



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/DOOWON/ADJ/S.90/2024

DATE : 23 AUG 2024

ADJUDICATION ORDER UNDER SECTION 90 OF THE COMPANIES ACT, 2013
IN THE MATTER OF M/S. DOOWON AUTOMOTIVE SYSTEMS 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. Doowon Automotive Systems India Private Limited with CIN: U29299TN2006PTC060533 (herein after referred as 'company' or 'subject company') is a registered company with this office under the Companies Act, 1956 having its registered office as per MCA21 Registry at Plot B 19 and B 20, Sipcot Industrial Park Oragadam, Kancheepuram, Sriperumbadhur Taluk, Tamil Nadu 602105. The financial & other details of the subject company as available on MCA-21 portal is stated as under:

S.No.	Particulars	Details
1.	Company's Status	Active
2.	Filing Position	Financial Statement: up to 31.03.2023 Annual Return: 31.03.2021
3.	Paid up Capital	Rs.39,21,31,000/-
	a. Revenue from Operation (in Lakhs)	Rs. 75,704.03/-
	b. Other Income (in Lakhs)	Rs. 421.62/-
	c. Profit/Loss for the Period (in Lakhs)	Rs. 877.72
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/KMP during the period of violation

S. No	Name of Director	Designation	Date of Appointment	Date of Cessation
1.	Mr. Gyu Seob Lee	Managing Director	01.11.2021
2.	Mr. Yong Seung Kang	Managing Director	15.05.2017	01.11.2021

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

Section 90 of the Companies Act, 2013- Register of significant beneficial owners in a company:

(1) Every individual, who acting alone or together, or through one or more persons or trust, including a trust and persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed, in shares of a company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (27) of section 2, over the company (herein referred to as "significant beneficial owner"), shall make a declaration to the company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof, as may be prescribed:

Provided that the Central Government may prescribe a class or classes of persons who shall not be required to make declaration under this sub-section.

(2) Every company shall maintain a register of the interest declared by individuals under sub-section (1) and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed.

(4) Every company shall file a return of significant beneficial owners of the company and changes therein with the Registrar containing names, addresses and other details as may be prescribed within such time, in such form and manner as may be prescribed.

(4A) Every company shall take necessary steps to identify an individual who is a significant beneficial owner in relation to the company and require him to comply with the provisions of this section.*

(5) A company shall give notice, in the prescribed manner, to any person (whether or not a member of the company) whom the company knows or has reasonable cause to believe—

- (a) to be a significant beneficial owner of the company;*
- (b) to be having knowledge of the identity of a significant beneficial owner or another person likely to have such knowledge; or*
- (c) to have been a significant beneficial owner of the company at any time during the three years immediately preceding the date on which the notice is issued, and who is not registered as a significant beneficial owner with the company as required under this section.*

(6) The information required by the notice under sub-section (5) shall be given by the concerned person within a period not exceeding thirty days of the date of the notice.

**Inserted by the Companies (Amendment) Act, 2019 w.e.f 15.08.2019*

(7) The company shall,—

(a) where that person fails to give the company the information required by the notice within the time specified therein; or

(b) where the information given is not satisfactory,

apply to the Tribunal within a period of fifteen days of the expiry of the period specified in the notice, for an order directing that the shares in question be subject to restrictions with regard to transfer of interest, suspension of all rights attached to the shares and such other matters as may be prescribed.

(10) If any person fails to make a declaration as required under sub-section (1), he shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with a further penalty of one thousand rupees for each day after the first during which such failure continues, subject to a maximum of two lakh rupees.

(11) If a company, required to maintain register under sub-section (2) and file the information under sub-section (4) or required to take necessary steps under sub-section (4A), fails to do so or denies inspection as provided therein, the 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 five lakh rupees and every officer of the company who is in default shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with a further penalty of two hundred rupees for each day, after the first during which such failure continues, subject to a maximum of one lakh rupees.

(12) If any person wilfully furnishes any false or incorrect information or suppresses any material information of which he is aware in the declaration made under this section, he shall be liable to action under section 447.

**Rule 3 of the Companies (Significant Beneficial Owners) Rules,2018 :Declaration of Significant Beneficial Ownership under Section 90 :*

(1) On the date of commencement of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, every individual who is a significant beneficial owner in a reporting company, shall file a declaration in Form No. BEN-1 to the reporting company within ninety days from such commencement.

(2) Every individual, who subsequently becomes a significant beneficial owner, or where his significant beneficial ownership undergoes any change shall file a declaration in Form No. BEN-1 to the reporting company, within thirty days of acquiring such significant beneficial ownership or any change therein.

**Substituted by the Companies (Significant Beneficial Owners) Amendment Rules, 2019, w.e.f 08.02.2019*

Rule 4 of the Companies (Significant Beneficial Owners) Rules,2018-Return of significant beneficial owners in shares:

Upon receipt of declaration under rule 3, the reporting company shall file a return in Form No. BEN-2 with the Registrar in respect of such declaration, within a period of thirty days from the date of receipt of such declaration by it, along with the fees as prescribed in Companies (Registration offices and fees) Rules, 2014.

Rule 7 of the Companies (Significant Beneficial Owners) Rules,2018-Application to the Tribunal :

7.The reporting company shall apply to the Tribunal,

(i) where any person fails to give the information required by the notice in Form No. BEN-4, within the time specified therein; or

(ii) where the information given is not satisfactory,

in accordance with sub-section (7) of Section 90, for order directing that the shares in question be subject to restrictions, including

- (a) restrictions on the transfer of interest attached to the shares in question;*
- (b) suspension of the right to receive dividend or any other distribution in relation to the shares in question;*
- (c) suspension of voting rights in relation to the shares in question;*
- (d) any other restriction on all or any of the rights attached with the shares in question*

5. Facts of the Case

A notice was issued to the subject company under Section 206(1) of the Companies Act, 2013 on 07.02.2024 to ascertain compliance of Section 90 of the Companies Act, 2013 and rules made thereunder. After that ROC Chennai had issued further notice under Section 206(3) of the Companies Act, 2013 dated 26.02. 2024. The notices were issued for broadly ascertaining the following compliances:

- (i) Action taken by the company to identify its significant Beneficial Powner in terms of Section 90 of the Companies Act, 2013
- (ii) Provide details of all the BEN-4 notices issued by the company along with a copy thereof
- (iii) Provide the details of the application moved by the company to the Hon'ble NCLT in terms of Section 90(7) of the Companies Act, r/w Rule 7 of the Companies (Significant Beneficial Owners), Rules, 2018.
- (iv) Provide the list of Shareholders of Doowon Electronics Company Limited, Korea & list of shareholders of ultimate holding company of Doowon Electronics Company Limited, Korea from financial year 2018-19 to till date.

The Managing Director of the company vide letter dated 18.03.2024 submitted a clarification letter dated 12.03.2024 & list of shareholders etc. In the clarification letter, the Managing Director stated that the company already initiated the process of filing Form BEN-2. Further, submitted that the company was initially unaware of the mandatory requirement to issue BEN-4 notice as outlined in Rule 2A (2) of the Companies (Significant Beneficial Owners), Rules 2018. However, the company is in

the process of issuing the BEN-4 notice to comply with this requirement. The company has not initiated any application to the NCLT in terms of Section 90(7) of the Companies Act, r/w Rule 7 of the Companies (Significant beneficial Owners) Rules, 2018.

I. List of Shareholders of Doowon Automotive Systems India Private Limited as on 31.03.2023.

Name of the Shareholder	No. of share held	% of Holding
Doowon Electronics Company Limited, Korea	11,742,595	29.95%
Doowon Heavy Industrial Co Ltd (Korea)	2,600,525	6.63%
Kin Jong Eom	8,290,000	21.14%
Kim Nah Young	8,290,000	21.14%
Kim Jong Wan	8,290,000	21.14%
TOTAL	39,213,120	100%

II. List of Shareholders of Doowon Electronics Company Limited as on 31.03.2023.

Name of the Shareholder	No. of share held	% of Holding
Doowon Corporation	449,196	32%
Kim Jong Eom	39,32,04	28%
Kim Nah Young	180,396	13%
Kim Jong Wan	393,204	28%
TOTAL	1,416,000	100%

6. Issue of Adjudication Notice:

As per Rule 3(1) of the Companies (Significant Beneficial Owners) Rules, 2018: Declaration of Significant Beneficial Ownership under Section 90- *On the date of commencement of the Companies (Significant Beneficial Owners) Amendment Rules, 2019, i.e. 08.02.2019 every individual who is a significant beneficial owner in a reporting company, shall file a declaration in Form No. BEN-1 to the reporting*

company within ninety days from such commencement i.e. 08.05.2019. Here, Mr. Kim Jong Eom, Mr. Kim Nah Young and Mr. Kim Jong Wan are holding Significant Beneficial Owners of the company from 2018-19 onwards. The company has stated that they have already initiated the process of filing form BEN-2 and delay in filing due to internal administrative challenges. The company has given details of declarations received in BEN-1 and the company has not issued BEN-4 notices in compliance of Section 90 of the Companies Act, 2013.

The Adjudicating Authority had issued Adjudication Notice to the company and its directors vide Notice No. F.No. ROC.Chn/Doowon Automotice /S.90/2024 dt. 10.05.2024.

7. Reply of Company and Directors for Adjudication Notice issued:

The director of the company vide letter dated 03.06.2024 informed that the BEN-2 form was submitted on 04th June 2024. Further requested to reconsider the penal action for violation of Section 90 of the Companies Act, 2013,

8. Adjudication Hearing:

The Adjudicating Authority had issued notice of Hearing dated 04.06.2024 by fixing the hearing on 12.06.2024 at 01:15 PM. Pursuant to the said notice, Ms. Priyanka Saraf, CS appeared before the Adjudicating Authority on behalf of the company and Officers in default on 12.06.2024 and made submissions that the company has filed BEN-2 with a delay, therefore adjudicate the matter accordingly.

The paid-up capital of the company is Rs.39 Crores and does not fall under the definition of small company as per provision of section 2(85) of the companies Act, 2013. Therefore, of imposing the provision lesser penalty as per section 446(b) shall not be applicable in this case.

9. Analysis of Non-compliance of the Companies Act, 2013

It is noticed that the company has not issued BEN-4 notice to its members. The declaration by the beneficial owner, Mr. Kim Nah Young, Mr. Kim Jong Eom, and Mr. Kim Jong Wan who holds Significant Beneficial Ownership in shares had submitted declaration in BEN-1 on 01.06.2019 and the company filed forms BEN-2 vide SRN: F95931424, F95929154, & F95939765 dated 04.06.2024. It was only after the initiation of the proceedings that the relevant e-forms were filed. The company has violated Section 90(4) r/w Section 90(4a), Section 90(5) of the Companies Act, 2013 and the company and Officers in default are liable for Penalty under Section 90(11) of the Companies Act, 2013.

The details of BEN forms related to the company is shown in the below table:

Name of SBO	Date of acquiring significant Beneficial Interest or Change in SBO	Date of issue of BEN-4	Due date for submission of declaration in BEN-1	Date of Receipt of declaration in BEN-1	Due date for filing BEN-2	Date of filing BEN-2
Mr. Kim Nah Young	13.07.2006 (as per BEN-2)	Not issued	08.05.2019	01.06.2019	01.07.2019	04.06.2024 SRN: F95931424 *Delay of 1800 days
Mr. Kim Jong Eom	13.07.2006 (as per BEN-2)	Not issued	08.05.2019	01.06.2019	01.07.2019	04.06.2024 SRN: F95929154 *Delay of 1800 days
Mr. Kim Jong Wan	13.07.2006 (as per BEN-2)	Not issued	08.05.2019	01.06.2019	01.07.2019	04.06.2024 SRN: F95939765 *Delay of 1800 days

10. Decision

Having considered the facts and circumstances of the case and after taking into account the factors above, it is concluded that there is a delay filing BEN-2 and the company has not issued BEN-4, thereby violated Section 90(4) r/w Section 90(4a) & Section 90(5) of the Companies Act, 2013 for the period 01.07.2019 to 03.06.2024 (BEN-2 filed on 04.06.2024) and the company and its Officers in default are liable for penalty under Section 90(11) of the Companies Act, 2013. As per Section 2(60), the KMP would get covered in Officers in default. In this case, the company had Managing Directors w.e.f 15.05.2017 onwards.

Name of the Company and Officers in default	No of days delay for filing BEN-2	Penalty for default (Rs)	Penalty (Rs)	Maximum Limit for Penalty	Penalty Imposed
M/s. Doowon Automotive Systems India Private Limited	(from 01.07.2019 to 03.06.2024) 1800 days	Rs. 1,00,000/- + <i>Rs.500 for continuing default</i>	1,00,000+1800 x 500= 10,00,000/-	Rs. 5,00,000/-	Rs. 5,00,000/-
Mr.Yong Seung Kang	(from 01.07.2019 to 01.11.2021) 855 days	Rs. 25,000/- + <i>Rs.200 for continuing default</i>	25,000 + 855 x 200=1,96,000	Rs. 1,00,000/-	Rs. 1,00,000/-
Mr.Gyu Seob Lee	(from 01.11.2021 to 03.06.2024) 946 days	Rs. 25,000/- + <i>Rs.200 for continuing default</i>	25,000 +946 x 200= 2,14,200	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. 5,00,000/- (Rupees Five lakhs) is imposed on the Company and Rs. 1,00,000/- (Rupees one lakh) is imposed on each Officers in default as mentioned above. Totally Rs.7,00,000/- (Rupees Seven lakhs) as penalty amount for violation of Section 90 (4) of the Companies Act, 2013.

Further, the due date for submission of declaration in BEN-1 was 08.05.2019 (*90 days from the date of commencement of the Companies (Significant Beneficial Owners) Amendment Rules, 2019 i.e. on 08.02.2019*). But the receipt of declaration in BEN-1 was on 01.06.2019. Hence, there is a delay of 24 days in submission of declaration in BEN-1 which led violation of provision of Section 90(1) of the Companies Act, 2013. The SBOs are liable for penalty U/s. 90(10) of the Companies Act, 2013.

Name of the SBO	No of days delay for filing BEN-1	Penalty for default (Rs)	Penalty (Rs)	Maximum Limit for Penalty	Penalty Imposed
Mr. Kim Nah Young	24 days	50,000 + <i>Rs.1000/- per days for continuing default</i>	50,000 + 24 x 1000= 74,000	Rs.2,00,000/-	Rs.74,000/-
Mr. Kim Jong Eom	24 days	50,000 + <i>Rs.1000/- per days for continuing default</i>	50,000 + 24 x 1000= 74,000	Rs.2,00,000/-	Rs.74,000/-
Mr. Kim Jong Wan	24 days	50,000 + <i>Rs.1000/- per days for continuing default</i>	50,000 + 24 x 1000= 74,000	Rs.2,00,000/-	Rs.74,000/-

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. 74,000/- (Rupees Seventy four thousand) is imposed on each SBOs. Totally Rs.2,22,000/- (Rupees Seven lakhs) as penalty amount for violation of Section 90 (1) of the Companies Act, 2013.

11. The said amount of penalty shall be paid through online by using the website www.mca.gov.in(Misc. head) within 90 days of receipt of this order and intimate this office with proof of penalty paid.

12. Whereas Appeal against this order may be filed with the Regional Director (SR), Ministry of Corporate Affairs, 5th Floor, Shastri Bhavan, 26 Haddows Road, Chennai-600006, Tamil Nadu within a period of sixty days from the date of receipt of this order, in Form ADJ (available on Ministry website www.mca.gov.in) setting forth the grounds of appeal and shall be accompanied by a certified copy of this order. (Section 454(5) & 454(6) of the Act read with Companies (Adjudicating of Penalties) Rules, 2014

13. Your attention is also invited to Section 454(8) of the Act in the event of non-compliance of this order, "(8)(i) Where company fails 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 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.

Where an officer of a company or any other person]] who is in default 9[6[5[fails 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 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
(B. SRIKUMAR, ICLS)
REGISTRAR OF COMPANIES
TAMILNADU, CHENNAI.
ADJUDICATING OFFICER

AMB
23/08/24

To,

1. F.NO.ROC/CHN/DOOWON/ADJ/S.90/2024
M/s. Doowon Automotive Systems India Private Limited
CIN: U29299TN2006PTC060533
Plot B 19 and B 20, Sipcot Industrial Park Oragadam, Kancheepuram,
Sriperumbadhur Taluk, Tamil Nadu 602105

2. F.NO.ROC/CHN/DOOWON/ADJ/S.90/2024
Mr. Gyu Seob Lee (DIN: 5332559)
Woolim Fillyou Apts, 103-40411
Makgok- Gil, Pyeongtaek- SI Gyeonggi
DO, Korea, South Korea
(BY EMAIL)

3. F.NO.ROC/CHN/DOOWON/ADJ/S.90/2024
Mr.Young Seung Kang (DIN: 7821266)
Flat No. 5104, Mandarina Block 5,
Old Door No.35, New No.7, Lock Street
Kotturpuram Chennai Tamil Nadu 600085

Copy To

1. The Regional Director (SR)
Chennai for information