

M/S. STANDARD GLASS LINING TECHNOLOGY LIMITED v/s REGISTRAR OF COMPANIES,
TELANGANA, HYDERABAD

- The Registrar of Companies, Hyderabad, has issued an adjudication order under Section 203(1) of the Companies Act, 2013, against M/s. Standard Glass Lining Technology Limited for failing to comply with the mandatory requirement to appoint a company secretary. This non-compliance issue arose after the company's paid-up capital exceeded the Rs. 5 crore thresholds on April 30, 2014, necessitating the appointment of a company secretary by October 31, 2014. Despite the company's efforts to meet this requirement, the appointment was delayed until October 1, 2021, resulting in a non-compliance period of over 5 years.
- This lengthy delay signifies a major breach of regulatory compliance, highlighting the company's struggle to meet statutory deadlines despite their proactive measures. The company's justification for the delay included an acknowledgment of the initial attempts made to fulfill this requirement, but unfortunately, these efforts fell short of the stipulated timeline. Such delays not only attract legal penalties but also reflect poorly on the company's governance practices and commitment to regulatory adherence.
- The Registrar's order has imposed significant penalties on the company and its officers:
- Rs. 5 lakh on the company itself, and Rs. 5 lakh each on the managing director, Mr. Nageswara Rao Kandula, and directors Mr. Punna Rao Kudaravalli, Mrs. Krishna Veni Kandula, Mrs. Katragadda Venkata Ramani, and Mr. Suryadevara Venkateswara Rao. Additionally, the Chief Financial Officer, Mr. Anjaneyulu Pathuri, has also been penalized. These penalties underscore the seriousness of the violation and serve as a deterrent to other companies that might consider overlooking such crucial appointments.
- These penalties reflect the daily continuing contravention of the requirement, amounting to Rs. 1000 per day for each officer from November 1, 2014, until the appointment in October 2021. This daily penalty accrual signifies the accumulating nature of non-compliance costs, which can become substantial over prolonged periods. The total penalties must be paid online within 90 days, and proof of payment must be submitted to the Registrar's office. This process ensures that penalties are enforced efficiently, and compliance is tracked effectively.
- The company has the right to appeal this decision within 60 days from the receipt of the order, and such appeals can be filed with the Regional Director (SER), Ministry of Corporate Affairs, in Hyderabad. This right to appeal provides a legal avenue for the company to contest the decision, ensuring that due process is followed, and any grievances can be addressed. It also highlights the procedural fairness embedded in the regulatory framework, allowing companies a chance to present their case and seek redressal.
- This case highlights the strict enforcement of compliance requirements under the Companies Act, 2013, underscoring the importance for companies to adhere to statutory obligations to avoid substantial penalties. The proactive yet delayed steps taken by the company in appointing a company secretary reflect an acknowledgment of regulatory mandates and a commitment to aligning corporate governance practices with legal requirements. However, the significant delay illustrates the challenges companies face in maintaining timely compliance and the severe consequences of such lapses.
- The financial and operational details of M/s. Standard Glass Lining Technology Limited, as per the MCA-21 portal, reveal significant revenue and profits, further emphasizing the necessity of robust compliance frameworks in sizable companies. These details include a paid-up capital of Rs. 1,81,63,45,200 and substantial revenue, which place the company in a prominent position within its industry. This prominence brings additional scrutiny and the expectation of exemplary governance standards.
- The Registrar's order serves as a cautionary tale for other corporations about the critical need to comply promptly with statutory provisions to avoid punitive actions. This adjudication also illustrates the regulatory rigor with which the Ministry of Corporate Affairs enforces compliance,

reinforcing the overarching objective of maintaining corporate governance standards across the industry. It is a stark reminder that compliance is not merely a legal formality but a fundamental aspect of corporate responsibility and governance.