

भारत सरकार
कारपोरेट कार्य मंत्रालय
कंपनी रजिस्ट्रार, कर्नाटक
केंद्रीय सदन, 2 मंजिल, 'ई' विंग,
कोरमंगला, बंगलूरु - 560 034.
दूरभाष : 080-25537449/25633104



Government of India
Ministry of Corporate Affairs
Registrar of Companies, Karnataka
Kendriya Sadan, 2nd Floor, 'E' - Wing,
Koramangala, Bengaluru - 560 034.
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मि.सं/F.No.ROCB/ Adj.454/Co.No.104600/Section 42(8) /2021

दिनांक/Date: 24.11.2021

ORDER OF ADJUDICATION OF PENALTY UNDER SECTION 454 OF COMPANIES ACT 2013 READ WITH RULE 3 OF THE COMPANIES (ADJUDICATION OF PENALTIES) RULES 2014 FOR VIOLATION OF PROVISIONS OF SECTION 42(8) OF THE COMPANIES ACT 2013 BY VALLEY MONKS PRIVATE LIMITED

1 Whereas the company, VALLEY MONKS PRIVATE LIMITED was incorporated on 12.07.2017 under the jurisdiction of Registrar of Companies, Bangalore. The Registered office of the company is presently situated at No.120 Meera Paradise, 3rd Cross, Vijaya Bank Colony, Basavanapura Main Road, Bangalore 560036.

2 Whereas as per sub-section (1) of Section 42 of Companies Act, 2013, a company, may, subject to the provisions of this section, make a private placement of securities;

3 Whereas, the Company had submitted its adjudication application on **05.02.2021** for adjudicating the matter. It was noticed from *the* application that company has allotted 50,000 compulsorily convertible debentures (CCDs) of Rs.103/- each to the tune of Rs. 50 lakhs to Shri Sampath Kumar Srinivas, Shri Pratha Jayadevappa, Shri Nailmothu Venkata Avilash and Shri knit Saxeria on private placement basis pursuant to Section 42 of the Companies Act, 2013. The company has obtained shareholders' approval for allotment on 27.11.2018 as per PAS 3 filed on 9.1.2019.

4 As per the adjudication application, the company has failed to comply with the following provisions of Section 42 of Companies Act, 2013 :-

a) Though the company was compliant with respect to the other applicable provisions of the **Companies Act, 2013** and Rules made thereunder, it **has missed out to mention Section 42 in the extracts of Board Resolution and** extraordinary general meeting resolutions and the disclosures as required under Rule 14(1) of **Companies (Prospectus and Allotment of Securities) Rules, 2014**, of **Companies (Share capital and debentures) Rules, 2014** In the notice to extraordinary general meeting.

b) As per Rule 14(8) of Companies (Prospectus and Allotment of Securities) Rules, 2014, the special resolution is required to be Bled before the issue of private placement offer cum application letter. However, the company has made delay in filing special resolution for issue,of CCDs. The Form MGT 14 was filed after the issue of private placement offer turn application letter.

c) Pursuant to the provisions of Section 42(6) of the Companies Act, the company ought to have received the application money on account of private placement on a separate bank account In a scheduled bank However, the company has not opened a separate bank account.

5 Due to Covid-19 Pandemic. hearing was held through Video Conference on **24.08.2021**. Shri Ashwin *Bedre Vijay* Kumar, Director attended the hearing. The Representative admitted the default committed by the company.

6 Whereas as per the provisions of Sub-Section (10) of Section 42 of Companies Act, 2013, if a company makes an offer or accepts monies In contravention of this section, the company, its promoters and directors shall be liable for a penalty which may extend to the amount Involved In the offer or Invitation or two crore rupees, whichever is lower, and the company shall also refund all monies with interest as specified in sub-section (6) to subscribers within a period of thirty days of the order imposing the penalty.

7 Whereas, in exercise of the powers vested under Section 454(3) of Companies Act 2013 considering the violation of section 42 of Companies Act, 2013, which attract penal provision of sub-section (10) of Section 42 of Companies Act, 2013, I hereby impose the penalty as under:-

S.No.	Particulars	Total Penalty (Re.)
1	VALLEY MONKS PRIVATE LIMITED	50,00,000/-
2	ASHWIN KUMAR BEDRE VIJAY KUMAR, WHOLE TIME DIRECTOR-CUM- PROMOTER	50,00,000/-
3	SWAMI MOHAMMAD, DIRECTOR- CUM- PROMOTER	50,00,000/-
	TOTAL	1,50,00,000/-

8 Further, the company is directed to refund all monies to the subscribers along with interest if any, within 30 days hereof, since the company has not complied with the procedure laid down under Section 42 read with rules made thereon.

9 I hereby direct that the penalty amount shall be remitted from their own sources through MCA 21 ports within 60 days from the date of receipt of order. The company need to file INC-28 as per the provisions of the Act, attaching copy of adjudication order along with payment challans.

10 Whereas sub-section (5) of section 454 of the Companies Act, 2013 provides that any person aggrieved by aft order made by the adjudicating officer under sub-section (3) may prefer an appeal to the Regional Director having jurisdiction in the matter.

11 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 *received* by the aggrieved person and shall in *such* form, manner and be accompanied by such fees as may be prescribed.

12 Please note that as per Section 454(8)(i), where a company fails to comply with the order made under sub-section (3) or sub-section (7), as the ace may be, 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 live thousand rupees but which may extend to five lakh rupees.

(ii) Where an officer of a company or any other person who is in default falls to comply with the order made under sub-section (3) or sub-section (7), as the case may be, within a period of ninety days from the date_of 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 ropes but which may extend to one lath 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 without any further 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.

To

F.No. ROCB/ Arg.454/Co.No.104600/Section 42(8) /2021

1) VALLEY MONKS PRIVATE LIMITED

No.120, Meera Paradise, rd Cross, Vijaya Bank Colony,
Basavanapura Main Road, Bangalore 560036.

F.No. ROCB/ Adj.454/Co.No.104600/Sect(on 42(8)/2021

2) Shri Ashman Kumar Bedra Vijay Kumar, Whole Time Director

No.120, Meera Paradise, rd Cross, Vijaya Bank Colony,
Basavanapura Main Road, Bangalore 560036.

F.No. ROCB/AdJ. 454/Co.No.104600/Section 42(31)/2021

3) Shri Shoib Mohammad, Director-cum.Promoter

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Vijayawada, 520001, Andhra Pradesh