

F.No:9/121/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/1402

BEFORE THE REGIONAL DIRECTOR, SOUTHEAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF NG FEEDS PRIVATE LIMITED

1. M/s. NG Feeds Private Limited
2. Mr. Nekkalapudi Prasanthi, Director
3. Mr. Nekkalapudi Hari Kiran, Director
4. Mr. Paladugu Tirumala Babu, Director
- 5 Mr. Kakarala Rajesh, Director

Appellants

Date of hearing : 25.04.2023

Present : Mr. NVS Nagarau, 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 F45831757 dated 20.11.2022 against the adjudication order No. ROC(V)/ADJ(454)/Sec.203(5)/NGFPL/2022-23/ 2022 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 as specified in section 203(1) of the Companies Act, 2013 after cessation of the previous Company Secretary to till date. 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 Lakhs on the Company and Rs.50,000/- each for 4 directors i.e., Nekkalapudi Prasanthi, Mr. Nekkalapudi Hari Kiran, Mr. Paladugu Tirumala Babu and Mr. Kakarala Rajesh, Director (total aggregating to Rs. 7.00 Lakhs).



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3. An opportunity of being heard was given to the Appellants on 25.04.2023. The authorized representative Mr. NVS Nagaraju, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that the registered office is situated at a place which is 80 km from Vijayawada & a remote rural place. Further none shown interest in working in a rural area with a closely held Private Company having 5 shareholders further the company is engaged in feed activity useful in agriculture and animal husbandry relative issues. Due to Covid-19 pandemic the situation of the company was very badly affected. Despite all these conditions the Company has appointed Veena Chandra Kumar Vidhani as Company Secretary of the Company with effect from 27.07.2022 and complied with the provisions of Section 203 of the Companies Act, 2013 and requested to reduce the quantum of penalty as levied by 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 reducing the quantum of penalty due to the following reasons:

(a) due to the registered office is situated at a place which is 80 km from Vijayawada & a remote rural place.

(b) 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

(c) company is a closely held Private company having 5 shareholders.

(d) imposing maximum penalty by the Registrar of Companies on the company, its directors is harsh, burdensome on the Company.

(e) Registrar of Companies passed the adjudication order without taking into consideration any of the above facts as evident from his order dated 18.08.2022

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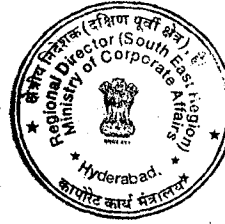


Taking into consideration the facts of the appeal and submissions made by the authorized representative. I deem it would meet the end of justice if the penalty imposed by Registrar of Companies is reduced for the Company to Rs.1,00,000/- and for four Directors i.e. Nekkalapudi Prasanthi, Mr. Nekkalapudi Hari Kiran, Mr. Paladugu Tirumala Babu and Mr. Kakarala Rajesh, Director to Rs.50,000/- each (total aggregating to Rs.3,00,000/-). 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.1,00,000/- and for four Directors i.e. Nekkalapudi Prasanthi, Mr. Nekkalapudi Hari Kiran, Mr. Paladugu Tirumala Babu and Mr. Kakarala Rajesh, Director to Rs.50,000/- each (total aggregating to Rs.3,00,000/-) vide SRN's X41379009, X41378597, X41381039, X41379561 and X41381104 dated 29.04.2023 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 27th day of May 2023.

M/s. NG Feeds Private Limited
RS No.289, 290, 292, Gudiwada Road,
Arugolanu Bapulapadu Mandal Krishna,
Andhra Pradesh-521106



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