

F.No:9/36/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022 /6088
BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD
IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF DELIGHT CHEMICALS PRIVATE LIMITED

1. M/s. Delight Chemicals Private Limited
2. Mr. Sri Venkata Subba Rao Kotha, (Managing Director)

,Appellants

Date of hearing : 22.11.2022

Present : Mr. Nagaraju M, 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 F25835810 dated 22.09.2022 against the adjudication order No.ROC(V)/ADJ(454)/SEC203(5)/DCPL/2022/1075 dated 10.08.2022 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.

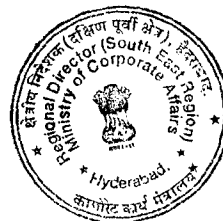
2. Registrar of Companies in his order of adjudication has stated that the company has failed to appoint Whole Time Company Secretary since the applicable provisions of the Act came into force i.e. on 02.11.2018 to till date despite paid up capital has exceeded the prescribed limit as stated in the provisions of Section 203(1) of the Companies Act, 2013. Hearing was held before Registrar of Companies on 10.08.2022 and after hearing the authorized representative had levied a penalty of Rs.5.00 Lakhs each on the Company, Venkata Subba Rao Kotha, Managing Director, Mr.Sivaiah Kotha, Director, Udatha Rama Vara Prasadrao, Director, Boggavarapu Surya, Director, Kotha Narendra Kumar, Director and Suresh Babu, Yakkala, Director (total aggregating to Rs.35,00,000/-).

3. An opportunity of being heard was given to the Appellants on 22.11.2022. The authorized representative Mr. Nagaraju M, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that that since the registered office of the company is remotely located in a small town named "piduguralla" in Palnadu District of Andhra Pradesh, the Company could not find a suitable candidate for the post despite making all the efforts. However, Company has complied with the provisions of Section 203 of the Act, by appointing Mohammed Rayyan Tajak as Company Secretary w.e.f. 12.08.2022 and requested to reduce the quantum of penalty as levied 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. I deem it would meet the end of justice, if the penalty imposed is reduced for Company to Rs.2,63,770/- and for Mr. Sri Venkata Subba Rao Kotha, Managing Director to Rs.63,770/- (total aggregating to Rs.3,27,540/- and penalty imposed on Mr.Sivaiah Kotha, Director, Udatha Rama Vara Prasadrao, Director, Boggavarapu Surya, Director, Kotha Narendra Kumar, Director and Suresh Babu, Yakkala, Director is waived off as the Company is having a Managing Director and he is the officer in default and none other is to be charged for the default. The appellants are directed to comply with this order 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.2,63,770/- and Mr. Sri Venkata Subba Rao Kotha, Managing Director to Rs.63,770/- (total aggregating to Rs.3,27,540/- vide SRN X28790061 and X28789055 dated 28.11.2022. 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 16th day of January 2023.



B. Mohanty
(B. MOHANTY)

REGIONAL DIRECTOR (SER)

Contd..2.

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Copy for information and necessary action to :

1. M/s. Delight Chemicals Private Limited, Vijaya Nagarma Cherla Road, Piduguralla, Andhra Pradesh- 522413.
2. Mr. Venkata Subba Rao Kotha, Managing Director, 8-333, Old Post Office, Roddu 8-313, Piduguralla, Guntur, Andhra Pradesh- 522413
3. Registrar of Companies, Ministry of Corporate Affairs, Andhra Pradesh, Vijayawada.
4. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

