



भारत सरकार

GOVERNMENT OF INDIA

कारपोरेट कार्य मंत्रालय

MINISTRY OF CORPORATE AFFAIRS

कम्पनी पंजीयक का कार्यालय, तमिल नाडु, अंदमान & निकोबार द्वीपपुंज, चेन्नई

OFFICE OF REGISTRAR OF COMPANIES, TAMIL NADU, ANDAMAN & NICOBAR ISLANDS, CHENNAI

दूसरा मंजिल, 'सी' विंग, शास्त्री भवन, 26, हाडोस रोड, नुंकमपाक्कम, चेन्नई - 6

II FLOOR, C- WING, SHASTRI BHAVAN, 26, HADDOWS ROAD, NUNGAMBAKKAM, CHENNAI- 6

F.NO.ROC/CHN/KANNAN /ADJ/S.165/2024

DATE:

20 MAR 2024

ADJUDICATION ORDER UNDER SECTION 165 OF THE COMPANIES ACT, 2013
IN THE MATTER OF MR..B.KANNAN (DIN:05149913)

1. Appointment of Adjudicating Officer:-

The Ministry of Corporate Affairs vide its Gazette Notification No. A-42011/112/2014-Ad.II, dated 24.03.2015 has appointed Registrar of Companies, Chennai as Adjudicating Officer in exercise of the powers conferred by section 454(1) of the Companies Act, 2013 (hereinafter referred as Act or Companies Act, 2013) r/w Companies (Adjudication of Penalties) Rules, 2014 for adjudging penalties under the provisions of this Act.

2. Company:-

Whereas, Mr. B.Kannan hereinafter referred as the Director under the Companies Act, 2013 having Director Identification Number (DIN)- 05149913 and having his address at 130, Plot No. 5, Surendra Nagar, 1st Cross Street, Adambakkam, Chennai 600088 now residing at B-7, Swagath NRI Apartments, Visuwasapuram, Sarvanampatti, Coimbatore-641035.

3. Section and Penal Provision as per Companies Act, 2013

Section 165 of the Companies Act, 2013- Number of Directorships provides -

1) No person, after the commencement of this Act, shall hold office as a director, including any alternate directorship, in more than twenty companies at the same time:

Provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed ten.

6) If a person accepts an appointment as a director in violation of this section, he shall be liable to a penalty of two thousand rupees for each day after the first during which such violation continues, subject to a maximum of two lakh rupees.

4. Facts about the case:

That as per the records of ROC Chennai it is noticed that the Mr. B.Kannan (DIN 05149913) holding directorship of companies incorporated under the Companies Act, in excess of the limits prescribed under the provisions of Section 165 of the Companies Act,2013.

Whereas, Shri. B.Kannan was holding directorship in the following 29 companies as tabular below:

Sl.No	CIN	Company Name	Date of Appointment	Date of Cessation
1.	U67120TN2007PTC062447	ACORN COMMODITY EXCHANGES AND HOLDINGS PRIVATE LIMITED	15.04.2013	02.06.2021
2	U80900TN2011PTC080330	SASTHA EDUCATION PRIVATE LIMITED	05.07.2013	Company was struck off on 29.06.2017

3	U80900TN2011PTC079993	ORIANA EDUCATION PRIVATE LIMITED	05.07.2013	Company was struck off on 29.06.2017
4	U80902TN2011PTC080557	MAYANK EDUCATION PRIVATE LIMITED	07.07.2013	Company was struck off on 29.06.2017
5	U80200TN2011PTC080612	SOPHIA EDUCATION PRIVATE LIMITED	08.07.2013	Company was struck off on 29.06.2017
6	U80301TN2011PTC080569	HIMADRI EDUCATION PRIVATE LIMITED	08.07.2013	Company was struck off on 29.06.2017
7	U80904TN2011PTC080067	YAJNA EDUCATION PRIVATE LIMITED	08.07.2013	Company was struck off on 29.06.2017
8	U80200TN2011PTC079968	VIDHUR EDUCATION PRIVATE LIMITED	08.07.2013	Company was struck off on 29.06.2017
9	U80301TN2010PTC077081	AKASH TARA EDUCATION PRIVATE LIMITED	08.07.2013	Company was struck off on 18.11.2016
10	U80301TN2011PTC080028	AGARAM EDUCATION PRIVATE LIMITED	09.07.2013	Company was struck off on 29.06.2017
11	U80900TN2011PTC080064	KYROS EDUCATION PRIVATE LIMITED	10.07.2013	Company was struck off on 29.06.2017
12	U80301TN2010PTC077044	AMARANTA EDUCATION PRIVATE LIMITED	10.07.2013	Company was struck off on 31.10.2016

13	U80900TN2011PTC080071	AADHYA EDUCATION PRIVATE LIMITED	11.07.2013	Company was struck off on 23.07.2014
14	U80901TN2011PTC080776	VIJESH EDUCATION PRIVATE LIMITED	12.07.2013	Company was struck off on 29.06.2017
15	U80903TN2011PTC080611	MANSI EDUCATION PRIVATE LIMITED	12.07.2013	Company was struck off on 18.01.2017
16	U80301TN2011PTC080340	AADRIKA EDUCATION PRIVATE LIMITED	12.07.2013	Company was struck off on 23.07.2014
17	U80902TN2011PTC080093	AVANTIKA EDUCATION PRIVATE LIMITED	12.07.2013	Company was struck off on 29.06.2017
18	U80903TN2011PTC080442	AASTIKA EDUCATION PRIVATE LIMITED	16.07.2013	Company was struck off on 23.07.2014
19	U80220TN2011PTC080445	KRIYA EDUCATION PRIVATE LIMITED	17.07.2013	Company was struck off on 18.01.2017
20	U80900TN2011PTC080411	ABIA EDUCATION PRIVATE LIMITED	18.07.2013	Company was struck off on 03.11.2014
21	U80900TN2011PTC080350	AASHIKA EDUCATION PRIVATE LIMITED	18.07.2013	Company was struck off on 23.07.2014
22	U80903TN2011PTC080939	MARCIA EDUCATION PRIVATE LIMITED	23.07.2013	Company was struck off on 29.06.2017
23	U80904TN2011PTC080800	ANNAPOORNA EDUCATION PRIVATE LIMITED	23.07.2013	Company was struck off on 29.06.2017

24	U80200HR2011PTC043066	MAHENDRAGARH EDUCATION PRIVATE LIMITED	26.08.2013	Company was struck off on 15.06.2017
25	U80301TN2010PTC077234	GOLDEN BELLS EDUCATION PRIVATE LIMITED	30.09.2013	27.05.2021
26	U80301TN2010PTC077233	CARMELO EDUCATION PRIVATE LIMITED	30.09.2013	27.05.2021
27	U80300TN2010PTC077230	BLOOMSBURY EDUCATION PRIVATE LIMITED	30.09.2013	27.05.2021
28	U80301TN2010PTC077232	ALBA EDUCATION PRIVATE LIMITED	30.09.2013	27.05.2021
29	U72100TN2009PTC073921	SPAARKON TRADING (CHENNAI) PRIVATE LIMITED	30.09.2013	02.06.2021

- (i) Whereas, the ROC Chennai had issued Show Cause Notice to Shri. B .Kannan U/s.165 of the Companies Act, 2013 on 23.02.2016. After that filed a complaint in EOCC No.46 /2016 before the Court of Additional Chief Metropolitan Magistrate Economic Offences, Egmore, Chennai.
- (ii) Whereas, Mr. B.Kannan had filed a petition before the Hon'ble High Court of Mardas in CRL O.P No. 2735 of 2017 to quash the complaint filed in EOCC No. 46 of 2016. Further, the penal provisions of Section 165 of the Companies Act, 2013 has been amended and substituted with penalty provision as per the Companies (Amendment)Act, 2019.

(iii) Whereas, the Hon'ble High Court of Madras vide Order dated 04.01.2023 passed an Order that "*the complaint in EOCC No.46 of 2016 Add.Chief Metropolitan Magistrate Economic Offence No. 1 at Egmore Chennai is transferred to the adjudicating authority appointed under the Companies Act to adjudicate the contravention committed by the petitioner in terms of Section 454 r/w 165(6) of the Companies Act, 2013*".

5. **Adjudication Hearing:**

Pursuant to the order of the Hon'ble High Court, Madras, the Adjudicating Authority has issued Notice of Hearing on 12.02.2024 by fixing the hearing on 19.02.2024 at 12:30 PM. Pursuant to the said notice fixing the date of hearing on 19.02.2024, Mr.B.Kannan has appeared in person before the undersigned and made submissions that "the said violation may be adjudicated and accepted to pay the penalty as prescribed under Section 165(6) of the Companies Act, 2013".

6. **Decision**

Having considered the facts and circumstances of the case and after taking into account the factors above, it is concluded that Shri. B.Kannan was holding directorships in more than 20 (twenty) companies before the Commencement of this Act i.e, 01.04.2014. Further, as per Section 165(3) – "any person holding office as director in companies more than the limits as specified in sub-section (1) immediately before the commencement of this Act shall, within a period of one year from such commencement i.e 01.04.2015, (a) choose not more than the specified limit of those companies in which he wishes to continue to hold the office as director; (b) resign his office as director in the other remaining companies; and (c) initiate the choice made by him under clause (a), to each of the companies in which he was holding the office of director before such commencement and to the Registrar having jurisdiction in respect of each such company. However, it is observed that Mr.B. Kannan was holding the directorship of more than 20 companies w.e.f 18.07.2013, after commencement of the Act within one year i.e, from 01.04.2015 and reduced it to 20 or below 20 companies on 28.06.2017 as per the table mentioned

in Para 4. So, there is a contravention of provision of Section 165 for a period of 820 Days from 01.04.2015 to 28.06.2017. This resulted in violation of the provisions of Section 165 of the Companies Act, 2013.

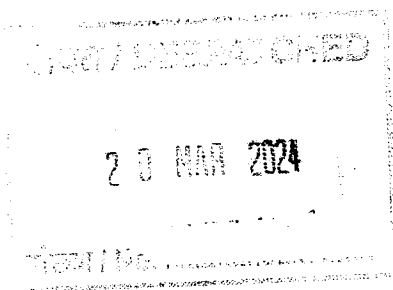
Accordingly, I am inclined to impose a penalty as prescribed under Sub-section 6 of Section 165 of the Companies Act, 2013. The details of the penalty imposed on the director as shown in the below table:

Due date for reduction of Directorship in 20 or below 20 companies	Date on which reduced and holding 20 or below 20 companies	Number of days of default	Total Penalty (Rs)	Maximum Limit for penalty (Rs)	Penalty Imposed (Rs)
01.04.2015	28.06.2017	820 days	Rs.2000 per day x 820 days = 16,40,000/-	Rs.2,00,000	Rs.2,00,000

Therefore, in view of the above said violation, in exercise of the powers vested to the undersigned under Section 454(1) & (3) of the Companies Act, 2013 a penalty of Rs.2,00,000/- (Rupees Two Lakhs) on the Director under Section 165(6) of the Companies Act, 2013.

7. The said amount of penalty shall be paid online by using the website www.mca.gov.in(Misc. head) within 90 days of receipt of this order and intimate this office with proof of penalty paid.

8. Whereas Appeal against this order may be filed with the Regional Director (SR), Ministry of Corporate Affairs, 5th Floor, Shastri Bhavan, 26 Haddows Road, Chennai-600006, Tamil Nadu within a period of sixty days from the date of receipt of this order, in Form ADJ [available on Ministry website www.mca.gov.in] setting forth the grounds of appeal and shall be accompanied by a certified copy of this order. [Section 454(5) & 454(6) of the Act read with Companies (Adjudicating of Penalties) Rules, 2014].
9. Your attention is also invited to section 454(8) of the Act in the event of non-compliance of this order, *“(8)(i) Where company fails to comply with the order made under sub-section (3) or sub-section (7), as the case may be within a period of ninety days from the date of the receipt of the copy of the order, the company shall be punishable with fine which shall not be less than twenty five thousand rupees but which may extend to five lakh rupees.*
- (ii) Where an officer of a company or any other person who is in default fails to comply with the order made under sub-section (3) or sub-section (7), as the case may be within a period of ninety days from the date of the receipt of the copy of the order, such officer shall be punishable with imprisonment which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both.”*



B. Srikumar
(B. SRIKUMAR, ICLS)
REGISTRAR OF COMPANIES
TAMILNADU, CHENNAI.
ADJUDICATING OFFICER

JA

TO,

1. F.NO.ROC/CHN/KANNAN /ADJ/S.165/2024
Mr. B.Kannan, DIN :05149913
B-7, Swagath NRI Apartments, Visuwasapuram,
Sarvanampatti, Coimbatore- 641035.

Copy To

1. The Regional Director (SR),
Chennai for information