



भारत सरकार

कारपोरेट कार्य मंत्रालय

कार्यालय कम्पनी रजिस्ट्रार, गुजरात, दादरा एवं नगर हवेली

आर.ओ.सी. भवन, रुपल पार्क के सामने,

अंकुर बस स्टैंड के पास, नारणपुरा, अहमदाबाद (गुजरात) - 380013.

दूरभाष संख्या : 079 27438531, फैक्स सं. : 079-27438371

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सत्यमेव जयते

GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
OFFICE OF THE REGISTRAR OF COMPANIES,  
GUJARAT, DADRA & NAGAR HAVELI  
ROC Bhavan, Opp. Rupal Park,  
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आज़ादी का  
अमृत महोत्सव

BEFORE THE ADJUDICATING OFFICER

REGISTRAR OF COMPANIES, GUJARAT, DADRA & NAGAR HAVELI

No. ROC-GJ/ADJ. ORDER/ SUN PHARMA/ Sec.454/ 203-24/ 457 Dated: 28 APR 2023

ORDER FOR PENALTY UNDER SECTION 454 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ADJUDICATION OF PENALTIES) RULES, 2014 AND COMPANIES (ADJUDICATION OF PENALTIES) AMENDMENT RULES, 2019 FOR VIOLATION OF SECTION 143(14) R/W SECTION 188 AND 204 OF THE COMPANIES ACT, 2013 READ WITH RULES MADE THEREUNDER.

IN THE MATTER OF

M/s. SUN PHARMACEUTICAL INDUSTRIES LIMITED  
(L24230GJ1993PLC019050)

Date of Hearing: 28/03/2023

Present :

1. Shri R.C. Mishra, ICLS (ROC), Adjudicating Officer
2. Shri. Neelambuj, ICLS (AROC), Presenting Officer
3. Ms. Mansi Gokhle, ICLS (Trainee Officer)
4. Shri Prince Kumar, ICLS (Trainee Officer)

Company/ Officers/ Authorised Representative etc.:

1. Mr. Chintan J. Goswami, Proprietor of M/s C. J. Goswami & Associates, Practicing Company Secretaries appeared.

Appointment of Adjudication Authority:-

1. The 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 under section 454 of the Companies Act, 2013 (hereinafter known as 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 Act.

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**Company/any other Person in default:**

2. M/s C. J. Goswami & Associates, Practicing Company Secretaries, was appointed as Secretarial Auditors for FY 2014-15, FY 2015-16, FY 2016-17 and FY 2017-18 vide SRN: C36179687, C71647507, G06031009 and G46166765 respectively by the Board of Directors of M/s. **SUN PHARMACEUTICAL INDUSTRIES LIMITED (SPIL)**, which is a company registered under the provisions of the Companies Act, 2013 in the State of Gujarat, having CIN: **L24230GJ1993PLC019050** and presently having its registered office situated at "SPARC, Tandalja, Vadodara-390012, India".

**Fact about the case and Show Cause Notice:**

3. The Inquiry of M/s. SUN PHARMACEUTICAL INDUSTRIES LIMITED under Section 206(4) of the Companies Act, 2013 ordered by Ministry of Corporate Affairs in the affair of the company covering Financial Year 2014-15, 2015-16, 2016-17 and 2017-18. In connection to the Inquiry, the Inquiry Officer has issued Show Cause Notice vide office letter No. ROC-GJ/ADJ/U/S 454/SUN PHARMA/2022-23/5472 TO 5474, dated 10.11.2022 to the Secretarial Auditor of the company for FY 2014-15, FY 2015-16 and FY 2016-17 to M/s C. J. Goswami & Associates, Practicing Company Secretaries in respect of not reporting Aditya Medisales Ltd as related parties as per the requirement of IND-AS-24/AS-18 in Financial Statement of the company of FY 2014-15, 2015-16 and 2016-17.

**Reply of Secretarial Auditor and Physical Hearing:- 28/03/2023**

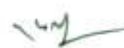
4. In respect of the aforesaid notice, **M/s C. J. Goswami & Associates, Practicing Company Secretaries** submitted their written reply on 22/12/2022, which is taken on record. In respect of the Adjudication notice, they had present before Adjudication Authority on 28<sup>th</sup> March, 2023 for physical hearing. Mr Chintan Goswami, Proprietor of **M/s C. J. Goswami & Associates, Practicing Company Secretaries** has submitted that;
  - a. The Ministry of Corporate affairs has already prescribed the format for secretarial audit report in Form No. MR-3 under the provision of section 204 of the Companies Act, 2013
  - b. As per the scope of secretarial audit as decided by the council of ICSI at its 226th meeting held on November 21, 2014 decided that, the provisions relating to audit of accounts and financial statement of the company is dealt in the statutory audit and the Secretarial Auditor may rely on the reports given by Statutory Auditors or other designated professionals.



- c. Based on the reports given by the statutory auditors for the Reporting Period, we believed that, the Company is in compliance with the provisions of section 133 of the Companies Act, 2013 regarding the accounting standards.
- d. Further, we would like to bring to attention of your office that none of our secretarial audit reports issued for the Reporting Period stated that the financial statements comply with the accounting standards.
- e. We have expressly mentioned in our secretarial audit reports issued for the Reporting Period at sr. no. 2 of Annexure 1 of the said reports that, "We have not verified the correctness and appropriateness of financial records and Books of Account of the Company".
- f. As per the section 143(12) of the Companies Act, 2013, "Notwithstanding anything contained in this section, **if an auditor of a company in the course of the performance of his duties as auditor, has reason to believe that an offence fraud** involving such amount or amounts as may be prescribed, **is being or has been committed in the company by its officers or employees, the auditor shall report the matter** to the Central Government within such time and in such manner as may be prescribed."
- g. Therefore, we hereby submit that, during the performance of our duty as a secretarial auditor during the Reporting Period, we did not find any fraud element based on our review based on information / documents received during audit. Hence it could not be said that we, the secretarial auditor had not complied with section 143(12) of the Companies Act, 2013 and therefore no penalty should be levied as per Show Cause Notice.
- h. Further, the Institute of Company Secretaries of India ("ICSI") has issued a guidance note from time to time for help their members to undertake the secretarial audit assignments ("**Guidance Note**").
- i. Further, ICSI has constituted the Auditing Standards Board to lay down the principles for evaluation of statutory compliances and corporate conduct in relation to secretarial audit and to inculcate best auditing practices amongst the members of ICSI.
- j. Upon issuance of these Standards by ICSI, it would become generally accepted principle relating to the secretarial practices to be followed while conducting secretarial audit by a practicing member and developing a unified manner for Reporting by the auditors.

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- k. The few extracts of the said Guidance Note (Release 14, May 2018) are as below:
- l. As per Chapter 1- Secretarial Audit of the Guidance Note, "The term **"Secretarial Audit"** is a mechanism which is **connected with the audit of the non-financial aspects of the company.**"
- m. The object of the Secretarial Audit is evaluation and form an opinion and to report to the shareholders as to whether, the company has complied with the applicable laws comprising various statutes, rules, regulations, guidelines, followed the board processes and to also report on the existence of compliance management system.
- n. Third party support and evidences: It would always be helpful to cross verification of the filing made by the company at MCA, SEBI & other authorities independently. Verification of record and enquiries can also be made with the other statutory and internal auditors and consultants and Independent Directors of the Company.
- o. Further, we would like to bring to attention of your good office that, while undertaking the secretarial audit during the Reporting Period, we have provided the observations / views in the secretarial audit reports for financial year ended March 31, 2016 and March 31, 2017.
- p. With regard to the SEBI Documents as referred to in the Show Cause Notice, we would like to request you to provide us the access to all those documents on the basis on which your office has alleged us for the referred contravention as per Show Cause Notice.
- q. Further, as per our limited understanding basis on the documents available in public domain in relation to the non-disclosure of transactions with M/s. Aditya Medisales Limited, the Company has settled as per the settlement terms set out in the Settlement Order(s), **without admitting or denying** the findings of the fact and conclusions of law in accordance with the terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations 2018. Hence, we would like to know the grounds on which the present Show Cause Notice has been issued by your good office.
- r. Without prejudice to our submissions made above, the Show Cause Notice received by us seems to be in general as the same is addressed to secretarial auditor as well as statutory auditors without stating the specific provisions contravened by which addressee to the Show Cause Notice.





In light of the above, it is submitted that the duty cast upon Secretarial Auditor under the relevant Standards of Auditing and Reporting Framework has been duly and fully complied by them. Consequently, it is prayed that the allegation of non-compliance/ violation of the provision of the Act levelled against them be dismissed and no penalty ought to be levied against them.

**Submission of the Presenting Officer:-**

5. The Presenting Officer submitted that the inquiry of the subject company is based on Whistle Blower Complaint in respect of Related Party Transactions, Money Diversion from Sun Pharmaceutical Industries Ltd to Aditya Medisales Ltd and other group companies. In the said matter, the Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs also made research and shared a Market Research and Analysis Report (MRAU) to this office in year 2019. Accordingly, the Inquiry into affairs of the company is independently directed by the Ministry of Corporate Affairs to this office to investigate the Related Party Transaction matter of the Sun Pharmaceutical Industries Ltd. with Aditya Medisales Ltd covering the FY 2014-15 to 2017-18 and the omission of reporting of Related Parties Transaction (RPTs) and violation of the provisions of the Companies Act, 2013.
6. The Presenting Officer submitted that as per the provision of section 204 of the Companies Act, 2013, the Secretarial Auditor plays crucial role in laws for effective compliances. The object of the Secretarial Audit is evaluation and form an opinion and to report to the shareholders as to whether, the company has complied with the applicable laws comprising various statutes, rules, regulations, guidelines, followed the board processes and to also report on the existence of compliance management system.
7. The Presenting officer further submitted that the power and duty of the Secretarial Auditor while submitting its report to ensure the compliance provision of the Companies Act, 2013 and rules made thereunder.

A Company Secretary in practice has the professional duty to provide an unbiased view on the compliance status of the Company. A Company Secretary in Practice should be independent from the company being audited.

The Secretarial Auditor is expected to ensure that activities of the client company are in accordance with the applicable procedure and that supporting evidence maintained by the company is genuine.

The Practicing Company Secretary has to examine the transactions during the period of audit to identify whether any fraud element is present in the transaction. In the past "Fraud" has been noticed in many cases of scams in the following kinds of transactions:-

- Related Party Transactions
- Excessive managerial remuneration – Insider Trading •
- Inter Company transactions •
- Mergers/demergers/acquisitions

- IPO frauds
- Ponzy schemes
- Public Deposit
- Transfer of Shares

8. The ICSI has issued the Guidance Note for Secretarial Audit. As per the Guidance Notes the Secretarial Auditor is need to adhered the following checklist to review the Related Party Transaction, which is as under;

Checklist for related Party Transactions as per the ICSI Guidance Notes;

- Check whether the company has prepared a list of related parties as per section 2(76) of the Act and there exists a system to check whether any contracts / arrangements are being entered into with any of those Parties. Also any suitable mechanism is derived to intimate the same to the secretarial department.
- Check whether the company has maintained the register of contract/ arrangement entered by the company along with the details of contract and arrangement in Form MBP-4.
- If the company is claiming exemption from the applicability of the section on the grounds that the transactions are in the ordinary course of business and are on arms length basis. Check whether the Board has taken an informed decision about the nature of transaction based on criteria given in Rule 15
- Check whether the company has entered into a contract/ arrangement with any related party through a board resolution at a meeting of the board.
- The company has obtained prior approval of the shareholders by a resolution in case of a company having paid up share capital of not less than such amount, or transactions not exceeding such sums as specified in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.
- Check whether a member of the company, who is a related party and with whom the transaction is being entered into, has not voted on such resolution for approving the same. In case of companies in which 90 percent. or more members in number are relatives and related parties the above condition will not apply.
- The company has annexed explanatory statement to the notice of the board or general meeting as may be applicable disclosing the details required under rule 15.
- Check whether any director or related party is appointed as an office or place of profit in the company, its subsidiary or associate company and complied with applicable provisions of Section 188.

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- Check whether omnibus approval for the related party transactions has been given by the Audit committee and is in accordance with Rule 6A of the Companies (Meeting of Board and its powers) Rules, 2014
  - Whether any contract has been entered by the company without the approval of the board/ approval of the company; If Yes, Whether such contract or Arrangement has been ratified by the board / Company as the case may be
  - Check that the listed entity has formulated a policy on materiality of related party transactions and dealing with related party transactions (RPTs).
  - Check that the listed entity has formulated a policy on materiality of related party transactions and dealing with related party transactions (RPTs).
  - All material RPTs have taken prior approval of shareholders through resolution, and all the related parties irrespective of whether they are a party to the transaction have abstained from voting on such resolutions
  - All existing related party contracts entered into prior to the date of notification of these regulations and which continue beyond such date were placed for approval of the shareholders in the first AGM subsequent to notification of these regulations.
  - Board approved policy on Related Party Transactions and compliance.
  - In case of listed company, Check that all material transactions with related parties have been placed before the Audit committee and disclosed quarterly along with the Corporate Governance report filed with the Stock Exchanges.
  - Check that the company has formulated a policy on materiality of Related Party Transaction and also on dealing with Related Party Transactions and the same is disclosed on its website and also in the Annual Report.
  - In case of listed company check that the all Related Party Transactions had prior approval of the Audit Committee.
9. The Presenting Officer further stated that although the shareholder of the Aditya Medisales Ltd is Body Corporates, but the main control person of all the said body corporates is Managing Director of SPIL that is Shri Dilip Sanghvi and their family members as under;

Shareholder of Aditya Medisales Ltd	Relation with SPIL
Aalok Shanghvi	Relative of Mr. Dilip Shanghvi
Flamboyawer Finance Pvt Ltd	Mr. Dilip Shanghvi, Mrs Kumud Sanghvi, Navjivan Rasayan Gujarat Pvt Ltd
Shanghvi Finance Pvt Ltd	
Shanghvi Properties Pvt Ltd	Mr. Dilip Shanghvi,
Gujarat Sun Pharmaceuticals Ind Pvt Ltd	Mrs Vibha D. Shanghvi

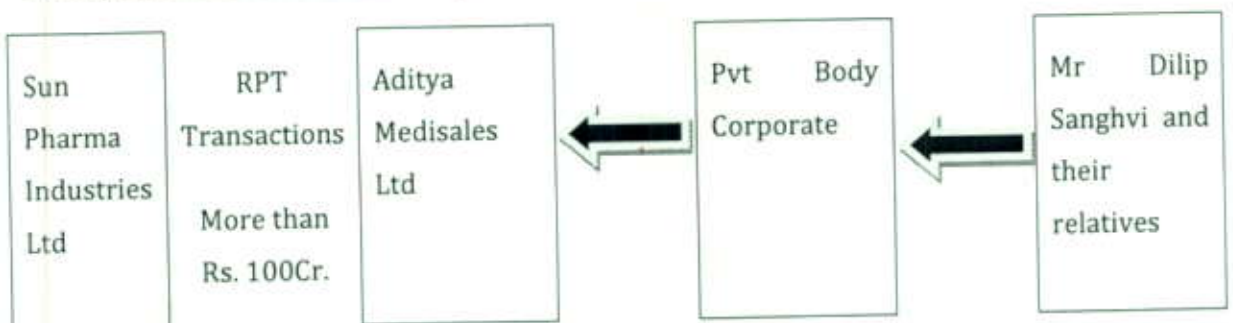
Package Investrade Pvt Ltd.	Family Investment Pvt Ltd, Solares Therapeutic Pvt Ltd Bonaire Exports Pvt Ltd Nirmit Exports Pvt Ltd	All the shareholder of these companies are body corporates which is controlled by Mr Sanghvi and its Family.
Asawari Investment & Finance Pvt Ltd	Alrox Investment & Finance Pvt Ltd- Controlled by Mr. Dilip Sanghvi and Family  Airborne Investments & Finance Pvt Ltd- Controlled by Mr. Dilip Sanghvi and Family  Bridgestone Investment & Finance Pvt Ltd- Controlled by Mr. Dilip Sanghvi and Family  Deeparadhana Investment & Finance Pvt Ltd- Controlled by Mr. Dilip Sanghvi and Family  Mackinon Investments & Finance Pvt Ltd- Controlled by Mr. Dilip Sanghvi and Family  Mr Dilip Sanghvi	
Jeevanrekha Investrade Pvt Ltd	Family Investment Pvt Ltd, Vidhi Investment Pvt Ltd. Quality Investments Pvt Ltd Tejaskiran Pharmachem Ind Pvt Ltd	All the shareholder of these companies are body corporates which is controlled by Mr Sanghvi and its Family.
Sholapur Organics Pvt Ltd	Bonaire Exports Pvt Ltd Nirmit Exports Pvt Ltd	All the shareholder of these companies are body corporates which is controlled by Mr Sanghvi and its Family.

112



Sunfins Securities Pvt Ltd	Virtuous Finance Private Limited Virtuous Share Investment Pvt Ltd Viditi Investment Pvt Ltd Quality Investment Pvt Ltd Family Investment Pvt Ltd, Tejaskiran Pharmachem Ind Pvt Ltd Sholapur Organics Pvt Ltd Shanghvi Finance Pvt Ltd Package Investrade Pvt Ltd. Jeevanrekha Investrade Pvt Ltd Asawari Investment & Finance Pvt Ltd	All the shareholder of these companies are body corporates which is controlled by Mr Sanghvi and its Family
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The Presenting Officer stated that it has been established that Managing Directors of SPIL Mr Dilip Sanghvi has control on Aditya Medisales Ltd. These all the above companies only create a layer between Sun Pharma and Aditya Medisale to hide the direct control of Managing Director of SPIL- Mr Dilip Sanghvi.



Hence, the Aditya Medisales fall under the criteria of Related Party as per the section 2(76) - para (v) & (vi) of the Companies Act, 2013. Further, the related party transaction of Sun Pharmaceutical Industries Ltd with Aditya Medisales Ltd is exceed from Rs. 100 Cr which is material and significant transaction. Hence, it is duty of the Statutory Auditor to check the significant transactions.

10. As per the complaint, a Separate Investigation made by the SEBI. The SEBI Settlement Order no. SO/VV/AA/2020-21/4163, 4164, dated 11/02/2021 stated as under;

*"Two whistle blower complaints were received by the Securities and Exchange Board of India ('SEBI'), wherein allegations were made against Sun Pharmaceutical Industries Limited (hereinafter referred to as the 'Applicant' / 'SPIL') and its wholly owned subsidiary, Sun Pharmaceutical Laboratories Ltd (hereinafter referred to as 'SPLL'), alleging that SPIL and SPLL had been diverting funds through Aditya Medisales Ltd (hereinafter referred to as 'AML'), its sole distributor in India. Further, it was alleged that transactions with AML were ongoing for several years, however, AML was disclosed as a related party of SPIL only in FY 2017-18. In view of the same, forensic audit was conducted in the matter followed by investigation. **SEBI observed during investigation that AML was a related party of SPIL even before the scheme of amalgamation.** However, the relevant compliance(s) pertaining to related parties, as required under the following provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI (LODR) Regulations, 2015'), were not made by SPIL (with respect to AML).*

*i) Prior approval of the audit committee for transactions with AML, as required under regulation 23(2) of SEBI (LODR) Regulations, 2015, was not obtained.*

*(ii) Considering that the transactions with AML would have qualified as material related party transactions, it required approval of shareholders under regulation 23(4) of SEBI (LODR) Regulations, 2015, which was not obtained.*

*(iii) Disclosure of related party transactions with AML in the Annual Reports for FY 2015-16 and FY 2016-17, as required under regulation 34(3) read with schedule V of SEBI (LODR) Regulations, 2015, was not made.*

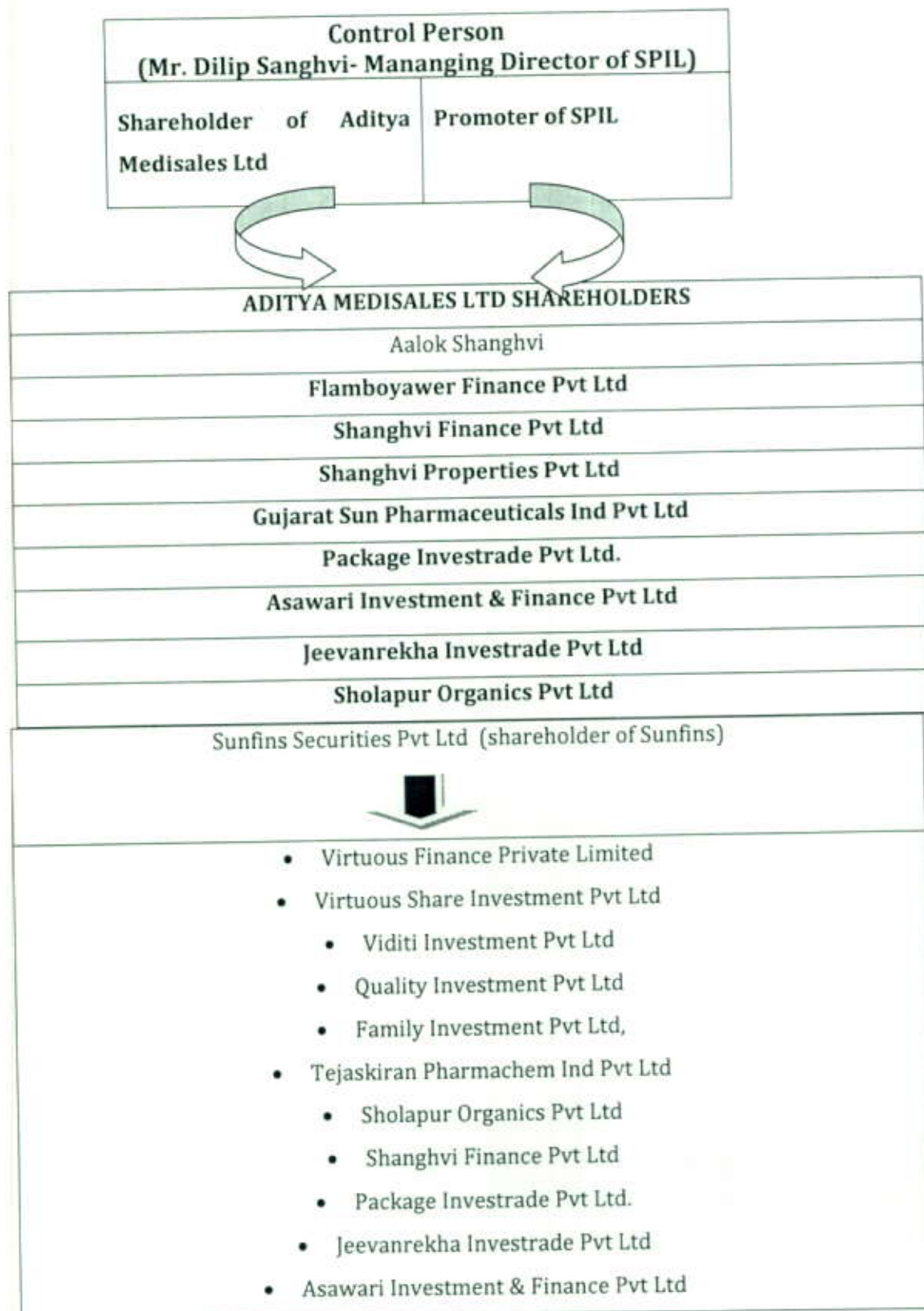
*(iv) In view of the same, it was observed that SPIL had violated regulation 23(2), 23(4) and 34(3) of SEBI (LODR) Regulations, 2015"*

11. The Presenting officer further stated that the Forensic Audit made by the SEBI is an additional confirmation regarding related party transaction of Sun Pharma with Aditya Medisales Ltd. Aditya Medisales Ltd (AML) is sole distributor of the SPIL since long in India. All the goods manufactured by SPIL sold within India through AML.
12. As per the shareholding of the SPIL available at stock exchange, Aditya Medisales Ltd. is promoter company of the SPIL since year 2001.

Viditi Investment Pvt. Ltd., Tejaskiran Pharmachem Industries Pvt. Ltd., Family Investment Private Limited, Quality Investments Pvt. Ltd., Virtuous Finance Private Limited, Virtuous Share Investments Private Limited, Sholapur Organics Private Limited, Jeevanrekha Investtrade Pvt. Ltd., Package Investtrade Pvt. Ltd., Shanghvi Finance Private Limited, Asawari Investment And Finance Private Limited, Flamboyawer Finance Private



Limited, Sanghvi Properties Private Limited, Gujarat Sun Pharmaceutical Industries Pvt Ltd, Nirmat Exports Private Limited and Unimed Investments Limited are the promoter company of the SPIL since long. (before Year 2017) which is also shareholder of the AML.,



Hence, from the above it has been confirmed that the promoter of the SPIL and Shareholder are the AML are the same. The shareholder of this promoter companies is Mr Dilip Sanghvi and their family members. Therefore, it has been confirmed that the SPIL and AML are Related party before the Merger of Sanghvi Finance Ltd.

13. The Presenting Officer further submitted that as per the Merger scheme filed by the company before NCLT, the company itself confirmed that the all the 22 Transferor companies [i.e.- (1)Alox Investment and Finance Private Limited, (2)Airborne Investment and Finance Ltd., (3)Bridgestone Investment and Finance Ltd., (4) Deeparadhana Investment and Finance Ltd, (5)Mackinon Investment and Finance Ltd., (6)Solares Therapeutic Private Limited, (7)Bonaire Exports Private Limited, (8)Nirmit Exports Private Limited, (9)Viditi Investments Private Limited, (10)Tejaskiran Pharmachem Industries Private Limited, (11)Family Investment Private Limited, (12)Quality Investment Private Limited, (13)Virtuous Finance Private Limited, (14)Virtuous Share Investments Private Limited, (15)Package Investrade Private Limited, (16)Jeevanrekha Investrade Private Limited, (17)Sholapur Organics Private Limited, (18)Asawari Investment & Finance Private Limited, (19)Virtuous Securities & Broking Private Limited, (20)Sunfins Securities Services Private Limited, (21)Meghganga Finvest Private Limited, (22)Privilege Trading Private Limited] and Transferee Companies (i.e.Sanghvi Finance Pvt Ltd) is connected with the Mr. Dilip Sanghvi who is Managing Directors of SPIL. The relevant para of the scheme is as under;

#### C. RATIONALE OF THE SCHEME

The Transferor Companies and the Transferee Company are all part of Dilip Shanghvi family promoted Group. Also, the Transferor Companies are directly / indirectly wholly owned subsidiaries of the Transferee Company. In order to consolidate and effectively manage the Transferor Companies and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness, it is intended that the Transferor Companies be amalgamated with Transferee Company. The Scheme of Amalgamation would *inter alia* achieve the following benefits:

14. The Presenting officer further stated that the provision of section 2(76) of the Companies Act, 2013 as under;

(v) a public company in which a director or manager and holds is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;

(vi) anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

Therefore, Managing Directors of SPIL-Mr Dilip Sanghvi, who hold more than 2% holding of AML (directly/indirectly) is related party of SPIL as per section 2(76) read with AS-18.

Accordingly, it has been confirmed from the MCA record, Shareholding of AML, SPIL shareholding at Stock Exchange, Submission made by the company before NCLT that AML was related party of the subject company before merger in year 2017 as per the provision of section 2(76), section 188, AS-18 and SEBI (LODR), 2015.



The Presenting Officer further stated that the instead of complying his duty as per the Guidance note in respect of Related Party Transaction u/s 188 of the Companies Act, 2013, the Secretarial Auditor merely rely on the Statutory Auditors' Report.

The Presenting office further stated that submission of the Secretarial Auditor that as per the Scope of Secretarial Audit as decided by the ICSI at its 226<sup>th</sup> Meeting, the provision relating to audit of accounts and financial statement of the company is dealt in the Statutory Audit and the Secretarial Auditor may rely on the report given by the Statutory Auditor or other designated professional may be only partial considerable. Because, the provision regarding related party u/s 2(76) and section 188 of the Companies Act, 2013 is fall under the purview of the Secretarial Auditor of the Company. Non Reporting of Aditya Medisales Ltd as related party in FY 2014-15, 2015-16, 2016-17 is fall under the purview of the Secretarial Auditor duty as per the Guidance Note of Secretarial Audit issued by the ICSI.

The Presenting Officer stated as per the Rule 3(3) of the Adjudication of Penalties, the Adjudication Notice is necessary to contain the maximum penalty amount which is given u/s 143(15) of the Companies Act, 2013 for violation of section 143 of the Companies Act, 2013 which is Rs. 25 Lakh for listed company. The Presenting Officer further submitted that the Adjudication Officer has power u/s 454 of the Companies Act, 2013, where no specific penalty and punishment is provided in the act to impose penalty us/ 450 of the Companies Act, 2013, being the Secretarial Auditor as any other person as per said provision of law.

### **ORDER**

15. After hearing the matter in detail, the Adjudicating Authority has given due regard to the following facts while passing the order, namely;
  - a. The amount of disproportionate gain or unfair advantage, whenever quantifiable, made as a result of default.
  - b. The amount of loss caused to an investor or group of investors as a result of the default.
  - c. The repetitive nature of default.
16. Having the consider the facts and submission made by Presenting Officer, counter submission made by the secretarial auditor and aforesaid facts & circumstances, the undersigned has reasonable cause to believe that the Secretarial Auditor of the company has failed to discharge their duty as per the provisions of Section 143(14) read with section 188 and 204 of the Companies Act, 2013 read with Guidance Note issued by the ICSI.



17. Having considered the facts and submissions made by Presenting Officer and submission made by the Secretarial Auditor and after taking into accounts the facts & factors above, I hereby imposed a penalty on Secretarial Auditors Firm as per table below for violation of section 143(14) r/w section 188 & 204 of the Companies Act, 2013. I am of the opinion that penalty is commensurate with the aforesaid failure for not discharging their statutory duty:

**Penalty on Auditors Firm for default:**

For Financial Year	Name of Auditor's Firm	Penalty as per Section 450 of the Companies Act, 2013 (in Rs.)	Maximum Penalty (in Rs.)	Penalty Imposed (Rs.)
FY 2014-15	C. J. Goswami & Associates, Practicing Company Secretary	10,000 +1000/- per day	50,000/-	50,000/-
FY 2015-16		10,000 +1000/- per day	50,000/-	50,000/-
FY 2016-17		10,000 +1000/- per day	50,000/-	50,000/-

18. The noticee shall pay the amount of penalty by way of e-payment available on Ministry website [www.mca.gov.in](http://www.mca.gov.in) under "Pay miscellaneous fees" category in MCA fee and payment Services under Rule 3(14) of Company (Adjudication of Penalties) (Amendment) Rules, 2019 within 60 days from the date of receipt of this order and copy of this adjudication order and Challan/SRN generated after payment of penalty through online mode shall be filed in INC-28 under the MCA portal without further reference.
19. Appeal against this order may be filed in writing with the Regional Director, North Western Region, Ministry of Corporate Affairs, ROC BHAVAN, OPP. RUPAL PARK, NR. ANKUR BUS STAND, NARANAPURA, AHMEDABAD (GUJARAT)-380013 within a period of sixty days from the date of receipt of this order, in e-form ADJ (i.e. Memorandum of Appeal) setting forth the grounds of appeal and shall be accompanied by the certified copy of this order. [Section 454(5) & 454(6) of the Companies Act, 2013 read with the Companies (Adjudication of Penalties) Rules, 2014 as amended by Companies (Adjudication of Penalties) Amendment Rules, 2019].



20. Your attention is also invited to Section 454(8)(i) and 454(8) (ii) of the Companies Act, 2013, which state that in case of non-payment of penalty amount, the company shall be punishable with fine which shall not less than Twenty Five Thousand Rupees but which may extend to Five Lakhs Rupees and officer in default shall be punishable with Imprisonment which may extend to Six months or with fine which shall not be less than Twenty Five Thousand Rupees by which may extend to one Lakhs Rupees or with both.

The adjudication notice stands disposed of with this order.

  
28/09/23

**R. C. Mishra, (ICLS)**

Registrar of Companies & Adjudicating Officer  
Gujarat, Dadra & Nagar Haveli

To :

**ROC-GJ/ADJ. ORDER/ SUN PHARMA / Sec.454/ 2023-24**  
**Mr. Chintan J. Goswami, Proprietor**  
**M/s C. J. Goswami, Practicing Company Secretaries**  
**Regd Office- 1/12, Santosh Kunj, Asalfa, JMM Road, Ghatkopar (West)**  
**Mumbai-400 084**

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