Date: 31st July 2026

To,
CS Pawan G. Chandak,
President,
The Institute of Company Secretaries of India

Subject: Representation for (i) inclusion of "Adjudication of Penalties under Section 454" as a separate purpose in Form GNL-1, and (ii) rationalisation of the filing fee at par with compounding applications.

Respected Sir,

At the outset, this representation is placed before the Hon'ble President and the Council of the Institute by the Western India Regional Council of ICSI ("WIRC") in terms of Regulation 113 of the Company Secretaries Regulations, 1982. WIRC respectfully submits for the consideration of the Institute the following two connected anomalies in Form GNL-1 relating to adjudication of penalties under Section 454 of the Companies Act, 2013, with a request that the same may be taken up appropriately with the Ministry of Corporate Affairs ("MCA"): first, the absence of a dedicated adjudication purpose; and second, the substantially higher fee triggered when such filing is made under the residual category "Others

1. Existing statutory and form position

Section 454 of the Companies Act, 2013 provides an in-house adjudication mechanism for imposition of statutory penalties by the adjudicating officer. The adjudicating officer is empowered to adjudge penalties, direct rectification, wherever applicable, and pass orders after giving a reasonable opportunity of being heard. An appeal against such order lies before the jurisdictional Regional Director.

It is submitted that, although the Companies Act, 2013 does not expressly provide a separate statutory provision or prescribed form for filing a voluntary / suo motu application by a company or its officers for adjudication of penalties, the right of an applicant to voluntarily approach the adjudicating authority for regularisation of a statutory default is implicit in the adjudication framework. In practice, companies and officers in default have been filing such voluntary adjudication applications through Form GNL-1, being the general form prescribed for filing applications with the Registrar of Companies under Rule 12(2) of the Companies (Registration Offices and Fees) Rules, 2014.

Form GNL-1 presently contains only the following purposes in Field 1(a):

a. Compounding of offences;
b. Extension of period of annual general meeting by three months;
c. Scheme of arrangement / amalgamation; and
d. Others.

There is presently no separate radio button or specific option in Form GNL-1 for “Adjudication of Penalties under Section 454 of the Companies Act, 2013”. Consequently, applicants filing voluntary adjudication applications are compelled to select the residual option “Others” and manually describe the purpose as an application for adjudication under Section 454. This is not because the application is miscellaneous in nature, but because the existing form design does not provide a dedicated option for adjudication proceedings.

It is further submitted that this practice has already been administratively recognised and accepted by the offices of the Registrar of Companies. The Registrars are accepting such voluntary adjudication applications filed through Form GNL-1, acting upon the same, issuing notices / hearing opportunities where required, and passing adjudication orders under Section 454 of the Act.

2. Issue I — Separate adjudication option / radio button is necessary in Form GNL-1

Although voluntary adjudication applications under Section 454 are being filed and processed through Form GNL-1, the form does not provide a specific radio button or filing option for “Adjudication of Penalties under Section 454 of the Companies Act, 2013”. As a result, applicants are required to select the residual category “Others” and manually describe the adjudication purpose.

This creates avoidable ambiguity in classification, scrutiny and processing, and prevents such applications from being separately identified and tracked as adjudication filings. A dedicated adjudication option in Form GNL-1 would align the form with the prevailing ROC practice, provide procedural clarity, enable uniform processing, and facilitate proper MCA-level data on adjudication applications.

3. Issue II — Fee anomaly arising from use of the “Others” category

The absence of a dedicated adjudication option in Form GNL-1 also results in an unintended fee anomaly. Since applicants are required to select the residual category “Others” for filing voluntary adjudication applications, the filing fee is computed on the basis of the fee applicable to “Others”, which is linked to the authorised / nominal share capital of the company and may range from ₹1,000 / ₹2,000 up to ₹20,000.

In contrast, an application for “Compounding of offences” under Section 441 attracts a comparatively nominal fee ranging from ₹200 to ₹600, and ₹200 in case of a company not having share capital. Thus, a voluntary adjudication application under Section 454, which relates to a civil penalty mechanism, may attract a substantially higher filing fee merely because Form GNL-1 does not provide a separate adjudication option.

This fee differential is procedural in nature and arises only due to the present form design. Providing a dedicated adjudication option in Form GNL-1, with an appropriate and proportionate fee structure, would remove this anomaly and encourage voluntary disclosure, early regularisation and efficient disposal of adjudication matters.

A. Fee currently applicable when adjudication is filed under “Others”

Authorised share capital	Other than OPC / Small Company	OPC / Small Company
Up to ₹25,00,000	₹2,000	₹1,000
Above ₹25,00,000 and up to ₹50,00,000	₹5,000	₹2,500
Above ₹50,00,000 and up to ₹5,00,00,000	₹10,000	₹10,000
Above ₹5,00,00,000 and up to ₹10,00,00,000	₹15,000	₹15,000
Above ₹10,00,00,000	₹20,000	₹20,000

B. Fee currently applicable to "Compounding of offences"

Nominal share capital	Fee
Less than ₹1,00,000	₹200
₹1,00,000 to ₹4,99,999	₹300
₹5,00,000 to ₹24,99,999	₹400
₹25,00,000 to ₹99,99,999	₹500
₹1,00,00,000 or more	₹600
Company not having share capital	₹200

The disparity is substantial. For example, a company with authorised share capital exceeding ₹10 crore is required to pay ₹20,000 when the adjudication filing is classified under "Others", whereas the fee for filing a compounding application is ₹600. Thus, the procedural omission of an adjudication purpose can increase the filing fee by more than thirty-three times.

This outcome is difficult to justify. Adjudication under Section 454 concerns imposition of a statutory penalty, which is separately determined by the adjudicating officer. The filing fee should facilitate access to the adjudication mechanism and should not itself operate as an additional financial burden merely because the webform lacks the correct purpose code. It is particularly anomalous that an application relating to adjudication of a civil penalty may carry a much higher filing fee than an application for compounding an offence.

4. Proposed amendments

1. Field 1(a) of Form GNL-1 should include an additional radio-button purpose: "Adjudication of Penalties under Section 454 of the Companies Act, 2013".
2. The Companies (Registration Offices and Fees) Rules, 2014, the applicable fee annexure, the GNL-1 Instruction Kit and the MCA portal fee mapping should be amended so that the fee for the above adjudication purpose is the same as the fee applicable to "Compounding of offences", namely ₹200 to ₹600 based on nominal share capital and ₹200 for a company not having share capital.

5. Suggested amendment language

For Form GNL-1 — Field 1(a):

"After 'Compounding of offences', insert 'Adjudication of Penalties under Section 454 of the Companies Act, 2013'."

For the fee provision / GNL-1 fee instruction:

"The fee applicable to 'Compounding of offences' shall also apply where the purpose of Form GNL-1 is 'Adjudication of Penalties under Section 454 of the Companies Act, 2013'."

6. Request to the Institute

In view of the above, we request the Institute to place this representation before the MCA and seek an early amendment to Form GNL-1 and the corresponding fee framework. The proposed reform is limited and legally coherent. It would correctly recognise adjudication as a distinct statutory process and remove the disproportionate fee burden arising solely from the present form design.

Yours faithfully,

CS Yogesh Choudhary
Chairman
Western India Regional Council
The Institute of Company Secretaries of India

References: Section 454 and Section 441 of the Companies Act, 2013; Rule 12(2) of the Companies (Registration Offices and Fees) Rules, 2014; Companies (Adjudication of Penalties) Rules, 2014; Form GNL-1 and its Instruction Kit.