

F.No:9/32/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/1447

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF GREEN LEAF TOBACCO THRESHERS LIMITED

1. M/s. Green Leaf Tobacco Threshers Limited
2. Mr. Kolla Syamasundara Rao, Director
3. Jetti Rama Rao, Director
4. Lakshmi Kalyani Rayapati, Director

Appellants

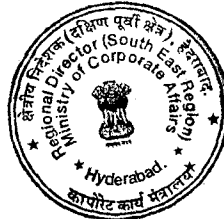
Date of hearing : 24.01.2023

Present : Mr. M. Nagaraju, PCS

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 F25352287 dated 19.09.2022 against the adjudication order No. ROC(V)/ADJ/454(5)/Sec.203(5)/GLTTL/2022-23/662 dated 27.07.2022 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 fill date despite paid-up capital has exceeded the prescribed limit as stated in the provisions of Section 203(1) of the Company Act, 2013. Hearing was held before Registrar of Companies on 27.06.2022 and after hearing the authorized representative had levied a penalty of Rs.5,00,000/- on the Company and Rs.50,000/- each for 3 directors i.e., Kolla Syamasundara Rao, Jetti Rama Rao, Lakshmi Kalyani Rayapati (total aggregating to Rs.6,50,000/-).



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3. An opportunity of being heard was given to the Appellants on 24.01.2023. The authorized representative Mr. M. Nagaraju, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that Company is closely held public limited company with all the shareholders and directors being close relatives and friends of the promoters. Since the incorporation of the company, there has been no involvement of the public in the ownership and management of affairs of the company and stated no injury to public interest. Company became sick in the year 2018 when it's net-worth had completely eroded and the present status of the company remain the same with no effective operations being carried on and with a negative net-worth of Rs.17.16. Crores as on 31.03.2021. Management is in the process of closing the company voluntarily after setting all the liabilities to the extent possible with the resources available. Since the registered office of the company is remotely located near Guntur in Andhra Pradesh, the company could not find a suitable candidate and requested to reduce the quantum of penalty as levied by Registrar of Companies. Company has complied the provisions of Section 203 by appointing a Whole Time Company Secretary on 09.01.2023, however, could not file DIR-12 due to the issues in V3 in MCA-21.

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 due to the following reasons:

(a) due to Covid-19 pandemic, Company was unable to appoint Whole Time Company Secretary as none shown interest despite company's effort during that period.

(b) Company is closely held public limited company with all the shareholders and directors being close relatives and friends of the promoters.

(c) no involvement of the public in the ownership and management of affairs of the company and stated no injury to public interest.



Contd..3.

(d) Company became sick in the year 2018 when it's net-worth had completely eroded and the present status of the company remain the same with no effective operations being carried on and with a negative net-worth of Rs.17.16. Crores as on 31.03.2021

(e) registered office of the company is remotely located near Guntur in Andhra Pradesh

(f) Registrar of Companies passed the adjudication order in a manner without taking into consideration any of the above facts as evident from his order dated 27.07.2022.

(g) Company has appointed Company Secretary on 09.01.2023

Taking into consideration the facts of the appeal and submissions made by the authorized representative. I deem it would meet the end of justice if the penalty imposed by Registrar of Companies is reduced for the Company to Rs.1,00,000/- and Kolla Syamasundara Rao, Jetti Rama Rao, Lakshmi Kalyani Rayapati, Directors to Rs.25,000/-each (total aggregating to Rs.1,75,000/-).The appellants are directed to comply with this order and 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.1,00,000/- and Kolla Syamasundara Rao, Jetti Rama Rao, Lakshmi Kalyani Rayapati, Directors to Rs.25,000/- (total aggregating to Rs.1,75,000/-) vide SRN X34998104 and X34998112, X34997742, X34997973 dated 07.02.2023 respectively. 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 29th day of May 2023.

M/s. Green Leaf Tobacco Threshers Limited
8-14-28, Tobacco Colony, Managalagiri Road Guntur,
Andhra Pradesh-522 001.



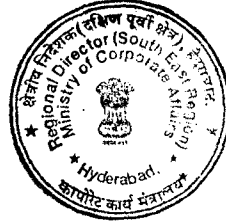
B. Mohanty
(B. MOHANTY)
REGIONAL DIRECTOR (SER)
HYDERABAD

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Copy for information and necessary action to :

1. Kolla Syamasundara Rao, Director
4-5-32/52/1, Vidya Nagar, 1/3,
Kamalesh Estates, Chandramouli Nagar,
Guntur-522 007, Andhra Pradesh
2. Jetti Rama Rao, Director,
5-82-2, Pandaripuram, 4th Lane,
Lakshmi Puram, Guntur-522 002,
Andhra Pradesh
3. Lakshmi Kalyani Rayapati, Director
4-20-14/1, Kala, KLP School,
Roadring Road, Pattabhipuram,
Guntur-522 006, Andhra Pradesh
4. Registrar of Companies, Ministry of Corporate Affairs,
Andhra Pradesh, Vijayawada.
5. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.



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(B. MOHANTY)
REGIONAL DIRECTOR (SER)
HYDERABAD