



BEFORE THE ADJUDICATING OFFICER

ROC -cum- OL, ODISHA, CUTTACK

(ADJUDICATION ORDER NO. ROC/CTC/AO/203/2019)

ORDER

**UNDER SECTION 454 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES
(ADJUDICATION OF PENALTIES) RULES, 2014**

KRISHNA FERRO PRODUCTS LIMITED

CIN : L27230OR1982PLC001137

Appointment of Adjudicating Officer :-

1. The Ministry of Corporate Affairs vide its Gazette Notification No. A-42011/112/2014-Ad. II dated 24.03.2015 appointed the undersigned as Adjudicating Officer (hereinafter referred to as "the A.O") in exercise of the powers conferred under Section 454 of the Companies Act, 2013 (herein after known as **The Act**) read with Companies (Adjudication of Penalties) Rules, 2014 (Notification No. GSR 254(E) dated 31.03.2014) for adjudging penalties under the provisions of the Act. The undersigned vide the Companies (Amendment) Ordinance, 2019 is entrusted to adjudicate penalties under Section 203 of the Act with effect from 02.11.2018.

Company :-

2. Krishna Ferro Products Limited (herein after known as the Company) CIN L27320OR1982PLC001137 is a registered company with the office of the ROC -cum- OL, Odisha and having its registered office address at Mandiakudar, Kansbahal, Rajgangpur : 770 034, Orissa, India as per the records maintained by this office in online registry.

Show Cause Notice, Reply and Personal Hearing :

3. The Show Cause Notices (SCN) under Sub-Rule (2) of Rule 3 of the Companies (Adjudication of Penalties) Rules, 2014 for contravention of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was issued vide Show Cause Notice No. ROC/Sec. 203/2018/2425(4) dated 31.12.2018 to the Company and its directors viz. Shri Harikishan Agarwal (DIN 01083288), Shri Manabendra Nath Sahoo (DIN 01087798) and Shri Ananda Chandra Bhutia (DIN 06610296) seeking clarification.

4. Thereafter, Notice of Inquiry was also issued vide this office Show Cause Notice No. ROC/Sec. 454/1137/2019/2726(4) dated 14.02.2019 pursuant to Rule (3) of Companies (Adjudication of Penalties) Rules, 2014 to the Company and Officers/Directors (Noticee) calling upon them to appear personally or through authorized representative under Rule 3(3) of the Companies (Adjudication of Penalties) Rules, 2014 on 27.02.2019 at 3.00 PM. On the fixed date FCS Gopinath Nayak, Authorised Representative appeared and requested for adjournment. Accordingly, the matter has been adjourned to 12.03.2019, 25.03.2019, 02.05.2019, 25.07.2019, 26.09.2019 and 30.10.2019. But, neither the Directors/ Authorised Representative appeared nor furnished any communication in this respect.

Provisions of the Companies Act, 2013 :

5. Section 203 of the Act provides that :

Section 203 (1) Every Company belonging to such class or classes of companies as may be prescribed shall have the following whole-time key managerial personnel,-

- (i) managing director, or Chief Executive Officer or manager and in their absence, a whole-time director ;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer.

Rule 8 of Companies (Appointment & Remuneration) Rules, 2014 provides that

Every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have whole-time key managerial personnel.

ORDER

06. The status of the subject company is Listed and has not appointed Company Secretary, hence it is proved that the company violated the provisions of Section 203(1) of the Act read with Rule 8 of the Companies (Appointment & Remuneration) Rules, 2014 and the company and every directors of the company are liable for penal action under Section 203(8) of the Act. The offence

is of serious nature since non-appointment of Company Secretary put itself out of reach of stakeholders/regulatory authorities and other concerned.

The object of appointment of Company Secretary to discharge the duties as per Rule 10 of Companies (Appointment & Remuneration) Rules, 2014.

07. Having considered the facts and circumstances of the case, and after taking into account the factors above, the A.O do hereby imposes penalty on Company and its Directors as per Table below for violation of Section 203(1) of the Act read with Rule 8 of the Companies (Appointment & Remuneration) Rules, 2014 for violation of Section 203 of the Companies Act, 2013 for default period of 370 days i.e. 02.11.2018 to 07.11.2019 (date of hearing). The A.O is of the opinion that penalty is commensurate with the aforesaid default committed by the Noticee's.

Document Required to be filed	No. of days of Default*	Penalty imposed on Company/ Directors/Company Secretary	First Default (in Rs.)	Default Continues (in Rs)	Total (in Rs.)
DIR 12 for appointment of Company Secretary	370 days	On Company	Rs. 5,00,000/-		5,00,000.00
		Harikishan Agarwal	50,000/-	1,000 x 370 = 3,70,000/-	4,20,000.00
		Manabendra Nath Sahoo	50,000/-	1,000 x 370 = 3,70,000/-	4,20,000.00
		Ananda Chandra Bhutia	50,000/-	1,000 x 370 = 3,70,000/-	4,20,000.00

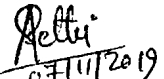
08. The company and its directors are hereby directed to rectify the default immediately from the date of receipt of copy of this order.
09. The Penalty imposed shall be paid through the Ministry of Corporate Affairs portal only.
10. Appeal if any against this order may be filed in writing with the Regional Director, Eastern Region, Ministry of Corporate Affairs, Nizam Palace, 3rd Floor, 234/4, A.J.C. Bose Road, Kolkata : 700 020 within a period of sixty days from the date of receipt of this order, in Form ADJ setting forth the grounds of appeal and shall be accompanied by a certified copy of this order. [Section

454 of the Companies Act, 2013 read with the Companies (Adjudicating of Penalties) Rules, 2014].

11. Your attention is also invited to Section 454(8) of the Act regarding consequences of non-payment of penalty.
12. In terms of the provisions of sub-rule (9) of Rule 3 of the Companies (Adjudication of Penalties) Rules, 2014, copies of this order are being sent to (i) Krishna Ferro Products Limited, Mandikudar, Kansbahal, Rajgangpur : 770 034, (ii) Shri Harikishan Agarwal (DIN 01083288), At: Masjid Road, Rajgangpur : 770 017, (iii) Shri Manabendra Nath Sahoo (DIN 01087798), Vill : Langiberna, Langiberna : 770 023, (iv) Shri Ananda Chandra Bhutia (DIN 06610296), Plot No. E/78, Chhend Colony, Rourkela : 769 015 and also to Secretary to the Govt. of India, Ministry of Corporate Affairs, Shastri Bhawan, A Wing, 5th Floor, Dr. R. P. Road, New Delhi : 110 001.

Place : Cuttack

Dated, the 7th November, 2019


C.F. 11/2019
(A. K. SETHI)
Adjudicating Officer, Odisha
ROC -cum- OL, Odisha