



कंपनी रजिस्ट्रार, कर्नाटक / Registrar of Companies, Karnataka  
 केंद्रीय सदन, 2 मंजिल, 'ई' विंग / Kendriya Sadan, 2<sup>nd</sup> Floor, 'E'- Wing,  
 कोरमंगला, बंगलूरु - 560 034 / Koramangala, Bengaluru - 560 034  
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File No. ROC(B)/Adj.Ord.454-135/Quest Global/Co.No.76219/2023

Date:15.11.2023

**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 135 OF THE COMPANIES ACT, 2013 BY QUEST  
 GLOBAL ENGINEERING SERVICES PRIVATE LIMITED**

Ministry of Corporate Affairs vide its Gazette Notification No. A-42011/112/2014-Ad.II dated 24.03.2015 has appointed the undersigned as Adjudicating Officer in exercise of the powers conferred by section 454 of the Companies Act, 2013 (hereinafter referred to as Act) read with Companies (Adjudication of Penalties) Rules, 2014 for adjudging penalties under the provisions of Companies Act, 2013.

2. The company, **Quest Global Engineering Services Private Limited** (hereinafter referred to as Company) having CIN: U74900KA2014PTC076219 was incorporated on 05.09.2014 and is presently registered under the jurisdiction of Registrar of Companies, Karnataka and the registered office of the company is situated at AEQUS Special Economic Zone, No.437/A, Plot No. 2, Hattaragi Village Hukkeri Taluk, Belgaum, Karnataka - 591245.

3. The company has filed adjudication application on 10.08.2023 for violation of section 135 of the Act. It is seen that for the financial year 2021-22, the company ought to have spent Rs. 3,50,42,538.39 towards CSR activities. However, it had contributed a sum of Rs. 2,29,34,000.39 towards CSR activities and identified an ongoing project and transferred the unspent CSR amount of Rs. 1,23,39,138 to a special account opened by the company for this purpose on 25.08.2022 with a delay as the unspent amount pertaining to an ongoing project ought to have been transferred within a period of 30 days from the end of the financial year.

4. As per section 135(1) of the Act, every company having networth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

5. As per section 135(5) of the Act, the board of every company referred to in sub-section (1) shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial year, or where the company has not completed the period of three financial years since its incorporation, during such immediately, preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

6. As per section 135(6) of the Act, any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company with a period of 30 days from the end of financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

7. As per section 135(7) of the Act, if a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in the Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.

8. Pursuant to the adjudication application filed by the company on 10.08.2023, Notice of hearing was sent on 18.09.2023 and physical hearing was held on 27.09.2023 and it was attended by Mr. Kunjithapadham Jayachandran, practising company secretary who made submission on the same lines as provided in the application. The authorised representative was asked to give the details of the utilisation of unspent amount and the same was submitted by the company on 05.10.2023.

9. It is seen that the company is subsidiary company and does not fall under the definition of a small company as per the provisions of section 2(85) of the Companies Act, 2013. Therefore, the provisions of imposing lesser penalty as per the section 446B of the Act shall not be applicable in this case.

10. Therefore, having considered the facts and circumstances of the case and the submissions made by the company / director / key managerial personnel through their authorised representative, in view of the above said violation under the provisions of section 135 of the Act, in exercise of the powers vested under Section 454(3) of the Companies Act 2013, I do hereby impose penalty in the following manner on the company and all the officers in default:

| S. No. | Particulars                             | Calculation of Penalty               | Maximum Penalty (in Rs.) | Penalty imposed (in Rs.) |
|--------|-----------------------------------------|--------------------------------------|--------------------------|--------------------------|
| 1.     | Company                                 | Rs. 2,46,78,276<br>(1,23,39,138 X 2) | 1,00,00,000              | 1,00,00,000              |
| 2.     | Mr. Praveen Hegde,<br>Company Secretary | Rs. 12,33,914<br>(1,23,39,138 / 10)  | 2,00,000                 | 2,00,000                 |
| 3.     | Mr. Kishore Rao,<br>Director            | Rs. 12,33,914<br>(1,23,39,138 / 10)  | 2,00,000                 | 2,00,000                 |
| 4      | Mr. Raman<br>Subramanian, Director      | Rs. 12,33,914<br>(1,23,39,138 / 10)  | 2,00,000                 | 2,00,000                 |
| 5.     | Mr. Shrikant Durga<br>Naik, Director    | Rs. 12,33,914<br>(1,23,39,138 / 10)  | 2,00,000                 | 2,00,000                 |

11. The company and its directors / key managerial personnel are hereby directed to pay the penalty amount as tabulated above within 90 days from the date of receipt of this Order and file Form INC-28 attaching a copy of the Order and payment challans. In case of directors, such penalty amount is required to be paid out of their own funds. The noticee shall pay the said amount of penalty online by using the website [www.mca.gov.in](http://www.mca.gov.in) (Miscellaneous head) specifying the details of this Order and the noticee who is paying the penalty.

12. Appeal, if any, against this Order may be filed with the Regional Director (South East Region), Hyderabad within a period of 60 days from the date of receipt of this Order in Form ADJ setting forth the grounds of appeal and shall be accompanied by a certified copy of this Order.

13. Your attention is also invited to section 454(8) of the Companies Act, 2013 in case of non-compliance of this Order wherein necessary penal action will be initiated under 454(8)(i) and (ii) of the Companies Act, 2013 against the company and directors / key managerial personnel without further notice in the matter.

14. The company is required to serve a copy of this Order on the director(s)/ officer(s)-in-default mentioned above in terms of provisions of section 20 of the Companies Act, 2013.



(Sanjay Sood)  
Registrar of Companies, Karnataka  
and Adjudicating Officer

To

- ✓ 1. ROC(B)/Adj.Ord.454-135/Quest Global/Co.No.76219/2023  
Quest Global Engineering Services Private Limited  
AEQUS Special Economic Zone,  
No.437/A, Plot No. 2, Hattaragi Village,  
Hukkeri Taluk, Belgaum - 591245  
Karnataka.
2. ROC(B)/Adj.Ord.454-135/Quest Global/Co.No.76219/2023  
Praveen Hegde  
Company Secretary  
No. 944, Flat No. 102  
11<sup>th</sup> Main Road, Srinivasa Nagar  
BSK 1<sup>st</sup> Stage, Bangalore - 560050
3. ROC(B)/Adj.Ord.454-135/Quest Global/Co.No.76219/2023  
Kishore Rao  
Director  
No A-2 Crescent Apartment,  
No 8-1 Cunningham Crescent Road,  
Vasanthnagar Bangalore -560001
4. ROC(B)/Adj.Ord.454-135/Quest Global /Co.No.76219/2023  
Raman Subramanian  
Director  
#A-203, Sangeetha Apartments , 5<sup>th</sup> Cross  
Next to Big Bazaar, Malleswaram  
Bangalore - 560033
5. ROC(B)/Adj.Ord.454-135/Quest Global /Co.No.76219/2023  
Shrikant Durga Naik  
Director  
D-804, Prestige St. John Wood  
No. 80, St. John's Cross Road  
Chikka Adugodi, Bangalore - 560029