

F.No:9/93/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/404
BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD
IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF JYOTIRMAYE TEXTILES PRIVATE LIMITED

1. M/s. Jyotirmaye Textiles Private Limited
2. Mr. Danda Brahmanandam, Managing Director

Appellants

Date of hearing : 07.02.2023
Present : Mr. Challa Anjaneyulu, 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 F32649337 dated 22.10.2022 against the adjudication order No. ADJ 91/203 of 2022-23/1977 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 Whole Time Company Secretary as specified in section 203(1) of the Companies Act, 2013 after cessation of the previous Company Secretary on 17.09.2020. 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 Lakhs on the Company and Rs.50,000/- each for 3 directors i.e., Danda Brahmanandam, Venkatarao Nalabothu and Ravela Satya Narayana (total aggregating to Rs.6.50 Lakhs).

3. An opportunity of being heard was given to the Appellants on 07.02.2023. The authorized representative Mr. Challa Anjaneyulu, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the

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appeal and also submitted that the Company had appointed a Whole Time Company Secretary from 06.01.2020 to 17.09.2020 and due to Covid-19 pandemic, Company was unable to appoint Whole Time Company Secretary as none of them shown interest. Further, stated that company is a private limited and there is no injury to the public interest. Despite all these conditions the Company has appointed Arpit Jain as Company Secretary of the Company with effect from 02.01.2022 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 with regard to Mr. Danda Brahmanandam, Managing Director and also to waive off the penalty as imposed for Venkatarao Nalabothu and Ravela Satya Narayana, 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 private limited and there is no injury to the public interest

(c) imposing maximum penalty by the Registrar of Companies on the company, its Managing Director and other director is very 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.

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.2,50,000/- and Danda Brahmanandam, Managing Director to Rs.50,000/- (total aggregating to Rs.3,00,000/-) and setting aside the penalty imposed for 2 non-executive directors i.e.,

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Venkatarao Nalabothu and Ravela Satya Narayana 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.2,50,000/- and Danda Brahmanandam, Managing Director to Rs.50,000/- (total aggregating to Rs.3,00,000/-) vide SRN's X35953793 and X36132595 dated 17.02.2023 & 20.02.2023 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 24th day of April 2023.



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

Copy for information and necessary action to :

1. M/s. Jyotirmaye Textiles Private Limited
D.No.5-80-4, Dr. Kalyan Complex, 3rd Floor, 1st Lane,
Ashok Nagar, Guntur, Andhra Pradesh- 522007.
2. Danda Brahmanandam, Managing Director
No.13J Block 5th Street, Santhi Colony, Anna Nagar,
Chennai, Tamil Nadu- 600040
3. Registrar of Companies, Ministry of Corporate Affairs,
Andhra Pradesh, Vijayawada.
4. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

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