

ADJ/06/RD (SR)/2022-23

BEFORE THE REGIONAL DIRECTOR
(SOUTHERN REGION)
MINISTRY OF CORPORATE AFFAIRS, CHENNAI
IN THE MATTER OF THE COMPANIES ACT, 2013
SECTION 454(7) OF COMPANIES ACT, 2013

IN THE MATTER OF M/s. SHRI NARAYANI NIDHI LIMITED

1. M/s. Shri Narayani Nidhi Limited
 2. Shri. Subramaniyan Karthikeyan, Managing Director of M/s. Shri Narayani Nidhi Limited
- ...Applicants/Appellants

Date of hearing : 11.01.2023
Present : Shri. P. Sriram,
Practicing Company Secretary

ORDER

This is an appeal filed under Section 454 (5) of the Companies Act, 2013 by the above Applicants in Form ADJ vide SRN: F55265870, dated 30.12.2022 against the Adjudication Order No. ROC/CHN/Shri Narayani/ADJ Order/Sec. 117(3)(g)/2022, dated 20.12.2022 under Section 454 (3) passed by the Registrar of Companies, Chennai, Tamil Nadu for default committed under Sec. 117 (3) read with Sec. 179(3)(g) of the Companies Act, 2013.

2. As per Sec. 117(3)(g) of the Companies Act, 2013, the provisions of this section shall apply to - (g) resolutions passed in pursuance of sub-section (3) of section 179. As per Sec. 179(3)(g) of the Companies Act, 2013, the Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely- (g) to approve financial statement and the Board's report.

3. The company had filed an application for seeking status of Nidhi before the Ministry of Corporate Affairs in e-Form NDH-4 vide SRN: R34197020, dated 27.02.2020. However, consequent upon filing the said form the Ministry of Corporate Affairs has observed that the company has not filed Form MGT-14 for Board Resolution passed for approval of accounts with ROC for the financial years from 2014-15 to 2018-19. Thus, the provisions of Sec. 117(3)(g) read with Sec. 179(3)(g) of the Companies Act, 2013 is violated.

4. The Registrar of Companies, Chennai, Tamil Nadu examined the said default and passed the Adjudication Order No. ROC/CHN/Shri Narayani/ADJ Order/Sec. 117(3)(g)/2022, dated 20.12.2022 (impugned order) under Section 454 (3) and (4) of the Companies Act, 2013 for default in compliance with the requirements of Sec. 117(3)(g) read with Sec. 179(3)(g) of the Companies Act, 2013 and imposed a penalty of Rs. 8,65,400/- [2014-15 - Rs. 2,00,000 ; 2015-16 - Rs. 2,00,000 ; 2016-17 -Rs. 1,92,800 ; 2017-18 - Rs. 1,53,300 and 2018-19 - Rs. 1,19,300] upon the Company; Rs. 2,50,000/- [2014-15 - Rs. 50,000 ; 2015-16 - Rs. 50,000 ; 2016-17 - Rs. 50,000 ; 2017-18 - Rs. 50,000 and 2018-19 - Rs. 50,000] upon Shri. Subramaniyan Karthikeyan, Managing Director of the company for the above default.

5. The Appellants have contended the impugned order and pleaded that the non-compliance had occurred due to unavoidable circumstances and default was unintentional.

6. An opportunity of being heard was given to the Appellants on 11.01.2023. The Authorized Representative Shri. P. Sriram, Practicing Company Secretary has appeared for the Appellants while reiterating the grounds taken in the appeal had stated that the Company has inadvertently omitted to file relevant Form MGT-14 as pointed out by the Ministry of Corporate Affairs and it has been noticed only when it was pointed out by the MCA. The non-filing is purely due to inadvertence and lack of professional advice and hence prayed for lenient view.

7. Though there is a default committed, there is a ground in interfering with the impugned adjudication order of the Registrar of Companies to the extent of reducing the quantum of penalty. Accordingly, the penalties imposed are reduced from Rs. 8,65,400/- to Rs. 2,00,000/- for the Company i.e., Rs. 40,000/- per year and Rs. 2,50,000/- to Rs. 1,00,000/- for Shri. Subramaniyan Karthikeyan, Managing Director i.e., Rs. 20,000/- per year. The Appellants shall pay the penalty in 15 days.

Dated at Chennai this the 19th day of January, 2023



(Dr. RAJ SINGH)
REGIONAL DIRECTOR (SR)

To

- ✓ M/s. Shri Narayani Nidhi Limited,
No. 28A, Kamalalayam Vadakarai,
Tiruvarur - 610 002.
2. The Registrar of Companies, Chennai, Tamil Nadu.
3. The Officer in Charge, e-Gov. Cell, Ministry of Corporate Affairs, A-Wing, Shastri Bhavan, Dr. Rajendra Prasad Road, New Delhi -110 001- with a request to upload this Order on the website of the Ministry. Send via mail to Shri. B. Srikumar, Joint Director, (srikumar.b@gov.in) and Shri. Vivek Meena, Asst. Director (vivek.meena@gov.in)