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**F.No:9/02/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2023**  
**BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION**  
**MINISTRY OF CORPORATE AFFAIRS, HYDERABAD**  
**IN THE MATTER OF COMPANIES ACT, 2013**

**IN THE MATTER OF A.S JUTE PRODUCTS PRIVATE LIMITED**

1. M/s. A.S Jute Products Private Limited
2. Mahesh Anumaliseti, Director
3. Nagesh Anumal Setty, Director
4. Omprakash Rathi, Director
5. Gumpina Ramesh Guptha, Additional Director
6. Sunil Kumar Bhararia, Director
7. Varalakshmi Gumpina, Additional Director

Appellants

Date of hearing : 25.04.2023  
Present : Mr. T Karunakar Reddy, PCS

**ORDER**

This is an appeal filed under section 454(5) of the Companies Act, 2013 by the above appellants in e-form ADJ vide SRN F58505678 dated 07.02.2023 against the adjudication order No. ROC(V)/ADJ(454)/Sec.203(5)/ASJPPL/2022-23 dated 07.09.2022 under section 454 passed by the Registrar of Companies, Andhra Pradesh for default in compliance with the requirements of Section 203 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

2. Registrar of Companies in his order of adjudication has stated that the company has failed to appoint Company Secretary since the application provisions of the Act came into force to till date despite paid up capital has exceeded the prescribed limit as stated in provisions of section 203(1) of the Companies Act, 2013. Hearing was held before Registrar of Companies on 07.09.2022 and after hearing the authorized representative had levied a penalty of Rs.5,00,000/- on the Company and Rs.50,000/- each for Mahesh Anumaliseti, Director, Nagesh Anumal Setty, Director, Omprakash Rathi, Director, Gumpina Ramesh Guptha, Additional Director, Sunil Kumar Bhararia Director and Varalakshmi Gumpina, Additional Director (total aggregating to Rs.8.00 Lakhs).



Contd..2.

3. An opportunity of being heard was given to the Appellants on 25.04.2023. The authorized representative Mr. T Karunakar Reddy, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that the Company registered office is situated at a remote locality in rural area of Andhra Pradesh. Company's financial position is very bad and having negative net worth. Company is incurring losses for the last 9 years and total paid up capital of the company is eroded and has a debt of Rs.34 Crores which is more than its worth. Company is having 9 shareholders only. Due to no hope of prospects in jute industry, the company is looking for alternatives or to wind up the company and taking in to consideration the above facts has requested to waive off the penalty as imposed by the Registrar of Companies.

4. Though there is a default committed, there is a ground in interfering with the impugned adjudication order of Registrar of Companies to the extent of waiving off the penalty due to the following reasons:

(a) Company financial position is very bad and having negative net worth.

(b) Company is incurring losses for the last 9 years.

(c) Company has a debt of Rs.34 Crores which is more than its worth.

(d) Company is having 9 shareholders only.

(e) Registrar of Companies passed the adjudication order in a manner without taking into consideration any of the above facts as evident from his order dated 07.09.2022

Taking into consideration the facts of the appeal and submissions made by the authorized representative and the reasons as states by the undersigned at para 4 above, the Adjudication Order passed by the Registrar of Companies dated 07.09.2022 is set aside and matter is returned back to Registrar of Companies advising to re-examine the issues in totality and pass fresh order of adjudication.

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Accordingly, adjudication order passed by Registrar of Companies dated 07.09.2022 is hereby disposed off

Issued under my hand and seal on this the 29<sup>th</sup> day of May 2023.

✓ M/s. A.S Jute Product Private Limited  
Plot No. H-1, Ap Industrial Estate, V T Agraharam,  
Vizianagaram, Andhra Pradesh-535004



*B. Mohanty*  
(B. MOHANTY)  
REGIONAL DIRECTOR( SER)  
HYDERABAD

Copy for information and necessary action to :

1. Registrar of Companies, Ministry of Corporate Affairs,  
Andhra Pradesh, Vijayawada.
2. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

*sd/-*  
(B. MOHANTY)  
REGIONAL DIRECTOR( SER)  
HYDERABAD