

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION  
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD  
IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF SAROJINI FERRO ALLOYS PRIVATE LIMITED

1. M/s. Sarojini Ferro Alloys Private Limited
2. Mr. Puttanpadit Rajan Babu
3. Ms. Puttanpadit Lakshmi,
4. Mr. Puttanpadit Ashok
5. Ms. Puttanpadit Pushpa
6. Mr. Puttanpadit Santosh
7. Mr. Puttanpadit Sanny

Appellants

Date of hearing : 15.11.2022

Present : Ms. P. Lakshmi Lavanya, 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 F31099369 dated 18.10.2022 against the adjudication order No. ROC(V)/ADJ(454)Sec.203(5)/SFAL/2022-23/1308 dated 18.08.2022 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 that the company has failed to appoint 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 was held before Registrar of Companies on 18.08.2022 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 five Directors (i.e. Ms. Puttanpadit Lakshmi, Mr. Puttanpadit Ashok, Mr. Puttanpadit Puspha Veni, Mr. Puttanpadit Santhosh, Mr. Puttanpadit Sanny) and one Managing Director i.e. Mr. Mr. Puttanpadit Rajan Babu.

3. Appellants in the present appeal has stated that the company had incurred huge losses ever since its incorporation and could not be able to repay its dues to banks and became a Non-Performing Asset in the books of the bank. With a view to exist with dignity from Bank, the Company was forced to dispose of its Standalone Ferro Alloy unit to settle the bank dues under one time settlement. After disposal of the Company's standalone ferro alloy unit, the company has been left with no business to carry on. There was no operations and all the employees of the company left the organization. Company and its promoters do not intend to carry on any business as they have not been left with any resources whatsoever after setting the back dues and as such looking for dissolving the company.

4. An opportunity of being heard was given to the Appellants on 15.11.2022. The authorized representative Ms. P. Lakshmi Lavanya, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and requested to reduce the quantum of penalty as levied by Registrar of Companies.

5. Though there is a default committed, there is a ground in interfering with the impugned adjudication order of Registrar of Companies and it is observed from the order of Registrar of Companies passed was in a mechanical manner without taking into consideration the fact that all along Company is having negative networth and making losses. No submissions of the authorized representative had been recorded in the order of the Registrar of Companies.



Contd..2.


// 02 //

6. In the light of the above submissions, the order passed by the Registrar of Companies is set aside and matter is returned back to Registrar of Companies for taking necessary suitable action in the context as stated above. Accordingly, matter of adjudication passed by Registrar of Companies dated 18.08.2022 is disposed off.

7. 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 30<sup>th</sup> day of December 2022.



  
(B. MOHANTY)  
REGIONAL DIRECTOR(SER)  
HYDERABAD

Copy for information and necessary action to:

- ✓ 1. Sarojini Ferro Alloys Private Limited,  
Flat No : 401, Pakki's Apartment II Lane,  
Dwarkanagar, Visakhapatnam,  
Andhra Pradesh-530 016.
2. Registrar of Companies, Ministry of Corporate Affairs, Andhra Pradesh, Vijayawada.
3. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.