

F.No:9/23/ADJ/SEC.203 of 2013/ROC(TG)/RD(SER)/2024
BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD
IN THE MATTER OF COMPANIES ACT, 2013

15116

IN THE MATTER OF AMARA RAJA MEDIA PRIVATE LIMITED

✓ 1. M/s. AMARA RAJA MEDIA PRIVATE LIMITED
(Previously known as AMARA RAJA MEDIA AND ENTERTAINMENT PVT LTD)
Terminal A, 1-18/1/AMR/NR Nanakramguda,
Gachibowli, Hyderabad,
Telangana – 500032.

2. Ms. Padmavathi Galla, Managing Director
A-54, Road No.11, Film Nagar,
Near Sai baba Temple,
Jubilee Hills, shaikpet,
Hyderabad – 500033, Telangana.

.....Appellants

Date of hearing: 04.12.2024

Present: Mr. CS R. Ramakrishna Gupta, PCS

ORDER

1. M/s. AMARA RAJA MEDIA PRIVATE LIMITED (Previously known as Amara Raja Media and Entertainment Pvt Ltd) and Ms. Padmavathi Galla, the Managing Director, of the Company have filed an appeal under section 454(5) of the Companies Act, 2013 before this Directorate in e-form ADJ vide SRN F94591724 dated 18.04.2024 against the adjudication order dated 22.03.2024 passed by the Registrar of Companies, Telangana at Hyderabad in File No. ROC(H)/ AMLMPL/ADJ-ORDER-7/102234/2024 under section 454 for violation of section 203 of the Companies Act, 2013, as the Company and its Managing Director 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.



(Handwritten signature)

2. Registrar of Companies in his order of adjudication has stated that the applicant company has submitted the application under section 66 of the Companies Act, 2013 for the reduction of share capital of the company vide dated 10.10.2023. In this connection while processing the above-said application, it was observed that Ms. Ramya, the Company Secretary had resigned on 26.03.2020 and Shri Payal Jain had been appointed on 22.11.2021. The gap between the resignation and appointment of the above said company secretary was. Since the company ought to have appointed a Company Secretary on or before 25.09.2020, however, the company has appointed Company Secretary on 22.11.2021, with a delay of 1 year 7 months 26 days. Hence, the applicant company has defaulted the provisions of Section 203 of the Companies Act, 2013 read with rule 8A of the Companies (appointment and Remuneration of Managerial Personnel) Rules 2014 by non-appointment of whole time Company Secretary for the period 26.09.2020 to 21.11.2021.
3. After hearing the authorized representative, the ROC vide the impugned order has imposed the following penalty

Nature of default	Name of the Company/ officer in default	Penalty as per Act. (In Rs.)			Penalty Imposed (In Rs.)
		On default	On Continuous Default	Total Penalty	
Violation of Section 203 (1) of the Companies Act, 2013	Amara Raja Media and Entertainment Private Limited	5,00,000/-	421 days *1000= 4,21,000/-	9,21,000/-	9,21,000/-
	Ms. Padmavathi Galla (Managing Director)	50,000/-	421 days *1000 = 4,21,000/-	4,71,000/-	4,71,000/-

4. Aggrieved by the adjudication order dated 22.03.2024, the applicants herein have filed the instant appeal. This Directorate vide letter dated

16.05.2024 and email dated 26.10.2024 requested the ROC to submit their report. The ROC, Hyderabad vide his email dated 12.11.2024 inter-alia has reiterated the Adjudication orders passed in the respective matters and had stated there is nothing to add and has requested the Appellant Authority to decide the appeal based on the facts and adjudication orders passed by the ROC.

5. Accordingly, an opportunity of being heard was given by the Regional Director to the Appellants on 04.12.2024. The authorized representative Mr. R. Ramakrishna Gupta, PCS appeared on behalf of the appellants and reiterated the submissions made in the appeal and also stated as follows:

(i) The non-compliance of section 203 of the Companies Act, 2013 for appointment of Whole-Time Company Secretary was during the period between 26th September 2020 to November 2021 with a delay of 421 days.

(ii) During the period between 26th September 2020 to 21st November 2021, the entire nation was suffering from the COVID-19 Pandemic and the Appellant Company was no exception.

(iii) The Government of India during the aforementioned period ordered a nationwide lockdown for limiting the movement of the entire population of India as a preventive measure against the COVID-19 pandemic in India. The lockdown restricted people from stepping out of their homes. All transport services-road, air and rail-were suspended, with exceptions for transportation of essential goods, fire, police and emergency services.

(iv) The Appellant is engaged in the business of broadcasting, telecasting, relaying, transmitting, distributing or running any video, audio, voice, or other programs or software, (both proprietary and third



party) over television, radio (public, private FM and community), internet, telecom or any other media and production of films.

(v) During the non-compliance period, COVID-19 pandemic has affected the Media & Entertainment Industry enormously. Shootings were on hold, theatres releases were postponed, cinema halls closed, and nothing was certain. Even when theatres opened, social distancing norms and weakened livelihoods prevented people from thronging to watch movies. The Company, which is majorly engaged in the business of broadcasting and producing media content, had to put all its future projects on hold. Further post lockdown, the industry was facing increased competition from digital platforms. The same can be evidenced in the financial statements for the Financial Year 2020-21.

(vi) The Appellant Company post pandemic was able to balance its functioning, and operations had started the process of appointment of Whole-time Company Secretary to comply with the provisions of section 203 of the Companies Act, 2013 and accordingly Board of Directors at their meeting held on 22.11.2021 has appointed Whole-time Company Secretary.

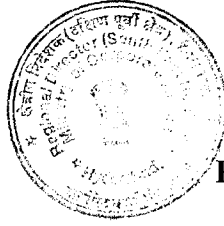
(vii) The Appellant Company was suffering losses from the period of non-compliance till the date and total accumulated losses of Applicant Company stands to Rs.10.99 Crores as per the latest financial statements as on 31st March, 2023 and accordingly the Applicant company has filed an Application with Hon'ble National Company Law Tribunal (NCLT) for Reduction of its Share Capital and the same was approved by the NCLT vide its order CP No.49/66/HDB/2023 dated 12th January, 2024.


6. In view of the above, taking into consideration the fact of the appeal and the submissions made by the authorized representative, I deem it would meet the end of justice if the penalty imposed by the Registrar of Companies is reduced to Rs. 1,00,000/- for company and to Rs. 50,000/-

for the 2nd appellant i.e., Ms. Padmavathi Galla aggregating to Rs. 1,50,000/-. The appellants were directed 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.

7. Accordingly, the appellants, have paid the penalty vide SRN's X87656062 and X87655205 dated 06.12.2024 respectively and therefore 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 theday 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)
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