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S.134(3)(f)

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GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES, TAMIL NADU  
SHASTRI BHAVAN, II FLOOR, 26, HADDOWS ROAD, CHENNAI-6.  
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F.NO.ROC/CHN/Michelin Tech/ADJ Order/S.134(3)(f)/JTA(SK)/2022

Date: 10.10.2022

**ORDER OF ADJUDICATION OF PENALTY UNDER SECTION 454 OF COMPANIES ACT, 2013 READ WITH RULE 3 OF THE COMPANIES (ADJUDICATION OF PENALITIES) RULES 2014 FOR VIOLATION OF PROVISIONS OF SECTION 134(3)(f) OF THE COMPANIES ACT, 2013 BY M/S MICHELIN INDIA TECHNOLOGY CENTER PRIVATE LIMITED**

1. In the matter of M/s MICHELIN INDIA TECHNOLOGY CENTER PRIVATE LIMITED (CIN No: U73100TN2019FTC135658) incorporated on 11.12.2019 under the jurisdiction of Registrar of Companies, Chennai with the registered office situated at 3rd Floor, Shyamala Towers, 136 Arcot Road, Saligramam, Chennai, Tamil Nadu, 600093, India.
2. Whereas pursuant to Section 134(3)(f) of the Companies Act, 2013, There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, Which shall include explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made (i) by the auditor in his report; and (ii) by the company secretary in practice in his secretarial audit report.
3. Whereas the Regional Director, Southern Region Chennai vide its letter No.5/M-41/2021-22 dated 14.02.2022 has observed that the Statutory Auditors in their audit report dated 27.09.2021 for the financial year 31.03.2021 have reported deficiencies in the internal financial control and also reported that they are unable to obtain sufficient and appropriate audit evidence to provide a basis for their opinion. Thus that the company did not have proper internal financial control and also did not maintain appropriate records in due compliance of section 128 of the Companies Act, 2013. Further, as per 12(f) of Auditors Report for the Financial Year 2020-21, which deals with non- maintenance of back up of books of accounts maintained in electronic mode in servers physically located in India. However, the Board of directors in their Board's report for the Financial Year 2020-21 have not offered any explanation for the observations of Auditors.
4. Whereas Regional Director, Ministry of Corporate Affairs, Chennai vide e-mail date 14.02.2022 issued directions to take action against the company, every director and key managerial personnel of the company who is in default and the undersigned has reasonable cause to believe that the aforesaid provisions of the Act have not been complied with, and accordingly this office had issued Adjudication Notice to the Company and Directors vide Show Cause Notice F.No.Roc/Chn/35658/S.134(3)(f)/SCN/2022 dated 18.05.2022.
5. Whereas on the basis of Adjudication notice of hearing issued by this office on 16.08.2022, the authorized representative of the Company Shri. P Sriram, Practising Company Secretary had attended the hearing on **14.09.2022 at 11:00A.M** for adjudicating penalty for violations committed. He had also admitted the violations of the provisions of the Act in principle and requested for a lenient view of the matter.
6. Whereas as per Section 134(8) – “If a company is in default in complying with the provisions of this section, **the company shall be liable to a penalty of three lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees**”

Therefore in view of the above said violation of Section 134(3)(f) of the Companies Act, 2013, 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.3,00,000/-** to the company and **Rs.50,000/-** each to the officers in default viz., 1. Shri Balaji Lakshmi and 2.Shri Subramanian Raghavan (Totalling **Rs.4,00,000/-** as penalty amount).

7. 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.
8. 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. Alongwith the penalty to be imposed and the same should be submitted.

ji 10/10/22  
(K.G.JOSEPH JACKSON)  
REGISTRAR OF COMPANIES/  
ADJUDICATING OFFICER.

To,

1. **F.NO.ROC/CHN/Michelin/ADJ/S.134(3)(f)/JTA(SK)/2022**  
M/S. MICHELIN INDIA TECHNOLOGY CENTER  
PRIVATE LIMITED  
3rd Floor, Shyamala Towers,  
136 Arcot Road, Saligramam,  
Chennai- 600 093.
2. **F.NO.ROC/CHN/Michelin/ADJ/134(3)(f)/JTA(SK)/2022**  
Shri. Balaji Lakshmi Subramanian  
Director, M/S. MICHELIN INDIA TECHNOLOGY CENTER  
PRIVATE LIMITED  
F-401, Wembley Estate,  
Sector 49, 50, Gurgaon-122 018.
3. **F.NO.ROC/CHN/Michelin/ADJ/134(3)(f)/J**  
Shri. Subramanian Raghavan  
Director, M/S. MICHELIN INDIA TECHNOLOGY CENTER  
PRIVATE LIMITED  
No.23N, No.141<sup>st</sup> Street,  
Gopalapuram, Chennai-600 086.