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**F.No:9/50/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022**  
**BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION**  
**MINISTRY OF CORPORATE AFFAIRS, HYDERABAD**  
**IN THE MATTER OF COMPANIES ACT, 2013**

**IN THE MATTER OF SATISH MARINE EXIM PRIVATE LIMITED**

1. M/s. Satish Marine Exim Private Limited
2. Mr. Satish Prabhakar Annam, Managing Director
3. Mrs. Chilamakurthy Lakshmi Aparna, Director

Appellants

Date of hearing : 28.12.2022

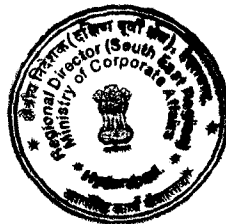
Present : Mr. N. Muneyya, Practicing Company Secretary

**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 F27704097 dated 06.10.2022 against the adjudication order No.ADJ/117/203 of 2022-23/2109 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 to till the date of adjudication order, despite paid up capital has exceeded the prescribed limit as stated in the provisions of Section 203(1) of the Companies 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 Lakhs on the Company and Rs.50,000/- each on Satish Prabhakar Annam and Chilamakurthy Lakshmi Aparna (total aggregating to Rs.6.00 Lakhs).

3. An opportunity of being heard was given to the Appellants on 28.12.2022. The authorized representative Mr. N. Muneyya, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that the Company could not get a Whole Time Company Secretary



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for the Company in the initial days after the paid-up capital raised to Rs.11.00 Crores. As Covid-19 pandemic which continued for the last two years, it could appoint one only on 01.11.2022. Further company's registered office is situated in a remote area for which a competent persons are not showing interest in the Company to work as a Whole Time Company Secretary. Company is having a Managing Director and requested not to charge other directors who are only a family members of the Managing Director and requested to reduce the quantum of penalty as levied by Registrar of Companies for Managing Director and to waive of the penalty of Directors as imposed 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) Company could not get a Whole Time Company Secretary for the Company in the initial days after the paid-up capital raised to Rs.11.00 Crores as Covid-19 pandemic which continued for the last two years.

(b) registered office of the Company is situated in a remote area for which competent persons are not showing interest in the Company to work as a Whole Time Company Secretary.

(c) shareholders of the Company are family members, no public interest is involved.

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

(e) Registrar of Companies have not taken into consideration all the above issues and when Company is having a Managing Director, other 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 Company to Rs.2,12,000/- and for Satish Prabhakar Annam, Managing Director for Rs.50,000/- (total aggregating to




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Rs.2,62,000/-) and penalty imposed by Registrar of Companies on Chilamakurthy Lakshmi Aparna, Director is waived off as the company is having a Managing Director who looks after the day to day affairs. 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 for Rs.2,12,000/- and for Satish Prabhakar Annam, Managing Director for Rs.50,000/- (total aggregating to Rs.2,62,000/-) vide SRN X32688665 and X32692600 dated 11.01.2023. 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 25<sup>th</sup> day of April 2023.

  
(B. MOHANTY)  
REGIONAL DIRECTOR (SER)  
HYDERABAD

1. M/s. Satish Marine Exim Private Limited  
Sy.No.387/4, 388/1 & 2, 389/2,  
885/1, 885/5, 6 & 7, 894/1, Karlapalem,  
Dammanavaripalem, Guntur-522111,  
Andhra Pradesh.

2. Satish Prabhakar Annam,  
8-2-21, Bheemavari Street,  
Near Ravindra Bharathi School,  
Bapatla, Guntur-522101,  
Andhra Pradesh.

3. Registrar of Companies, Ministry of Corporate Affairs,  
Andhra Pradesh, Vijayawada.

4. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

