

F.No:9/36/ADJ/SEC.203 of 2013/KARNATAKA/RD(SER)/2023

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013 / 6950

IN THE MATTER OF TRANE TECHNOLOGIES INDIA PRIVATE LIMITED

1. M/s. Trane Technologies India Private Limited
2. Mr. Prasad Yeshwant Naik, Former Director
3. Mr. Perikal Keshava Murthy Arjun, Former Director

Appellants

Date of hearing : 01.02.2024

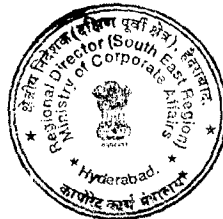
Present : Ms. Motati Gayathri, PCS

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 F87894663 dated 15.12.2023 against the adjudication order No. ROC(B)/Adj.Ord.454-203/Thermo King/Co.No.042359/2023 dated 06.11.2023 under section 454 passed by the Registrar of Companies, Karnataka 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 filed a suo-moto application on 31.07.2023 regarding non-appointment of whole0time company secretary i.e., violation of section 203 of the Companies Act, 2013. The company has submitted that its paid-up capital crossed the required threshold of Rs.5 crores on 31.03.2017 and it was required to appoint a company secretary from this date, but has failed to appoint a company secretary from 31.03.2017 to 09.06.2019. The company has subsequently appointed a company secretary from 10.06.2019. Hearing was held before Registrar of Companies on 26.09.2023 and after hearing the authorized representative had levied a penalty of Rs.5,00,000/- each on the Company and for 2 directors i.e., Mr. Prasad Yeshwant Naik and Mr. Perikal Keshava Murthy Arjun (total aggregating to Rs.15,00,000/-).

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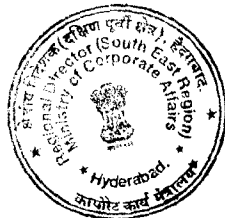



3. An opportunity of being heard was given to the Appellants on 01.02.2024. The authorized representative Ms. Motati Gayathri, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and from the appeal it has been stated that the company is a loss-making company and has not had any operations and therefore has not generated any revenue from operations. Therefore, the penalty imposed by the Registrar of Companies, Karnataka is unaffordable to the Company. The Directors were only Non-Executive Directors and therefore have not drawn any salary from the company. Therefore, they cannot afford the penalty imposed by the Registrar of Companies, Karnataka.

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 reasons as stated above. Hence, 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 to 15% i.e., 75,000/- each for the Company and 2 directors i.e., Mr. Prasad Yeshwant Naik and Mr. Perikal Keshava Murthy Arjun (total aggregating to Rs.2,25,000/-). 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 and 2 directors i.e., Mr. Prasad Yeshwant Naik and Mr. Perikal Keshava Murthy Arjun amounting to Rs.75,000/- each (total aggregating to Rs.2,25,000/-) vide SRN's X66208604, X66272220 and X66283862 dated 05.02.2024 & 06.02.2024 respectively. Accordingly, this order is issued to the Appellants with a copy to Registrar of Companies, Karnataka 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 19th day of February 2024.





(DR. RAJ SINGH)
REGIONAL DIRECTOR (SER)
HYDERABAD
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Copy for information and necessary action to :

1. M/s. Trane Technologies India Private Limited
8th Floor, Tower D, IBC Knowledge Park, No. 4/1,
Bannerghatta Main Road, Bangalore, Bangalore,
Karnataka, India, 560029.
2. Mr. Prasad Yeshwant Naik, Former Director
C-2/301, 6th Main, 15th Cross, White House,
RT Nagar, Bangalore, Karnataka- 560032
3. Mr. Perikal Keshava Murthy Arjun, Former Director
#37, 9th B Cross, 2nd Stage, West of Chord Road,
Mahalakshampuram Layout, Bangalore, Karnataka- 560086
4. Registrar of Companies, Ministry of Corporate Affairs,
Karnataka, Bangalore.
5. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.




(DR. RAJ SINGH)
REGIONAL DIRECTOR (SER)
HYDERABAD