

BEFORE THE ADJUDICATING OFFICER

ROC -cum- OL, ODISHA, CUTTACK

(ADJUDICATION ORDER NO. ROC/CTC/AO/203/2019)

ORDER

**UNDER SECTION 454 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES
(ADJUDICATION OF PENALTIES) RULES, 2014**

**KRIPAL SPRING INDIA LIMITED
CIN : L34106OR1982PLC001089**

Appointment of Adjudicating Officer :-

1. The Ministry of Corporate Affairs vide its Gazette Notification No. A-42011/112/2014-Ad. II dated 24.03.2015 appointed the undersigned as Adjudicating Officer (hereinafter referred to as "the A.O") in exercise of the powers conferred under Section 454 of the Companies Act, 2013 (herein after known as **The Act**) read with Companies (Adjudication of Penalties) Rules, 2014 (Notification No. GSR 254(E) dated 31.03.2014) for adjudging penalties under the provisions of the Act. The undersigned vide the Companies (Amendment) Ordinance, 2019 is entrusted to adjudicate penalties under Section 203 of the Act with effect from 02.11.2018.

Company :-

2. Kripal Springs India Limited (herein after known as the Company) CIN L34106OR1982PLC001089 is a registered company with the office of the ROC -cum- OL, Odisha and having its registered office address at Ambapali, Baragarh, Bargarh, Odissa : 768 028, India as per the records maintained by this office in online registry.

Show Cause Notice, Reply and Personal Hearing :

3. The Show Cause Notices (SCN) under Sub-Rule (2) of Rule 3 of the Companies (Adjudication of Penalties) Rules, 2014 for contravention of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was issued vide Show Cause Notice No. ROC/Sec. 203/2018/2426(4) dated 31.12.2018 to the Company and its directors viz. Shri Kripal Singh, Shri Harbans Singh and Shri Shangara Singh seeking clarification.

Retli
07/11/2019

4. Thereafter, Notice of Inquiry was also issued vide this office Show Cause Notice No. ROC/Sec. 454/1089/2019/2728(4) dated 14.02.2019 pursuant to Rule (3) of Companies (Adjudication of Penalties) Rules, 2014 to the Company and Officers/Directors (Noticee) calling upon them to appear personally or through authorized representative under Rule 3(3) of the Companies (Adjudication of Penalties) Rules, 2014 on 28.02.2019 at 4.00 PM. But neither the Directors nor any representative for the company and/or directors appeared for personal hearing. Further, the matter was adjourned to 27.03.2019, 02.05.2019, 25.07.2019, 24.09.2019 and 30.10.2019, but no one appeared on the fixed dates.

Provisions of the Companies Act, 2013 :

5. Section 203 of the Act provides that :

Section 203 (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.

Rule 8 of Companies (Appointment & Remuneration) Rules, 2014 provides that

Every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have whole-time key managerial personnel.

ORDER

06. The status of the subject company is Listed and has not appointed Company Secretary, hence it is proved that the company violated the provisions of Section 203(1) of the Act read with Rule 8 of the Companies (Appointment & Remuneration) Rules, 2014 and the company and every directors of the company are liable for penal action under Section 203(8) of the Act. The offence is of serious nature since non-appointment of Company Secretary put itself out of reach of stakeholders/regulatory authorities and other concerned.

The object of appointment of Company Secretary to discharge the duties as per Rule 10 of Companies (Appointment & Remuneration) Rules, 2014.

07. Having considered the facts and circumstances of the case, and after taking into account the factors above, the A.O do hereby imposes penalty on Company and its Directors as per Table below for violation of Section 203(1) of the Act read with Rule 8 of the Companies (Appointment & Remuneration) Rules, 2014 for violation of Section 203 of the Companies Act, 2013 for default period of 370 days i.e. 02.11.2018 to 07.11.2019 (date of hearing). The A.O is of the opinion that penalty is commensurate with the aforesaid default committed by the Noticee's.


Document Required to be filed	No. of days of Default*	Penalty imposed on Company/ Directors/Company Secretary	First Default (in Rs.)	Default Continues (in Rs)	Total (in Rs.)
DIR 12 for appointment of Company Secretary	370 days	On Company	Rs. 5,00,000/-		5,00,000.00
		Kripal Singh	50,000/-	1,000 x 370 = 3,70,000/-	4,20,000.00
		Harbans Singh	50,000/-	1,000 x 370 = 3,70,000/-	4,20,000.00
		Shangara Singh	50,000/-	1,000 x 370 = 3,70,000/-	4,20,000.00

08. The company and its directors are hereby directed to rectify the default immediately from the date of receipt of copy of this order.
09. The Penalty imposed shall be paid through the Ministry of Corporate Affairs portal only.
10. Appeal if any against this order may be filed in writing with the Regional Director, Eastern Region, Ministry of Corporate Affairs, Nizam Palace, 3rd Floor, 234/4, A.J.C. Bose Road, Kolkata : 700 020 within a period of sixty 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. [Section 454 of the Companies Act, 2013 read with the Companies (Adjudicating of Penalties) Rules, 2014].
11. Your attention is also invited to Section 454(8) of the Act regarding consequences of non-payment of penalty.

12. In terms of the provisions of sub-rule (9) of Rule 3 of the Companies (Adjudication of Penalties) Rules, 2014, a copy of this order is being sent to (i) Kripal Springs India Limited, Ambapali, Bargarh : 768 028, Orissa, (ii) Shri Kripal Singh, Ambapali, Bargarh : 768 028 Odisha, (iii) Shri Harbans Singh, Ambapali, Bargarh : 768 028 (iv) Shri Shangara Singh, Rajbora, Sambar, Padmapur, Bargarh : 768 027 and also Secretary to the Govt. of India, Ministry of Corporate Affairs, Shastri Bhawan, A Wing, 5th Floor, Dr. R. P. Road, New Delhi : 110 001.

Place : Cuttack

Dated, the 7th November, 2019


(A. K. SETHI)
Adjudicating Officer, Odisha
ROC -cum- OL, Odisha