

F.No:9/107/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/1459

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF RANI AQUA FEEDS PRIVATE LIMITED

1. M/s. Rani Aqua Feeds Private Limited
2. Mr. Venkata Surendra Kothapalli, Managing Director
3. Mr. Ravi Narsipalli, Director

Appellants

Date of hearing : 08.02.2023

Present : Mr. K. Sudhakar Reddy, Advocate

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 F40657959 dated 05.11.2022 against the adjudication order No. ROC(V)/ADJ(454)/Sec.203(5)/RAFPL/2022-23/2049 dated 08.09.2022 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 Whole-time Company Secretary since the applicable provisions of the act came into force i.e., on 02.11.2018 to till date despite paid-up capital has exceeded the prescribed limit as stated in the provisions of Section 203(1) of the Company Act, 2013. Hearing was held before Registrar of Companies on 08.09.2022 and after hearing the authorized representative had levied a penalty of Rs.5,00,000/- on the Company and Rs.50,000/- each for Venkata Surendra Kothapalli, Managing Director and Ravi Narsipalli, Director (total aggregating to Rs.6.00 Lakhs).

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3. An opportunity of being heard was given to the Appellants on 08.02.2023. The authorized representative Mr. K. Sudhakar Reddy, Advocate appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that the Company is only having four shareholders and all are family members. Further, Company is having a Managing director and other director being non-executive director and should not be charged and penalized. It is also submitted that registered office is in remote area of Andhra Pradesh and company had passed through a very bad phase due to Covid-19 impact. Further, stated that company is a private limited and there is no injury to the public interest. The company requested to reduce the quantum of penalty as levied by Registrar of Companies with regard to Mr. Venkata Surendra Kothapalli, Managing Director and also to waive off the penalty as imposed for Ravi Narsipalli, Director.

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 reducing the quantum of penalty due to the following reasons:

(a) due to Covid-19 pandemic, Company was unable to appoint Whole Time Company Secretary as none shown interest despite company's effort during that period.

(b) Company is only having four shareholders and all are family members

(c) company is private limited and there is no injury to the public interest

(d) registered office is in remote area of Andhra Pradesh

(e) imposing maximum penalty by the Registrar of Companies on the company, its Managing Director and other director is harsh, burdensome on the Company.

(f) Registrar of Companies have not taken into consideration the facts that the Company is having a Managing Director, hence other non-executive director should not have been penalized.



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Taking into consideration the facts of the appeal and submissions made by the authorized representative. I deem it would meet the end of justice if the penalty imposed by Registrar of Companies is reduced for the Company to Rs.3,50,000/- and Venkata Surendra Kothapalli, Managing Director to Rs.50,000/- (total aggregating to Rs.4,00,000/-) and setting aside the penalty imposed for 1 non-executive director i.e., Ravi Narsipalli as the Company is having a Managing Director who looks after the job of day-to-day activities. The appellants are directed to comply with this order and also provisions of Section 454(8) of the Companies Act, 2013 read with Companies (Adjudication of Penalties) Rules, 2014.

5. Accordingly, penalty was paid by the Company amounting to Rs.3,50,000/- and Venkata Surendra Kothapalli, Managing Director to Rs.50,000/- (total aggregating to Rs.4,00,000/-) vide SRN's X41511957 and X41513474 dated 01.05.2023 respectively. Accordingly, this order is issued to the Appellants with a copy to Registrar of Companies, Andhra Pradesh and Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi for information and necessary action.

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

M/s. Rani Aqua Feeds Private Limited
3-106/5, Kurumaddali Pamarru Mandal Srikakulam,
Andhra Pradesh-521157



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

Copy for information and necessary action

1. Venkata Surendra Kothapalli, Managing Director
D.No.7/460-1, A G K Nagart, Vuyyuru, Krishna,
Andhra Pradesh-521 165.
2. Registrar of Companies, Ministry of Corporate Affairs,
Andhra Pradesh, Vijayawada.
3. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

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