

F.No:9/33/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 SRI JAYALAKSHMI SPINNING MILLS LIMITED / 5446

1. M/s. Sri Jayalakshmi Spinning Mills Limited
2. Mr. Mr. Rayapati Ranga Rao
3. Ms. Rayapati Mamatha
4. Mr. M. Venkateswara Rao
5. Mr. K. Poornachandar Rao

Appellants

Date of hearing : 28.10.2022

Present : Mr. M.L. Narasimham, 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 F25563669 dated 20.09.2022 against the adjudication order No. Adj 16/203 of 2022-23/675 dated 27.07.2022 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 that the company has failed to appoint a Whole Time Company Secretary since the applicable provisions of the Act came into force 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 Companies Act, 2013. Hearing held before before Registrar of Companies on 26.07.2022 and after hearing to the authorised representative, Registrar of Companies had levied a penalty of Rs.5.00 Lakhs on Company and Rs.50,000/- each on Mr. Rayapati Ranga Rao, Managing Director, Mr. K. Poornachandar Rao, CFO (KMP), Ms. Rayapati Mamatha, Director and Mr. M. Venkateswara Rao, Director.

3. An opportunity of being heard was given to the appellants/authorized representative on 28.10.2022. The authorized representative Mr. M.L. Narasimham, Practicing Company Secretary submitted that Company is not doing any business and not in operations. Company factory has already been closed and no machines are found there. Its only income is from lease rent. No qualified Company Secretary is showing any interest to join the Company. There is no work to be performed by the Company Secretary if they join in the Company and there will be no growth in the company. In the said Company could not appoint a Company Secretary.

4. In view of the above imposing penalty on the appellants appears to be an academic exercise rather than confining to Rules. In the said circumstances the matter is referred back to Registrar of Companies to examine all the issues afresh and to pass its order after taking all the relevant aspect into consideration. Accordingly, matter of adjudication passed by Registrar of Companies dated 27.07.2022 is set aside with the above directions.

5. The Appellant Company is directed to file a copy of this order with Registrar of Companies, in Form INC-28 within 30 days.

Issued under my hand and seal on this the 28th day of December 2022.



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

Copy for information and necessary action to:

1. Sri Jayalakshmi Spinning Mills Limited,
Flat No.105, Yaganti Parkwood, 12th Lane,
Srirama Nagar, Inner Ring Road, Gorantla,
Guntur, Andhra Pradesh- 522034.

Contd..2.

// 02 //

2. Mr. Rayapati Ranga Rao,
Plot No.401, 4th Floor, Greethika Towers,
Kundanbagh, Begumpet, Hyderabad,
Telangana-500 016.

3. Ms. Rayapati Mamatha,
D.No.5/91/26, 4th Lane, Lakshmiapuram,
Guntur-522 007, Andhra Pradesh.

4. Mr. M. Venkateswara Rao, Flat No.303, Trimula Palace,
5th Brundavana Gardens, Guntur,
Andhra Pradesh-522 006.

5. Mr. K. Poornachandar Rao,
No.17-5-454, 1St Lane, Navabharath Nagar,
Guntur-522 006, Andhra Pradesh.

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

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

