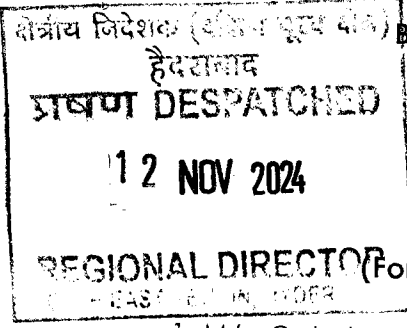


F.No:9/26/ADJ/SEC.203 CA, of 2013/KARNATAKA/RD(SER)/2024



BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013 / 4527, 28, 29, 30
31

IN THE MATTER OF GOKAK TEXTLIES LIMITED

(Formerly known as Suryoday One Energy Private Limited)

1. M/s. Gokak Textlies Limited
2. Mr. Sunil Kulkarni, Director
3. Mr. Srinivas Rao Nannuri, Director

..... Appellants

Date of hearing : 23.10.2024

Present : Mr. Mitesh Shah, PCS, on behalf of the Appellants

ORDER

This is an appeal filed under section 454(5) of the Companies Act, 2013 (hereafter referred as Act) by the above appellants in e-form ADJ vide SRN F96797089 dated 15.07.2024 against the adjudication order passed by the Registrar of Companies, Karnataka in F No. ROC(B)/Adj.Ord.454-203/Suryoday /Co.No.156198/2024/ dated 24.05.2024 under section 454 of the Act, 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. The Registrar of Companies in his order of adjudication has stated that the company has filed a suo-motu application on 29.01.2024 regarding non-appointment of whole-time company secretary for violation of section 203 of the Act and that subsequent to the resignation of Mr. Mandar Shirish Karnik as the company Secretary w.e.f 12.12.2019, there was no company secretary in the company till the appointment of Ms. Nirali Dhiren Mehta on 01.07.2021 and that the Company failed to appoint a Whole Time Company Secretary as specified in section 203(1) of the Companies Act, 2013 for a period from 12.06.2020 to 30.06.2021. The hearing was held before the Registrar of Companies on 12.03.2024 and after hearing the authorized representative, the ROC had levied a penalty of Rs.5.00 Lakhs on the Company and Rs.4,33,000/- each for 2 directors i.e., Mr. Sunil Kulkarni, Director & Mr. Srinivas Rao Nannuri, Director (total aggregating to Rs.13,66,000/-).



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3.1 Aggrieved by the adjudication order, the appellants had filed the above appeal. A report from the ROC was called, and he has filed the same vide his report dated 02.09.2024. An opportunity of being heard was given to the Appellants on 23.10.2024.

3.2 The authorized representative Mr. Mitesh Shah, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also stated that the violation in question is not deliberate, unintentional and not willful and that the violation was due to outbreak of Covid-19 global pandemic and the sudden announcement of Nationwide lockdown from 25.03.2020 which severely hampered the process of appointment of new Company secretary and the process of looking for a suitable candidate and could not finalize due the restriction imposed on account of pandemic and since January 2021, after the 2nd lockdown, the company has restarted the conduction of the interviews to shortlist the candidates and could finalize the appointment of Ms. Nirali Dhiren Mehta as company secretary of the company with effect from 01.07.2021 and that the company to prove its bona fide had filed suo-moto application for adjudication before the ROC. That the violation is of procedural in nature and it does not affect the true and fair view of the company and imposing such heavy penalty would put the company under the financial stress and none of the members, stakeholders and nor the other third parties have been affected due to the non-appointment of the company secretary and despite the absence of the Company Secretary in the company, the company has strived to remain in compliance with the applicable provisions of the Companies Act with the best of their knowledge, With the above submission the appellants have requested for imposing minimum penalty as permitted by section 454(7) of the said Act. The appellant has further stated that the company is a loss making company and has produced the balance sheet for the year 31.03.2022 and 31.03.2023 in support of the same.

4. In view of the above, taking into consideration the facts 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 the Company and Rs.50,000/- each for 2 directors i.e., Mr. Sunil Kulkarni, Director & Mr. Srinivas Rao Nannuri, Director (total aggregating to Rs.2,00,000/-).

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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.

5. Accordingly, the appellants have paid the penalty as under

S.No	Name of the Appellants	Date of Payment	SRN details	Penalty Paid (Amt. in Rs.)
1	M/s. Gokak Textlies Limited	05/11/2024	X85168748	1,00,000/-
2	Mr. Sunil Kulkarni, Director	05/11/2024	X85169035	50,000/-
3	Mr. Srinivas Rao Nannuri, Director	05/11/2024	X85166619	50,000/-
			Total	2,00,000/-

6. In view of the compliance reported, the appeal is accordingly disposed of, and this order is issued to the Appellants with a copy to Registrar of Companies, Karnataka 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 11th day of November 2024.



(Signature) 11/11/2024
(M. JAYAKUMAR)
Regional Director, SER(I/C)
Ministry of Corporate Affairs, Hyderabad

Copy for information and necessary action to :

1. M/s. Gokak Textiles Limited
No.1, 2nd Floor, 12th Cross Ideal Homes, Near Jayanna
Circle, Rajarajeshwari Nagar, Bangalore, Karnataka- 560098.
2. Mr. Sunil Kulkarni, Director
E-517, National Regency, Plot No. 445, Takka,
Tal – Panvel, Raigad, Maharashtra- 410206.
3. Mr. Srinivasa Rao Nannuri, Director
5-48/L-2, GVK Enclave, Jegurupadu, Kadlyam Mandal
Rajahmundry Urban, Andhra Pradesh- 533126.
4. Registrar of Companies, Ministry of Corporate Affairs, Karnataka, Bangalore.
5. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

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