

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

16

HYDERABAD BENCH AT HYDERABAD

C.A.NO. 16/621A/HDB/2016

Date of Order: 25.08.2016

Between:

1. K.P.R. Agrochem Limited,

(Represented by Mr. Kovvuri Rajasekhar Reddy, Whole-Time Director)

Regd. Office at D.No.8-256, Tata Nagar,

Balabhadrapuram – 533 343, Andhra Pradesh.

2. Mr. Karri Venkata Mukunda Reddy,

Managing Director,

2-1/1, Ramannapeta,

Komaripalem – 533 346, Andhra Pradesh.

3. Kovvuri Rajasekhar Reddy,

Whole-Time Director,

D.No.2-2/3a, Bhagyanagar,

Biccavolu Mandal, Komaripalem,

East Godavari – 533 346, Andhra Pradesh.

4. Mr. Kovvuri Papa Reddy,

Whole-Time Director,

D.No.3-29, Kacheri Vari Street,

Komaripalem -533 346, Andhra Pradesh.

5. Mr. Narayana Rao Poluri,

Company Secretary, 46-16-29,

MG Park East Road, Danavaipet,

Rajahmundry – 533103, Andhra Pradesh.

.. Applicants

Counsel for the Applicants

.. Sri S.Chidambaram  
(Practising Company Secretary)

**CORAM****Hon'ble Mr. RAJESWARA RAO VITTANALA, MEMBER (JUDL)****Hon'ble Mr. RAVIKUMAR DURAISAMY, MEMBER (TECH)****ORDER****(As per Rajeswara Rao Vittanala, Member (J))**

1. The application was initially filed before Company Law Board, Chennai Bench, Chennai. Since, NCLT, Hyderabad Bench has been constituted for the cases relating to the states of Andhra Pradesh and Telangana, the case is transferred to Hyderabad Bench. Hence, we have taken the case on records of NCLT, Hyderabad Bench and deciding the case.
2. The present application has been filed Under Section 621A read with Section 192 of the Companies Act, 1956/ Section 117 of the Companies Act, 2013 and Regulation 14 of the Company Law Board Regulations 1991 by seeking a direction to condone the delay in filing the Form MGT-14 for the events mentioned in the application and compound the non-compliance of the Section 192 of the Companies Act, 1956.
3. The material facts of the case in concise are K.P.R. Agrochem Limited was originally incorporated as K.P.R Fertilizers Private Limited on 2<sup>nd</sup> January, 2007 as Private Limited Company and converted into Public Limited Company on 19<sup>th</sup> December, 2008. The Corporate Identity Number (CIN) of the company is U24129AP2007PLC052216. On 21<sup>st</sup> September 2015, the company has changed its name to K.P.R. Agrochem Limited. The Registered Office of the Company is situated at Door No. 8-256, Tata Nagar, Balabhadrapuram-533 343, Andhra Pradesh. Authorised Share Capital is Rs.125,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) divided into 12,50,00,000 (Twelve Crores Fifty Lakhs) shares of Rs.10/- (Rupees Ten) each. Paid up capital is Rs.85,46,40,000/- (Rupees Eighty Five Crores Forty Six Lakhs Forty Thousand only) divided into 8,54,64,000 (Eight Crores Fifty Four Lakhs Sixty Four Thousand) fully paid up equity shares of Rs.10/- (Rupees Ten) each. The present business activities of the company is to manufacture of fertilizers, chemicals, etc.





4. The applicants submit that the following violations have been committed:
- a) The Board of Directors of the company have disclosed their interest and shareholding as required U/s.184 of Companies Act, 2013 in Form MBP-1 at their board meeting held on 17-04-2014 and accordingly the board took note of the same. As per Section 117 read with Section 179(3) of the Companies Act, 2013 read with Rule 8(5) of the Companies (Meetings of Board and its Powers) Rules, 2014 the Applicant No.1 Company is required to file Form MGT-14 within 30 days without late fee and within 300 days with late fee with the Registrar of Companies for registration of the resolution for taking note by the board of the disclosure of interest and shareholding made by directors.
  - b) The Board of Directors of the company at their meeting held on 30-06-2014 have approved the adoption of Standalone Financial Statements of the company for the financial year 2013-14. As per Section 117 read with Section 179(3) of Companies Act, 2013 read with Rule 8(9) of the Companies (Meetings of Board and its Powers) Rules, 2014 the Applicant No.1 company is required to File Form MGT-14 within 30 days without late fee and within 300 days with late fee with the Registrar of Companies for registration of the resolution for the approval of the said financial statements.
  - c) The Board of Directors of the company at their meeting held on 30-07-2014 have approved the adoption of consolidated financial statements of the company for the financial year 2013-14. As per Section 117 read with Section 179(3) of the Companies Act, 2013 read with Rule 8(9) of the Companies (Meetings of Board and its Powers) Rules, 2014 the Applicant No.1 company is required to file Form MGT-14 within 30 days without late fee and within 300 days with late fee with the Registrar of Companies for registration of the resolution for the approval of the said financial statements.
  - d) The shareholders at the Extra-ordinary General Meeting held on 02-04-2014 passed Special resolution authorising the company to give loans or make investment in excess limits prescribed in sub-section (2) of Section 186 of the Companies Act, 2013. As per Section 117 of the Companies Act, 2013 the Applicant No.1 Company is required to file Form MGT-14 within 30 days without late fee and within 300 days with late fee with the Registrar of Companies for registration of the special resolution.
  - e) The shareholders at the Extra-ordinary General Meeting held on 22-10-2012 passed Special Resolution authorising the company to give loans or make investment in excess limits prescribed in sub-section (1) of Section 372A of the Companies Act,



1956. As per Section 192 of the Companies Act, 1956 the Applicant No.1 company is required to file Form 23 within 30 days with the Registrar of Companies for registration of the Special Resolution (now MGT-14 after 01-04-2014 under Section 117 of the Companies Act, 2013).
- f) The applicants further submit that the Applicant no.1 company could not file required form MGT-14 (earlier Form no.23) due to oversight and the non-filing of the said form came to their knowledge during the month of September, 2015. It is also stated that the violation is neither wilful nor wanton and the same is without any malafied intention. It is further, stated that the violation mentioned above could not result in prejudice to the interest to any shareholder or stakeholder.
5. We have heard Sri S. Chidambaram, Practicing Company Secretary and also perused the report submitted by the Registrar of Companies, Hyderabad vide proceedings no.RAP/Legal/117/621A/KPR/STA/2016/615 dated 02-05-2016.
6. The Registrar of Companies, while reiterating the contentions raised in the application, has stated that there are 3 directors at the relevant period and K.P.R. Fertilizers Limited represented by Sri Kovvuri Rajasekhar Reddy, Executive Director and Company Secretary have filed the compounding petition for 5 different violations under Section 117 of Companies Act, 2013/Section 192 of Companies Act, 1956. It is also stated that the Applicant Company still has not filed MGT-14 and requested the Bench to direct the company to file MGT-14 with additional fee as applicable. Further, states that it is the first offence which can be considered on merits and pass any appropriate order as deem fit and proper in the interest of justice and equity.
7. We have carefully considered various pleadings made in the application and the oral contentions submitted by the Learned Practicing Company Secretary. It is not in dispute that the Applicants have admitted violation of the section 117 of the Companies Act, 2013 and have come forward voluntarily to the Tribunal by seeking permission to compound the violations in question and ready to pay reasonable fine as fixed by the Tribunal, in terms of the fine as prescribed under the Companies Act. We hold that the facts and circumstances of the case justify exercising powers conferred upon the Tribunal under the Companies Act in permitting the applicants to compound the violations in question.

**THIS BENCH DOTH ORDER**

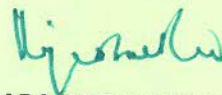
In view of the above facts and circumstances of the case and in the interest of justice, we are inclined to permit the applicants to compound the violations as five different counts as mentioned above by paying the compounding fee. We direct the first applicant company to pay minimum fee of Rs.25,00,000/- (Rupees Twenty five lakhs only) (Rs. 5,00,000 x 5 counts = Rs.25,00,000/-) and Applicant nos.2 to 5 minimum fee of Rs. 5,00,000/- (Rupees Five lakhs only) (Rs. 1,00,000 x 5 counts = Rs.5,00,000/-) each and deposit the same with the authorities within three weeks and the Applicants are directed to report the compliance.

The applicants are warned to be careful in the future and if such conduct is ever repeated, then appropriate proceedings shall be initiated and a serious view shall be taken.

It is further, directed that the applicants have to file MGT-14 with prescribed additional fee as applicable within a period of two weeks. In terms of above, the application is disposed off.



RAVIKUMAR DURAISAMY (TECH)



RAJESWARA RAO VITTANALA (JUDL)