

August 27, 2024

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	The Manager, Listing Department, National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra-East, Mumbai- 400 051
Scrip Code: 532953	Symbol: VGUARD

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the provisions of Regulation 30 read with Para A of Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we hereby submit the disclosure regarding the Adjudication order passed by the Registrar of Companies, Kerala on suo-moto application filed by the Company, which was received on August 26, 2024. The copy of the same is enclosed as **Annexure I**.

The disclosure as required under Regulation 30 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFDPoD-1/P/CIR/2023/123 dated July 13, 2023, is enclosed as **Annexure II**.

We request you to kindly take the above information on record.

Thanking You,

Yours Sincerely,

For V-Guard Industries Limited

Vikas Kumar Tak
Company Secretary & Compliance Officer
Membership No. FCS 6618

Encl: As above



कारपोरेट कार्य मंत्रालय/Ministry of Corporate Affairs
कम्पनी पंजीयक कार्यालय, केरल एवं लक्षद्वीप
Registrar of Companies, Kerala & Lakshadweep
प्रथम मंजिल, कारपोरेट भवन, बी.एम.सी. रोड,
First Floor, Corporate Bhawan, B.M.C. Road,
त्रिक्काकरा, कोच्चि - केरल
Thrikkakara, Kochi - 682 021, Kerala.
✉ roc.ernakulam@mca.gov.in ☎ 0484-2421626

ROC(K)/Adj S.152(6)/ V Guard Industries/ 9257 /2024

Dated:19.08.2024

REGD. A/D

**BEFORE THE ADJUDICATING OFFICER
REGISTRAR OF COMPANIES KERALA AND LAKSHADWEEP**

Adjudication order passed under Section 454 of the Companies Act 2013
for the violation of Section 152(6) of the said Act
in the matter of M/s. V GUARD INDUSTRIES LIMITED.

1. Appointment of Adjudicating Officer

Vide Notification bearing No. S.0/831. (E) dated 24th March 2015 the Govt. of India Ministry of Corporate Affairs has appointed the Registrar of Companies Ernakulam as Adjudicating Officer under the Companies Act, 2013 (hereafter referred as the Act) read with the Companies (Adjudication of Penalties) Rules, 2014 with respect to all companies having its registered office within the State of Kerala and Union territory of Lakshadweep Islands. I am vested with jurisdiction and empowered to adjudicate the matter in hand within the prescribed legal frame.

2. Company

Whereas Company M/s. V Guard Industries Limited, CIN- L31200KL1996PLC010010 (herein after known as Company) is a registered company with this office under the provisions of the Companies Act, 2013 herein after referred to as the Act having its registered office situated at 42/962, Vennala High School Road, Vennala NA Kochi, Ernakulam, Kerala, 682028, India as per the MCA website.

3. Facts of the case:

Whereas the subject company has filed an application GNL-1 vide SRN: F93375673 dated 13.03.2024 before this office requesting for suo-moto adjudication of non-compliance of Section 152(6) of the Act by the company.

As per the application enclosed along with the GNL-1, the subject company informed this office that the company has violated Section 152(6) of the Companies Act, 2013 and stated that:

“As on April 01, 2022, the Board of the Company consisted of optimum number of Executive and Non-Executive Directors with more than 50% Non-Executive Independent Directors, comprising 2 Executive Directors, 6 Non-executive independent directors including 1-woman independent director and 1 non-executive non-independent director. Out of the 2 executive directors, one director is from promoter category who is designated a Managing Director, and the other is in the professional category under the designation of Director & Chief Operating Officer. The office of the Managing Director is not liable to retire by rotation. Of the remaining 2 directors liable to retire, the Non-Executive Non-Independent director opted not of offer for re-appointment and retire on the date of AGM, which was held on 28.07.2022. The company filed DIR-12 regarding his cessation. The remaining one Executive director retired by rotation and was reappointed at the 26th AGM. This resulted in the violation of section 152 of the Act.

To comply with the provisions of the Act, the Board in their meeting held on 30.05.2023 appointed an Additional Director int eh executive capacity who is liable to retire by rotation.”

4. Relevant provisions of the Act which are applicable in the present case:

Whereas as per the provisions of sub-section (6) of Section 152 of the Companies Act, 2013:

(a) Unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company shall—

- (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
- (ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.

(b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.

(c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and at every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.

(d) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

(e) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring director or some other person thereto.

Whereas as per Section 159 of the Act, If any individual or director of a company makes any default in complying with any of the provisions of Section 152, Section 155 and Section 156, such individual or director of the company shall be liable to a penalty which may extend to fifty thousand rupees and where the default is a continuing one, with a further penalty which may extend to five hundred rupees for each day after the first during which such default continues.

In this regard it is concluded that the company has not properly complied with section 152(6) of the Act and the managing director is liable for penal action under section 159 of the Act.

5. ADJUDICATION OF PENALTY


Having considered the facts and circumstances of the case, I hereby impose the penalty on the managing director as under for violation of section 152(6) of the Act.

Name of person on whom penalty imposed	No. of days of default *	Penalty	Total Penalty
Mithun K Chittilappilly (Managing Director)	306	Rs.50,000/- + (Rs. 500 * 306 days = Rs.1,53,000/-) for continuing default.	Rs. 2,03,000/- (Rupees Two Lakhs and three Thousand only)

[*No of days have been calculated from 28.07.2022 to 30.05.2023]

4. The noticee shall pay the amount of penalty individually (out of own pocket) by way of e-payment (available on Ministry website www.mca.gov.in) under "Pay miscellaneous fees" category in MCA fee and payment Services within 90 (ninety) days of this order. The Challan/SRN generated after payment of penalty through online mode shall be forwarded to this office.
5. Appeal against this order, if aggrieved and if so advised, may be filed in writing with the Regional Director (SR), Ministry of Corporate Affairs, Chennai 600 006, within a period of 60 (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) & (6) of the Act, read with Companies (Adjudication of Penalties) Rules, 2014}.

6. Your attention is also invited to section 454(8) of the Act in the event of non-compliance with this order.


(V.M. PRASANTH)
(Adjudicating Officer)
Registrar of Companies
Kerala & Lakshadweep

To

Sri. Mithun K Chittilappilly (Managing Director)
Flat No: 12D, RDS Avenue One Apartments
Panampilly Nagar, Ernakulam 682036
Email: secretarial@vguard.in

Annexure II

Details in terms of Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular No. SEBI/HO/CFD/CFDPoD-1/P/CIR/2023/123 dated July 13, 2023

Sr. No.	Particulars	Details
1.	Name of the Authority	Registrar of Companies (ROC) - Kerala
2.	Nature and details of the action(s) taken, initiated or order(s) passed	Intimation regarding Order of adjudication received from the ROC Kerala, with respect to Adjudication application filed by the Company Suo-moto under Section 454 of Companies Act, 2013 (the Act) read with Rule 3(2) of Companies (Adjudication of Penalties) Rules. ROC Kerala has imposed a penalty of ₹ 2.03 Lakhs (Rupees Two lakhs and three thousand only) on Mr. Mithun K Chittilappilly, Managing Director of the Company.
3.	Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	August 26, 2024
4.	Details of the violation(s)/ contravention(s) committed or alleged to be committed	The Managing Director has received an Adjudication order from ROC, Kerala imposing penalty under Section 159 of the Act for default under Section 152(6) of the Act.
5.	Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	The Company does not foresee any material impact on financial or operational activities due to the said order.