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**MINISTRY OF
CORPORATE
AFFAIRS**
GOVERNMENT OF INDIA

Phone: 040-2980 4327 (D),
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28 NOV 2024
Registrar of Companies
Hyderabad, Telangana
15 YEARS OF CELEBRATING THE MANATHA

का कार्यालय, तेलंगाना, हैदराबाद।

OFFICE OF THE REGISTRAR OF COMPANIES, TELANGANA, HYDERABAD

दूसरी मंजिल, कॉर्पोरेट भवन, बंडलागुड, नागोल, हैदराबाद - 500 068

2ND FLOOR, CORPORATE BHAWAN, BANDLAGUDA, NAGOLE, HYDERABAD - 500068

F.NO.ROC/HYD/VIRUPAKSHA/ADJ/S.203/2024-25 | 1944 To 1954 Date: 27-11-2024

ADJUDICATION ORDER UNDER SECTION 203(1) READ SECTION 203(5) AND SECTION 454 OF THE COMPANIES ACT, 2013 IN THE MATTER OF M/S VIRUPAKSHA ORGANICS 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, Hyderabad 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. VIRUPAKSHA ORGANICS LIMITED with CIN U24110TG1997PLCO28281 (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 Plot No B1 & B2, IDA, Gandhinagar, Kukatpally, Medchal Malkajhiri District, Rangareddi, Hyderabad, Telangana, India, 500037. The financial & other details of the subject company as available on MCA-21 portal is stated as under:

S.No.	Particulars	Details as on F.Y. 2022-23
1.	Paid up Capital	Rs. 41,02,12,870/-
2.	a. Turnover	6,546,380,919/-
	b. Net worth of the Company	2,042,902,658
3.	Whether it is a Holding Company	NO
4.	Whether it is a Subsidiary Company	NO
5.	Whether company registered under Section 8 of the Act?	NO
6.	Whether company is a small company?	NO
7.	Whether company registered under any other special Act?	NO

28/11/24

Office of the Regional Director,
South East Region

Ministry of Corporate Affairs

3rd Floor, Corporate Bhawan, Bandlaguda,

Nagole, Tadipatri Village, Hayatnagar, Hyderabad - 500068

Ranga Reddy District, Telangana

3. **Section and Penal Provision as per Companies Act, 2013**

Section 203. Appointment of Key Managerial Personnel.:

(1) Every company belonging to such class or classes of companies as may be prescribed shall have the following whole-time key managerial personnel, —

- (i) managing director, or Chief Executive Officer or manager and in their absence, a whole-time director.
- (ii) company secretary; and
- (iii) Chief Financial Officer:

Section 203. Appointment of Key Managerial Personnel

(5) If any company makes any default in complying with the provisions of this section, such company shall be liable to a penalty of five lakh rupees and every director and key managerial personnel of the company who is in default shall be liable to a penalty of fifty thousand rupees and where the default is a continuing one, with a further penalty of one thousand rupees for each day after the first during which such default continues but not exceeding five lakh rupees

4. **Facts of the case:**

The company has filed the Suo-moto application vide letter dated 05.02.2024 along with its Managing Director u/s Section 454 of the Companies Act, 2013 (the Act) for the violation of

- a) *In accordance with section 383 (A) (1) of the Companies Act, 1956, the Company was required to appoint a Company Secretary as on March 25, 2006, as the paid- up capital of the Company was Rs. 2,00,00,000/- (Rupees Two Crore Only). Further, the Company was also required to appoint a Company Secretary in terms of the requirements under Sub section (5) of Section 203 of the Companies Act, 2013 read with Rule 8A of the companies (Appointment and Remuneration of Managerial Personals) Rules, 2014 w.ef, April 01, 2014. The Company had made multiple attempts to find a suitable incumbent for the position of Company Secretary and had appointed Mr. S. Prathap Kumar as a Company Secretary on 01.02.2021 with a lapse of an aggregate of 5416 days. Mr. S. Prathap Kumar resigned on 10.05.2023 and later on Mr. Vikas Kurada has been appointed as Company Secretary of the company w.ef 17.06.2023.*
- b) *Further, The Company was required to appoint a Chief Financial Officer in terms of the requirements under Sub section (5) of Section 203 of the Companies Act, 2013 read with Rule 8A of the companies (Appointment and Remuneration of Managerial Personals) Rules, 2014 w.ef, April 01, 2014. The Company had made multiple attempts to find a suitable incumbent for the position of Chief Financial Officer and had appointed Mr. Balasubba Reddy Mamilla as a Chief Financial Officer w.ef. 24.05.2021.*

Company has filed the Suo-moto application for adjudication of Section 383(A) (1A) of the Companies Act, 1956 r/w Section 203(5) for violation of Section 383(A) (1) of the Companies Act, 1956 r/w Section 203(1) of the Companies Act, 2013 r/w Section 454 of the Companies Act, 2013 (the Act) seeking necessary orders.

- i. *"Exempt the Applicant from the applicable penalties by adjudicating the non— compliance under section 621(a) of Companies Act, 1956 and Section 203(5) of the Companies Act, 2013 read with Rule 8A of the companies (Appointment and Remuneration of Managerial Personals) Rules, 2014, on such terms and conditions as may be deemed fit and proper."*
- ii. *That the whole-time directors of the Company who were authorised for all appointments and recruitments in the Company made reasonable efforts.*

- iii. *It is most respectfully submitted that this is a fit case to take a lenient view of the matter by the Adjudicating Officer, Telangana and pardon the failures under Section 203 (5) of the Companies Act, 2013 read with Section 383A of the Companies Act, 1956 and exempt the Applicants from the consequent penalties.*
- iv. *Grant an opportunity to all Applicants to present their case through representatives with all supporting documents and material as may be relevant; and*
- v. *Pass any other or further order(s) as this Adjudicating Officer, Telangana may deem fit and proper in the facts and circumstances of this case.*

5. Notice for adjudication and hearings: -

A reasonable opportunity of being heard vide letter no. ROCH/HEARING NOTICE/VOL/2024/ 984 To 986 dated 31.07.2024 under Sub-section 4 of Section 454 of the Companies Act, 2013 was given to the Authorized professional, Company and its Officers in default to appear before the Adjudicating officer on 07.08.2024. Mr. Sarveswar Reddy, Company Secretary in practice / Authorised representative attended the personal hearing on behalf of the applicants on 07th August 2024 and orally made the submissions before the undersigned. He further made the request to take lenient view and lesser penalty may be imposed on the company and its directors.

6. Order: -

- I. The sub-section (5) of section 203 of the Companies Act, 2013 has been amended retrospectively with effect from 02.11.2018 by the Companies (Amendment) Act, 2019 and thereby, the liability of fine for any default in complying with the provisions of section 203 of the Companies Act, 2013 has been amended to the liability of penalty with effect from 02.11.2018. The liability of penalty on default in complying with provisions of section 203 of the Companies Act, 2013 is enforceable with effect from 02.11.2018 only as per the Companies (Amendment) Act, 2019. Hence, the provisions for adjudication of the default regarding non-complying with provisions of section 203 of the Companies Act, 2013 is effective from 02.11.2018. The company is found as defaulted on the appointment of Company Secretary during the period from 02.11.2018 to 31.01.2021 and also defaulted on the appointment of Chief Financial Officer during the period from 02.11.2018 to 23.05.2021.
- II. While adjudging quantum of penalty under section 203(5) and Section 454 of the Act, read with Companies (Adjudication of penalties) Rules, 2014, the Adjudicating Officer shall have due regard to the factors, mentioned therein.
- III. Having considered the facts and circumstances of the case and after taking into account the factors above, it is concluded that Company and its directors and every Key Managerial Personnel of the company who is in default are liable to penalty as prescribed under Section 203(5) of the Act for violation of Section 203(1) of the Companies Act, 2013.
- IV. Accordingly, I am inclined to impose a penalty as prescribed under Section 203(5) of the Companies Act, 2013. The details of the penalty imposed on the company and officers in default are shown in the table below:

UNDER COMPANIES ACT, 2013**I. FOR NON-APPOINTMENT OF COMPANY SECRETARY**

S.No	Name of the Company	Penalty as per Companies Act, 2013.				
		Penalty for default (Rs.)	Period of Default	Calculation of Penalty for continuing default	Maximum Penalty (Rs.)	Final Penalty Imposed (Rs.)
1.	M/s. Virupaksha Organics Limited	Rs.5,00,000 /-	02.11.2018 to 31.01.2021 (822 days)	Rs.5,00,000/- + Rs. 1000/- X 822 days = Rs.1322000/-	Rs.5,00,000/-	Rs.5,00,000/-
Total Penalty						Rs.5,00,000/-

S.No	Name of Officer in Default	Penalty as per Companies Act, 2013				
		Penalty for default (Rs.)	Period of Default	Calculation of Penalty	Maximum Penalty (Rs.)	Final Penalty Imposed (Rs.)
2.	Mr. Chandra Mouliswar Reddy Gangavaram (Managing Director)	Rs. 50,000/- + Rs. 1000/- per day for continuing contravention	02.11.2018 to 31.01.2021 (822 days)	50,000+ Rs. 1000 X 822 days = Rs.872000/-	Rs.5,00,000/-	Rs. 5,00,000/-

3.	Mr. Balasubba Reddy Mamilla (Past Director)	Rs. 50,000/- + Rs. 1000/- per day for continuing contravention	02.11.2018 to 31.01.2021 (822 days)	50,000 + Rs. 1000 X 822 days = Rs. 872000/-	Rs.5,00,000/-	Rs. 5,00,000/-
4.	Mr. Ravinder Reddy Devi reddy (Past Director)	Rs. 50,000/- + Rs. 1000/- per day for continuing contravention	02.11.2018 to 26.12.2019 (420 days)	50,000 + Rs. 1000 X 420 days = Rs. 470000/-	Rs.5,00,000/-	Rs. 4,70,000 /-
5.	Ms. Vedavathi Gangavaram (Director)	Rs. 50,000/- + Rs. 1000/- per day for continuing contravention	02.11.2018 to 31.01.2021 (822 days)	50,000 + Rs. 1000 X 822 days = Rs. 872000/-	Rs.5,00,000/-	Rs. 5,00,000/-
6.	Mr. Markandeya Gorantla (Past Additional Director)	Rs. 50,000/- + Rs. 1000/- per day for continuing contravention	02.11.2018 to 06.01.2021 (797 days)	50,000 + Rs. 1000 X 797 days = Rs. 847000/-	Rs.5,00,000/-	Rs. 5,00,000 /-

7.	Mr. Chandrasekhar Reddy Gangavaram (Wholetime Director)	Rs. 50,000/- + Rs. 1000/- per day for <i>continuing contravention</i>	02.11.2018 to 31.01.2021 (822 days)	50,000 + Rs. 1000 X 822 days = Rs. 872000/-	Rs. 5,00,000/-	Rs. 5,00,000/-
8.	Mr. Venkata Ranga Narasimha Mahesh Pidimarri (past Director)	Rs. 50,000/- + Rs. 1000/- per day for <i>continuing contravention</i>	02.11.2018 to 06.01.2021 (797 days)	50,000 + Rs. 1000 X 797 days = Rs. 847000/-	Rs. 5,00,000/-	Rs. 5,00,000/-
Total Penalty						Rs. 34,70,000/-
Grand Total						Rs. 39,70,000/-

II. FOR NON-APPOINTMENT OF CHIEF FINANCIAL OFFICER: -

S.No	Name of the Company	Penalty as per Companies Act, 2013.				
		Penalty for default (Rs.)	Period of Default	Calculation of Penalty for continuing default	Maximum Penalty (Rs.)	Final Penalty Imposed (Rs.)
1.	M/s. Virupaksha Organics Limited	Rs. 5,00,000/-	02.11.2018 to 23.05.2021 (934 days)	Rs. 5,00,000/- + Rs. 1000/- X 934 days = 1434000/-	Rs. 5,00,000/-	Rs. 5,00,000/-
Total Penalty						Rs. 5,00,000/-

S.No	Name of Officer in Default	Penalty as per Companies Act, 2013.				
		Penalty for default (Rs.)	Period of Default	Calculation of Penalty	Maximum Penalty (Rs.)	Final Penalty Imposed (Rs.)
2.	Mr. Chandra Mouliswar Reddy Gangavaram (Managing Director)	Rs. 50,000/- + Rs. 1000/- per day for continuing contravention	02.11.2018 to 23.05.2021 (934 days)	50,000 + Rs. 1000 X 934 days = Rs. 984000/-	Rs.5,00,000/-	Rs. 5,00,000/-
3.	Mr. Balasubba Reddy Mamilla (Past Director)	Rs. 50,000/- + Rs. 1000/- per day for continuing contravention	02.11.2018 to 23.05.2021 (934 days)	50,000 + Rs. 1000 X 934 days = Rs. 984000/-	Rs.5,00,000/-	Rs. 5,00,000/-
4.	Mr. Ravinder Reddy Devireddy (Past Director)	Rs. 50,000/- + Rs. 1000/- per day for continuing contravention	02.11.2018 to 26.12.2019 (420 Days)	50,000 + Rs. 1000 X 420 days = Rs. 4,70,000/-	Rs.5,00,000/-	Rs.4,70,000/-
5.	Ms. Vedavathi Gangavaram (Director)	Rs. 50,000/- + Rs. 1000/- per day for continuing contravention	02.11.2018 to 23.05.2021 (934 days)	50,000 + Rs. 1000 X 934 days = Rs. 984000/-	Rs.5,00,000/-	Rs. 5,00,000/-

6.	Mr. Markandeya Gorantla (Past Additional Director)	Rs. 50,000/- + Rs. 1000/-per day for <i>continuing contravention</i>	02.11.2018 to 06.01.2021 (797 days)	50,000 + Rs. 1000 X 797 days = Rs. 847000/-	Rs.5,00,000/-	Rs. 5,00,000 /-
7.	Mr. Chandrasekhar Reddy Gangavaram (Wholetime Director)	Rs. 50,000/- + Rs. 1000/-per day for <i>continuing contraventi</i>	02.11.2018 to 23.05.2021 (934 days)	50,000 + Rs. 1000 X 934 days = Rs. 984000/-	Rs.5,00,000/-	Rs. 5,00,000/-
8.	Mr. Venkata Ranga Narasimha Mahesh Pidimarri (past Director)	Rs. 50,000/- + Rs. 1000/-per day for <i>continuing contraventi</i>	02.11.2018 to 06.01.2021 (797days)	50,000 + Rs. 1000 X 797 days = Rs. 847000/-	Rs.5,00,000/-	Rs. 5,00,000/-
Total Penalty						Rs. 34,70,000/-
Grand Total						Rs. 39,70,000/-

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 the penalty imposed above on Company and its Officers in default as penalty amount for violation of Section 203(5) of the Companies Act, 2013. With regard to the violation u/s 383A(1) of the Companies Act, 1956 from period 25.03.2006 till 01.11.2018 since the violation was compoundable, an appropriate compounding application be moved/filed before the competent Compounding Authority.

8. The said amount of penalty shall be paid out of own source of income and online by using the website www.mca.gov.in (Misc. head) within 90 days of receipt of this order and file form INC-28 attaching copy of order and payment challan.
9. Whereas Appeal against this order may be filed with the Regional Director (SER), Ministry of Corporate Affairs, 3rd Floor, Corporate Bhavan, Bandlaguda, Nagole, Hyderabad, Telangana, 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].
10. 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.
(ii) Where an officer of a company or any other person who is in default 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."

Dated this the 27th day of November, 2024



परविंदर सिंह/ (PARVINDER SINGH, I.C.L.S)
 कम्पनी पंजीयक/ REGISTRAR OF COMPANIES
 तेलंगाना, हैदराबाद/ TELANGANA, HYDERABAD

Copy to:

F.NO.ROC/HYD/VIRUPAKSHA/ADJ/S.203/2024-25

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 27/11/2024

1. **M/s. VIRUPAKSHA ORGANICS LIMITED**
 Plot No B1 & B2, IDA, Gandhinagar,
 Kukatpally, Medchal Malkajhiri District,
 Rangareddi, Hyderabad, Telangana, India,
 500037

2. **F.NO.ROC/HYD/VIRUPAKSHA/ADJ/S.203/2024-25**
Mr. CHANDRA MOULISWAR REDDY GANGAVARAM
 8-3-169/143/A 1st Floor, Siddartha Nagar,
 Near Krishna kanth park, S.R Nagar,
 Hyderabad,500038, Telangana, India.
3. **F.NO.ROC/HYD/VIRUPAKSHA/ADJ/S.203/2024-25**
Mr. BALASUBBA REDDY MAMILLA
 8-3-169/1, Flat No. 301, Preetham Residency, Siddartha Nagar, Behind
 Vengala Rao Nagar, Hyderabad,500038, Telangana, India.
4. **F.NO.ROC/HYD/VIRUPAKSHA/ADJ/S.203/2024-25**
Mr.RAVINDER REDDY DEVIREDDY
 8-3-169/143, Siddartha Nagar, S R Nagar,
 Hyderabad,500038, Telangana, India.
5. **F.NO.ROC/HYD/VIRUPAKSHA/ADJ/S.203/2024-25**
Ms. VEDAVATHI GANGAVARAM
 8-3-169/143/A, 1st Floor, Siddartha Nagar, Near
 Krishna Kanth Park, S R Nagar, Hyderabad,500038,
 Telangana, India.
6. **F.NO.ROC/HYD/VIRUPAKSHA/ADJ/S.203/2024-25**
Mr. MARKANDEYA GORANTLA
 Plot No.1, Mahalakshmi Residency, Near Dolari Dhani,
 Kompally, Quthbullapur, KV Ranga Reddy,
 Secunderabad,500014, Telangana, India.
7. **F.NO.ROC/HYD/VIRUPAKSHA/ADJ/S.203/2024-25**
Mr. CHANDRASEKHAR REDDY GANGAVARAM
 Flat No. 103, Vishaal Towers, Western Hills, Samathanagar,
 KukatpallyHyderabad,500072, Telangana, India.
8. **F.NO.ROC/HYD/VIRUPAKSHA/ADJ/S.203/2024-25**
Mr. VENKATA RANGA NARASIMHA MAHESH
 Villa 159 Vasanta City, Hafeezpet Road, Hafeezpet, K.V
 Rangareddy, Hyderabad,500049, Telangana, India.
9. Ministry of Corporate Affairs, New Delhi
10. RD(SER), Hyderabad
11. Guard File