013.

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 Section 454(8) (i) of the Companies Act, 2013, Where company does not pay the penalty imposed by the adjudicating officer or the Regional Director within a period of ninety days from the date of the receipt of the copy of the order, 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.

(ii) Where an officer of a company who is in default does not pay the penalty 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 under section 454(8) (i) and (ii) of the Companies Act, 2013 at your own costs without any further notice along with the penalty to be imposed and the same should be submitted.



B. Sri Kumar
(B. SRIKUMAR, ICLS)
REGISTRAR OF COMPANIES
TAMILNADU, CHENNAI.
ADJUDICATING OFFICER

JA

To,

1. F.NO.ROC/CHN/SPENDFLO/ADJ/S.56/2024
M/s. Spendflo India Private Limited
CIN: U72100TN2019PTC133310
Ocean Trinity Square, 7B South phase,
Guindy Industrial Estate, Chennai City Corporation,
Tamil Nadu 600032
2. F.NO.ROC/CHN/SPENDFLO/ADJ/S.56/2024
Shri. Swaminathan Sridharan
No.9, AH Block, 5th Street, Shanthi Colony,
Anna Nagar, Chennai, 600040, Tamil Nadu
3. F.NO.ROC/CHN/SPENDFLO/ADJ/S.56/2024
Shri. Siddharth Sridharan
AH 78, New No. 9, 5th Street, Shanthi Colony
Anna Nagar, Chennai, 600040, Tamil Nadu

Copy To

1. The Regional Director (SR)
Chennai For information