



*de*

ई-मेल/e-mail : [roc.chennai@mca.gov.in](mailto:roc.chennai@mca.gov.in)

दूरभाष/Ph : 28276652

फैक्स/Fax: 044-28280436



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, नुंकमपाक्कम, चेन्नई - 6

II FLOOR, C- WING, SHASTRI BHAVAN, 26, HADDOWS ROAD, NUNGAMBAKKAM, CHENNAI- 6

F.NO.ROC/CHN/GALAXEYE SPACE/ADJ/S.42/2024

DATE : **24 SEP 2024**

**ADJUDICATION ORDER UNDER SECTION 42 OF THE COMPANIES ACT, 2013**  
**IN THE MATTER OF M/S GALAXEYE SPACE SOLUTIONS**  
**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. Galaxeye Space Solutions Private Limited with CIN: U30304TN2021PTC143654 (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 Aadinath Apartments, Flat no. 401, 4th Floor, #66 Jermiah Road, Vepery, Chennai, Tamil Nadu, 600007. The financial & other details of the subject company as available on MCA-21 portal is stated as under:

S.No.	Particulars	Information
1.	Company's Status	Active
2.	Filing Status	Financial Statement: up to 31.03.2023 Annual Return: up to 31.03.2023
3.	Paid up Capital	Rs.2,45,55,694/-
	a. Revenue from Operation	Nil
	b. Other Income	Rs.1,200,000/-
	c. Profit/Loss for the Period	(Rs.35,683,100/-)
4.	Whether it is a Holding Company	No
5.	Whether it is a Subsidiary Company	No
6.	Whether company registered under Section 8 of the Act?	No
7.	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.	Mr. Ganapathy Subramaniam	Director	28.12.2022	.....
2.	Mr. Suyash Singh	Director	21.05.2021	.....
3.	Mr. Denil Chawda	Director	21.05.2021	.....

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

*Section 42 of the Companies Act, 2013 - Offer or Invitation for Subscription of Securities on Private Placement.*

*(1) A company may, subject to the provisions of this section, make a private placement of securities.*

*(2) A private placement shall be made only to a select group of persons who have been identified by the Board (herein referred to as "identified persons"), whose number shall not exceed fifty or such higher number as may be prescribed [excluding the qualified*

*institutional buyers and employees of the company being offered securities under a scheme of employees stock option in terms of provisions of clause (b) of sub-section (1) of section 62], in a financial year subject to such conditions as may be prescribed.*

*(3) A company making private placement shall issue private placement offer and application in such form and manner as may be prescribed to identified persons, whose names and addresses are recorded by the company in such manner as may be prescribed:*

*(4) Every identified person willing to subscribe to the private placement issue shall apply in the private placement and application issued to such person along with subscription money paid either by cheque or demand draft or other banking channel and not by cash:*

*(5) No fresh offer or invitation under this section shall be made unless the allotments with respect to any offer or invitation made earlier have been completed or that offer or invitation has been withdrawn or abandoned by the company:*

*(6) A company making an offer or invitation under this section shall allot its securities within sixty days from the date of receipt of the application money for such securities and if the company is not able to allot the securities within that period, it shall repay the application money to the subscribers within fifteen days from the expiry of sixty days and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve per cent. per annum from the expiry of the sixtieth day:*

*(7) No company issuing securities under this section shall release any public advertisements or utilise any media, marketing or distribution channels or agents to inform the public at large about such an issue.*

*(8) A company making any allotment of securities under this section, shall file with the Registrar a return of allotment within fifteen days from the date of the allotment in such manner as may be prescribed, including a complete list of all allottees, with their full names, addresses, number of securities allotted and such other relevant information as may be prescribed*

*(9) If a company defaults in filing the return of allotment within the period prescribed under sub-section (8), the company, its promoters and Directors shall be liable to a penalty for each default of one thousand rupees for each day during which such default continues but not exceeding twenty-five lakh rupees.*

*(10) Subject to sub-section (11), 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 raised through the private placement 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.*

*(11) Notwithstanding anything contained in sub-section (9) and sub-section (10), any private placement issue not made in compliance of the provisions of sub-section (2) shall be deemed to be a public offer and all the provisions of this Act and the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 shall be applicable.*

#### **5. Facts of the case**

The Company M/s. Galaxeye Space Solutions Private Limited and directors have suo-moto filed Adjudication application GNL-1 vide SRN F96668330 dated 05.07.2024 and also submitted Physical Application for violation of Section 42 of the Companies Act, 2013. The applicants submitted that the Extra Ordinary General Meeting held on March 13, 2024, approved the offer for issuance of 144 Pre-Series A Convertible Cumulative Preference Shares (CCPS) at Rs.10 each, with a premium of Rs.73,314/- per share, aggregating Rs. 1,05,58,656/- on Private Placement to M/s. Seraphim Space Enterprise, United Kingdom. However, the applicant did not open a separate bank account for the private placement funds, as required under Section 42(6) of the Companies Act, 2013 instead it had operated its existing the existing bank account which was used for the business operation and completed the allotment of securities. Further, submitted that the funds were utilized before filing e-form PAS-3 vide SRN AA7548315 on April 19, 2024. The applicant claims that the non-compliance with section 42(4) and 42(6) was due to oversight, lack of awareness and Professional guidance. The company took steps for repaying the money with the interest as per Section 42(10) of the Companies Act,2013.

M/s. Seraphin Space Enterprise has provided a “No Objection” letter regarding the non-receipt of the money along with interest.

6. **Adjudication Hearing:**

On receipt of the Adjudication application, the Adjudicating Authority had issued Notice to applicants on 06.08.2024 by fixing the hearing on 20.08.2024 at 11.10 A.M. Pursuant to hearing notice dated 06.08.2024. Ms. Abirami Balasubramanian and Mr. H P Nitesh - PCS , Company Secretary in Practice authorized representative applicants appeared before the Adjudicating Authority and made submissions that, *“the said violation may be adjudicated and accepted to pay the penalty as prescribed under section 42(9) and (10) of the Companies Act, 2013. The penalty that may be imposed on the Company and Directors for the above may be kept as minimum as the company is a small company”*.

Further Section 446 B of the Companies Act, 2013 states that *“ if penalty is payable for non-compliance of any of the provisions of this Act by a One person Company, Small Company, Start-up company or Producer Company or by any of its Officer in default, or any other person in respect of such company, then such company, its officer in default or any other person, as the case may be shall be liable to a penalty which shall not be more than one half of the penalty specified in such provisions subject to a maximum of two lakh rupees in case of a company and one lakh rupees in case of an Officer who is in default or any other person, as the case may be”*.

As per clause 85 of Section 2 of the Companies Act, 2013, *small company means a company whose paid up capital and turn over shall not exceed four crore and rupees forty crore respectively*. As per MCA portal paid up capital of the company is Rs.2,45,55,694/-and turnover Nil as per the MGT 7A filed by the company for the Financial Year ending 31.03.2023. Therefore, the benefits of small company are extended to this company while adjudicating the penalty.

**7. Analysis of Non- compliance of the Companies Act, 2013:**

As per the PAS-3 filed by the company vide SRN AA7548315 on 19.04.2024 the details are as follows:

Sl.No	No of shares allotted	Date of Shareholders Resolution	Date of Allotment	Face Value/ Share (in Rs.)	Premium/Share (in Rs.)	Amount raised by way of Private Placement (in Rs.)
1.	144	13.03.2024	12.04.2024	Rs.10/-	Rs.73,314/-	Rs.105,58,656/-

The amount raised by the company by way of Private Placement is Rs.1,05,58,656/- and the company admitted that the amounts were received in the existing bank account of the company instead of receiving the money in separate bank account as prescribed under Section 42(6) of the Companies Act, 2013. Hence, there is a violation of Section 42 of the Companies Act,2013.

As far as returning to the subscribers under Section 42(6) is concerned, Seraphim Space Enterprise LLP has submitted a No Objection Letter on 26.06.2024 wherein stated that “being the investor, and shareholder having 144 shares of Rs.10/- each at a premium of Rs.73,314 per share in M/s. Galaxeye Space Solutions Private Limited and intent to stay in the company as shareholder and request the company not process the “ Refund” of share application money including interest”.

**8. Decision**

Having considered the facts and circumstances of the case and after taking into account the factors above, it is concluded that company has violated Section 42 of the Companies Act, 2013 and the company and Officers in default are liable for penalty as prescribed under Section 42(10) of the Companies Act,2013.

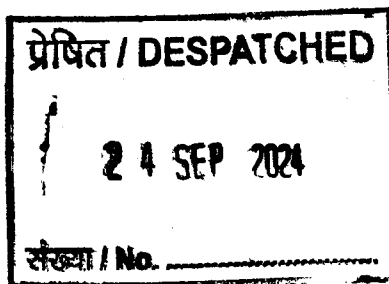
Accordingly, I am inclined to impose a penalty on the company and the directors as prescribed under Sub-Section 10 of Section 42 of the Companies Act, 2013. The details of the penalty imposed on the company and officers in default are shown in the table below:

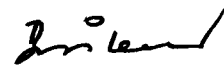
Name of person on whom penalty imposed	Penalty for default (Rs)	Penalty	Maxim Limit for penalty (Rs)- being small company U/s. 446(B) (Rs.)	Final Penalty imposed - 50% being small company U/s. 446(B) (Rs.)
M/s. Galaxeye Space Solutions Private Limited	<i>Amount raised through the private placement or two crore rupees, whichever is lower</i>	Rs. 1,05,58,656 /- ( <i>Amount raised through the private placement</i> )	Rs.2,00,000/-	Rs.2,00,000/-
Mr. Ganapathy Subramaniam	<i>Amount raised through the private placement or two crore rupees, whichever is lower</i>	Rs. 1,05,58,656 /- ( <i>Amount raised through the private placement</i> )	Rs.1,00,000/-	Rs.1,00,000/-
Mr. Suyash Singh	<i>Amount raised through the private placement or two crore rupees, whichever is lower</i>	Rs. 1,05,58,656 /- ( <i>Amount raised through the private placement</i> )	Rs.1,00,000/-	Rs.1,00,000/-
Mr. Denil Chawda	<i>Amount raised through the private placement or two crore rupees, whichever is lower</i>	Rs. 1,05,58,656 /- ( <i>Amount raised through the private placement</i> )	Rs.1,00,000/-	Rs.1,00,000/-

Therefore, in view of the above said violation, in exercise of the powers vested to the undersigned under Section 454(1) & (3) of the Companies Act, 2013 a penalty of Rs.2,00,000/- (Rupees Two lakhs) is imposed on the Company and Rs.1,00,000/- (Rupees One lakh) is imposed on each director. Totally Rs. 5,00,000/- (Rupees Five lakhs) as penalty amount for violation of Section 42(6) of the Companies Act, 2013.

9. 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.
10. 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.



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

  
24/09/24



To,

1. **F.NO.ROC/CHN/GALAXEYE SPACE/ADJ/S.42/2024**  
M/s. Galaxeye Space Solutions Private Limited  
CIN: U30304TN2021PTC143654  
Aadinath Apartments, Flat no. 401,  
4th Floor, #66 Jermiah Road, Vepery,  
Chennai, Tamil Nadu, India, 600007.
  
2. **F.NO.ROC/CHN/GALAXEYE SPACE/ADJ/S.42/2024**  
Mr. Suyash Singh  
16/B/0/M Rest House, Ward No 1,  
At post Kandri Mine, Tah Ramtek. Mansar,  
Nagpur, 441401, Maharashtra.
  
3. **F.NO.ROC/CHN/GALAXEYE SPACE/ADJ/S.42/2024**  
Mr. Ganapathy Subramaniam  
Villa 29, Prestige White Meadows,  
Whitefield Main Road, Next to police station.  
Whitefield, Bangalore, 560066, Karnataka.
  
4. **F.NO.ROC/CHN/GALAXEYE SPACE/ADJ/S.42/2024**  
Mr. Denil Chawda  
9/786, Near Sheela Parisar Iyyppa Swami Mandir Road,  
Bhartiya Nagar, Bilaspur, 495001, Chattisgarh.

Copy To

1. **The Regional Director (SR)**  
Chennai ..... For information
  
2. **The E-Governance Cell, Ministry of Corporate Affairs, New Delhi**