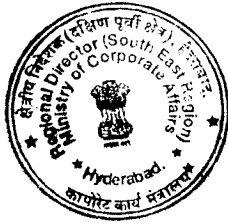


F.No:9/27/ADJ/SEC.203 of 2013/ROC(TG)/RD(SER)/2024/5251
BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD
IN THE MATTER OF COMPANIES ACT, 2013

AND

IN THE MATTER OF MAHATAMIL MINING AND THERMAL ENERGY LIMITED

1. M/s. MAHATAMIL MINING AND THERMAL ENERGY LIMITED
Plot No. 7, Sy. No. 196, Bindu Sadan,
401, Sai Chandra Residency,
Manikonda, Puppalaguda, Rangareddy,
Telangana – 500089.
2. Mr. Venkata Rama Reddy Simhadri,
8-3-229/W/3, Bhagawathi Nagar,
Yousufguda, Hyderabad, Telangana.
3. Mr. Gaurav Singh
Flat No. 104, Akash Ganga Complex,
Bhikaripur, Varanasi,
Uttar Pradesh – 221004.
4. Mr. Arun Kumar Sangaraju,
124, R R Residency, 403 Balaji Nagar,
Road No. 6, Nizampet Village,
Hyderabad – 500090, Telangana.
5. Mr. Bathala Suresh,
16-3-923, Second Line, Near Ratnam School,
Haranadhapuram, Dargamitta,
Nellore – 524003, Andhra Pradesh.
6. Mr. Kankanala Krishna Rao
78,6th Floor, Vijaya Bank Colony
Banawadi, Bengaluru, Karnataka
7. Mr. Vinod Kumar Godavarthi,
H.No. 5-128, Vatticherukuru,
Guntur – 522212, Andhra Pradesh.



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8. Mr. Jayanth Kothapalli,
7-6, Library Centre, Vatticherukuru
Guntur – 522212, Andhra Pradesh.
9. Mr. Murali Krishna Vella,
3-5-82, Sri Venkats Ramarao Flora, Laxmipuram,
Flat No. C, Nellore,
Andhra Pradesh-524002.
10. Mrs. Priya Bandhavi Jaladi,
D.No. 1-106-3, Plot No. 40,
Sector 8, M.V.P Colony,
Visakhapatnam – 530017, Andhra Pradesh.

.....Appellants

Date of hearing: 06.12.2024
Present: Mr. Vinay Babu Gade, PCS

ORDER

1. That the appellants have filed the appeal under section 454(5) of the Companies Act, 2013 in e-form ADJ vide SRN AB1617529 dated 23.10.2024 against the adjudication order dated 29.08.2024 passed by the Registrar of Companies, Telangana at Hyderabad in File No. ROC/HYD/MAHATAMIL/ADJ/S.203/2024-25/1271-1282 under section 454 for violation of section 203 of the Companies Act, 2013 as the Company and its Directors had admitted that there was a non-compliance of Provisions of Section 203 (1) read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. That the Registrar of Companies in his order of adjudication dated 29.08.2024 has inter-alia stated as under:
- (i) that that the applicant company has filed Amalgamation Application under section 230-232 of the Companies Act, 2013



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and during the examination of the records of the company for the preparation of report on the scheme of Amalgamation to the Regional Director (SER), the ROC office has observed that the company has not appointed the Whole Time Key Managerial Personnel as required under section 203 (1) of the Companies Act, 2013 r/w Rule 8A of the Companies (Appointment and Remuneration) Rules 2014 for the following timelines :

- a. Company Secretary from 17.12.2014 to 28.01.2015 and 05.01.2018 to 10.12.2023.
- b. Whole Time Director/ Managing Director/CEO 02.10.2014 to 31.07.2015 and 13.03.2018 to 23.01.2020.
- c. Chief Financial Officer from 02.10.2014 to 28.01.2015, 01.07.2018 to 11.03.2021 and 11.05.2023 to till date.

Thereafter, company has filed the instant adjudication application on 09.08.2024 received by office of ROC on 12.08.2024, along with its officers.

- (ii) that from the averments in the adjudication application and the Annexure - 4 Sale Certificate dated 02.07.2019, it has been observed that, the company has been purchased by the present management in relation to the Liquidation process of M/s. Lanco Infratech Limited being the holding company of M/s. Mahatamil Mining and Thermal Energy Limited. Hence the period of default u/s 203 of the Companies Act, 2013 of the Companies Act, 2013 to be considered for adjudication on the present management is fixed from date of taking over the Company as mentioned above.
- (iii) that having considered the facts and circumstances of the case and after taking into account the factors above, it is concluded that Company and its officers in default are liable for penalty as prescribed under Section 203 (5) of the Act for violation of Section 203(1) of the Companies Act, 2013.

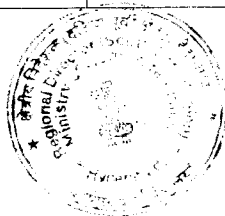


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- (iv) That I am inclined to impose a penalty as prescribed under Section 203(5) of the Companies Act, 2013. The details of the penalty imposed on the Company and officers in default are shown in the table below:

I. For Non-Appointment of Company Secretary:

S. No	Name of the Company / officer in default	Penalty as per Companies Act, 2013.				
		Penalty for default (Rs.)	Period of Default	Calculation of Penalty	Maximum Penalty (Rs.)	Final Penalty Imposed (Rs.)
1.	M/s. MAHATAMIL MINING AND THERMAL ENERGY LIMITED	Rs.5,00,000/-	02.01.2020 to 10.12.2023 (1439) days)		Rs. 5,00,000/-	Rs. 5,00,000/-
2.	Mr. Venkata Rama Reddy Simhadri (Past Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	02.01.2020 to 22.09.2020 (265 days)	Rs.50,000/- +Rs. 1000/- * 265 days = Rs. 3,15,000/-	Rs. 5,00,000/-	Rs. 3,15,000/-
3.	Mr. Gaurav Singh (Past Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	02.01.2020 to 22.09.2020 (265 days)	Rs.50,000/- +Rs. 1000/- * 265 days = Rs. 3,15,000/-	Rs. 5,00,000/-	Rs. 3,15,000/-
4.	Mr. Arun Kumar Sangaraju	Rs.50,000/- +Rs. 1000/- Per day for continuing	24.01.2020 to 04.11.2022 (1016 days)	Rs.50,000/- +Rs. 1000/- * 1016	Rs. 5,00,000/-	Rs. 5,00,000/-



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	(Past Director)	contravention		days = Rs. 10,66,00 0/-		
5.	Mr. Bathala Suresh (Past Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	24.01.2020 to 10.12.2023 (1417 days)	Rs.50,00 0/- +Rs. 1000/- * 1417 days = 14,67,00 0/-	Rs. 5,00,000/ -	Rs. 5,00,000/-
6.	Mr. Kankanala Krishnarao (Past Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	02.01.2020 to 02.04.2020 (92 days)	Rs.50,00 0/- +Rs. 1000/- * 92 days = 1,42,000 /-	Rs. 5,00,000/ -	Rs. 1,42,000/-
7.	Mr. Vinod Kumar Godavarthi (Director & CFO)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention (406 days)	31.10.2022 to 10.12.2023 (406 days)	Rs.50,00 0/- +Rs. 1000/- * 406 days = 4,56,000 /-	Rs. 5,00,000/ -	Rs. 4,56,000/-
8.	Mr. Jayanth Kothapalli (Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	24.01.2020 to 10.12.2023 (1417 days)	Rs.50,00 0/- +Rs. 1000/- * 33 days = 14,67,00 0/-	Rs. 5,00,000/ -	Rs. 5,00,000/-
9.	Mr. Murali Krishna Vella (Past Additional Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	18.05.2021 to 10.12.2023 (937 days)	Rs.50,00 0/- +Rs. 1000/- * 937 days = Rs.	Rs. 5,00,000/ -	Rs. 5,00,000/-



9

				9,87,000/-		
10.	Mrs. Priya Bandhavi Jaladi (Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	04.11.2022 to 01.11.2023 (363 days)	Rs.50,000/- +Rs. 1000/- * 363 days = Rs. 4,13,000/-	Rs. 5,00,000/-	Rs. 4,13,000/-

II. For Non-Appointment of Whole-Time Director:

	Name of the Company	Penalty as per Companies Act, 2013.				
		Penalty for default (Rs.)	Period of Default	Calculation of Penalty	Maximum Penalty (Rs.)	Final Penalty Imposed (Rs.)
1.	M/s. MAHATAMI L MINING AND THERMAL ENERGY LIMITED	Rs.5,00,000/-	02.01.2020 to 23.01.2020 (22) days)		Rs. 5,00,000/-	Rs. 5,00,000/-
2.	Mr. Venkata Rama Reddy Simhadri (Past Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	02.01.2020 to 22.09.2020 (22) days)	Rs.50,000/- +Rs. 1000/- * 22 days = Rs. 72,000/-	Rs. 5,00,000/-	Rs. 72,000/-
3.	Mr. Gaurav Singh (Past Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	02.01.2020 to 22.09.2020 (22) days)	Rs.50,000/- +Rs. 1000/- * 22 days = Rs. 72,000/-	Rs. 5,00,000/-	Rs. 72,000/-

4.	Mr. Kankanala Krishnarao (Past Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	02.01.2020 to 22.09.2020 (22 days)	Rs.50,000/- +Rs. 1000/- *22 days = 72,000/-	Rs. 5,00,000/-	Rs. 72,000/-
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IV. For Non-Appointment of Chief Financial Officer:

	Name of the Company	Penalty as per Companies Act, 2013.				
		Penalty for default (Rs.)	Period of Default	Calculation of Penalty	Maximum Penalty (Rs.)	Final Penalty Imposed (Rs.)
1.	M/s. MAHATAMIL MINING AND THERMAL ENERGY LIMITED	Rs.5,00,000/-	02.01.2020 to 11.03.2021 (435) days)		Rs. 5,00,000/-	Rs. 5,00,000/-
2.	Mr. Venkata Rama Reddy Simhadri (Past Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing contravention	02.01.2020 to 22.09.2020 (265 days)	Rs.50,000/- +Rs. 1000/- * 265 days = Rs. 3,15,000/-	Rs. 5,00,000/-	Rs. 3,15,000/-
3.	Mr. Gaurav Singh (Past Director)	Rs.50,000/- +Rs. 1000/- Per day for continuing	02.01.2020 to 22.09.2020 (265 days)	Rs.50,000/- +Rs. 1000/- * 265 days = Rs. 3,15,000/-	Rs. 5,00,000/-	Rs. 3,15,000/-



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		ing contrav ention				
4.	Mr. Arun Kumar Sangaraju(Past Director)	Rs.50,000/- +Rs.1000/- Per day for continuing contravention	24.01.2020 to 04.11.03.2021 (413 days)	Rs.50,000/- +Rs.1000/- * 413 days = Rs.4,63,000/-	Rs.5,00,000/- -	Rs.4,63,000/-
5.	Mr. Bathala Suresh (Wholetime Director)	Rs.50,000/- +Rs.1000/- Per day for continuing contravention	24.01.2020 to 11.03.2021 (413 days)	Rs.50,000/- +Rs.1000/- * 413 days = Rs.4,63,000/-	Rs.5,00,000/- -	Rs.4,63,000/-
6.	Mr. Kankanala Krishnarao (Past Director)	Rs.50,000/- +Rs.1000/- Per day for continuing contravention	02.01.2020 to 02.04.2020 (92 days)	Rs.50,000/- +Rs.1000/- * 92 days = Rs.1,42,000/-	Rs.5,00,000/- -	Rs.1,42,000/-
7.	Mr. Jayanth Kothapalli (Director)	Rs.50,000/- +Rs.1000/-	24.01.2020 to 11.03.2021 (413 days)	Rs.50,000/- +Rs.1000/- * 413 days =	Rs.5,00,000/- -	Rs.4,63,000/-

		Per day for continu ing contrav ention		4,63,000 /-		
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5. Aggrieved by the adjudication order dated 29.08.2024, the applicants herein have filed the instant appeal and also submitted their affidavits. This Directorate vide letter dated 11.11.2024 sought report of ROC. Further ROC, Hyderabad vide his email dated 12.11.2024 inter- alia has stated that he reiterates the Adjudication orders passed in the respective matters namely, Belinda Properties Pvt Ltd and Tethys Properties Pvt Ltd and has nothing to add. The Appellant Authority may decide the appeal based on the facts and adjudication orders passed by the ROC. The Instant matter is also one of the connected matter.

6. Accordingly, an opportunity of being heard was given by the Regional Director to the Appellants on 06.12.2024. The authorized representative Mr. Vinay Babu Gade, PCS appeared on behalf of the appellants and also submitted affidavit dated 16.12.2024 from past directors namely., Mr. Venkata Rama Reddy Simhadri, Mr. Gaurav Sing, Mr. Arunkumar Sangaraju, Mr. Bathla Suresh, Mr. Kankanala Krishna Rao, Mr. Murali Krishna Vella, and Mrs. Priya Bandhavi Jaladi stating that they have adopted the instant appeal filed by M/s. Mahatamil Mining and Thermal Energy Ltd and also provided power of Attorney in favour of Mr. Vinay Babu Gade, PCS. The Authorized Representative also reiterated the submissions made in the appeal and also stated as follows:



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- (i) that imposing maximum penalty by the Registrar of Companies on the company, its other director is burdensome on the Company and Directors.
- (ii) that the Company was actually acquired in a CIRP Proceedings for Rs. 1/- vide sale Certificate dated 02.07.2019 issued by the Liquidator for Lanco Infratech Ltd and that the provisions of 203 was attracted with effect from 02.07.2019.
- (iii) that as per the orders passed by the Hon'ble NCLT Mumbai in Shiv Shakti Inter Globe Exports Pvt Ltd v/s KTC Foods Private Ltd held that while approving the corporate debtor sale as a going concern, without dissolution it is essential to see that the Corporate Debtor is not burdened by any past or unpaid outstanding Liabilities prior to sale of the company as a going concern and the scope and object of the IBC is extinguish all claims specifically the ones which were not even made during CIRP or the Liquidation stage to aid the purchaser to start on a clean state.
- (iv) That the Company could not appoint Whole Time Director, Company Secretary and CFO due to the following reasons :
- (a) Covid-19 pandemic effected whole country and none shown interest despite company's effort during that period to appoint a wholetime company secretary/CFO/WTD;
- (b) Company has not yet started its business and not a single rupee earned as on date;
- (c) Further, it is observed that company had continuously incurred losses in the following financial years:



- (i) Losses in 2019-20 -Rs.1,30,000/-
- (ii) Losses in 2020-21 -Rs.64,000/-
- (iii) Losses in 2021-22 -Rs.11,27,000/-
- (iv) Losses in 2022-23 -Rs.42,17,12,000/-.

(d) Company is a closely held public limited company and there is no injury to the public interest.

(v) that the Company had interviewed many candidates but however, only in December 2023 it could find the suitable Company Secretary Mr. Prateek Rustagi, an associate member of ICSI who was appointed by the Board at its meeting held on 01.11.2023. Mr. Vinod Kumar Godavarthi was appointed in Executive Director/whole time Director with effect from 24.01.2020 and was entrusted the responsibility of CFO with effect from 01.05.2023.

(vi) that the Default is unintentional and inadvertent and the same has been now made good. The ROC has imposed the penalty which is exorbitant and no lenient is shown by ROC while imposing the penalty.

(vii) that the Registrar of Companies passed the adjudication order in a manner without taking into consideration any of the above-mentioned material facts as evident from his order dated 29.08.2024.

(viii) that, in view of the para stated supra, we place our reliance on various orders passed by the Regional Director, Southeast Region, Hyderabad, as an Appellant Authority in various matters under Section 203, wherein penalty was reduced after taking into consideration the fact and circumstances of the respective cases, as precedent.



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3. In view of the above, taking into consideration the fact of the appeal and the submissions made by the authorized representative, I deemed fit in the interest of justice, if the penalty imposed by the Registrar of Companies is reduced to Rs. 75,000/- on each count on the company and by 10% of the penalty on all other individual directors/Applicants/Appellants and directed the appellants to comply with this order and were also reminded about the provisions of Section 454(8) of the Act, in case of failure to comply.

6 The details of penalty imposed and collected/received as follows:

For Non-appointment of Company Secretary (A)

Sl. No.	Name of the Company/ Name of the Officer in Default	Penalty Imposed By RD	SRN	DATE
1	Mahatamil Mining and Thermal Energy Limited	75,000	X88326707	10/12/2024
2	Mr. Venkata Rama Reddy Simhadri	31,500	X88327937	10/12/2024
3	Mr. Gaurav Sing	31,500	X88336094	10/12/2024
4	Mr. Arun Kumar Sangaraju	50,000	X88336144	10/12/2024
5	Mr. Bathala Suresh	50,000	X88336367	10/12/2024
6	Mr. Kankanala Krishna Rao	14,200	X88336508	10/12/2024
7	Mr. Vinod Kumar Godavarthi	45,600	X88336912	10/12/2024
8	Mr. Jayanth Kothapalli	50,000	X88336755	10/12/2024
9	Mr. Murali Krishna Vella	50,000	X88338231	10/12/2024
10	Mrs. Priya Bandhavi Jaladi	41,300	X88335617	10/12/2024
Total (A):		4,39,100		

For Non-appointment of WTD (B)

Sl. No.	Name of the Company/ Name of the Officer in Default	Penalty Imposed By RD	SRN	DATE
1	Mahatamil Mining and Thermal Energy Limited	75,000	X88338868	10/12/2024
2	Mr. Venkata Rama Reddy Simhadri	7,200	X88338405	10/12/2024
3	Mr. Gaurav Sing	7,200	X88339304	10/12/2024
4	Mr. Kankanala Krishna Rao	7,200	X88340104	10/12/2024
Total (B) :		96,600		



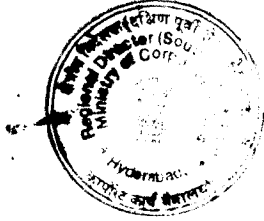
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For Non-appointment of CFO (C)

Sl. No.	Name of the Company/ Name of the Officer in Default	Penalty Imposed By RD	SRN	DATE
1	Mahatamil Mining and Thermal Energy Limited	75,000	X88339924	11/12/2024
2	Mr. Venkata Rama Reddy Simhadri	31,510	X88340484	11/12/2024
3	Mr. Gaurav Sing	31,510	X88340385	11/12/2024
4	Mr. Arun Kumar Sangaraju	46,300	X88340963	11/12/2024
5	Mr. Bathala Suresh	46,300	X88341631	11/12/2024
6	Mr. Kankanala Krishna Rao	14,200	X88341839	11/12/2024
7	Mr. Jayanth Kothapalli	46,300	X88342050	11/12/2024
	Total (C) :	2,91,120		
	Total Aggregating to Rs.	8,26,820		

7. Accordingly, this order is issued to the Appellants with a copy to Registrar of Companies, Telangana 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 ... day of December 2024.



(M.JAYAKUMAR/एम.जयकुमार)
क्षेत्रीय निदेशक (प्रभारी)एस.ई.आर/
REGIONAL DIRECTOR(I/C)(S.E.R.)
हैदराबाद /HYDERABAD

Copy for information and necessary action to :

1. Registrar of Companies, Ministry of Corporate Affairs, Hyderabad.
2. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

(M.JAYAKUMAR/एम.जयकुमार)
क्षेत्रीय निदेशक (प्रभारी)एस.ई.आर/
REGIONAL DIRECTOR(I/C)(S.E.R.)
हैदराबाद /HYDERABAD

