

F.No:9/114/ADJ/SEC.203 OF 2013/ANDHRA PRADESH/RD(SER)/2022

6309

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD
IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF VAASUDEV GRAIN MILL PRIVATE LIMITED

1. M/s. Vaasudev Grain Mill Private Limited
2. Venkata Subba Reddy Karri, Director
3. Pushpalatha Tetali, Director

Appellants

Date of hearing : 10.04.2023
Present : Mr. Manoj Kumar, 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 F42823823 dated 14.11.2022 against the adjudication order No. ROC(V)/ADJ(454)/SEC 203(5)/VGMPL/2022-23/2176 dated 09.09.2022 under section 454 passed by the Registrar of Companies, Andhra Pradesh 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 failed to appoint Company Secretary since the applicable provisions of the Act came into force to till date despite paid up capital has exceeded the prescribed limit as stated in the provisions of Section 203(1) of the Companies Act, 2013. Hearing was held before Registrar of Companies on 09.09.2022 and after hearing the authorized representative had levied a penalty of Rs.5.00 Lakhs on the Company and Rs.50,000/- each for 2 directors i.e., Venkata Subba Reddy Karri and Pushpalatha Tetali (total aggregating to Rs.6.00 Lakhs).

3. An opportunity of being heard was given by the then Regional Director to the Appellants on 10.04.2023. The authorized representative Mr. K Manoj Kumar, Practicing Company Secretary appeared on behalf of the appellants and reiterated

Contd..2.



// 02 //

the submissions made in the appeal and also submitted that it is private limited company and having only 2 shareholders not much work is there for a Whole-time Company Secretary. Further due to Covid-19 pandemic prevailed after few months of company's incorporation, Company could not appoint a Whole-time Company Secretary which is beyond its control. Further none showed any interest during the last so many times as company has taken initiative in this regard. Despite all these conditions the Company has appointed Vineel Konda Raju Mudundi as Company Secretary of the Company with effect from 01.03.2023 and complied with the provisions of Section 203 of the Companies Act, 2013 and requested to reduce the quantum of penalty as levied by Registrar of Companies with regard to Company and directors.

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 following reasons:

(a) due to Covid-19 pandemic, Company was unable to appoint Whole Time Company Secretary as none shown interest despite company's effort during that period.

(b) company is private limited and there is no injury to the public interest

(c) Despite all these conditions the Company has appointed Vineel Konda Raju Mudundi as Company Secretary of the Company with effect from 01.03.2023.

Taking into consideration the facts of the appeal and submissions made by the authorized representative, the then Regional Director had reduced the penalty as imposed by Registrar of Companies, for the Company to Rs.3,00,000/- and keeping intact the penalty of Rs.50,000/- each (as imposed by Registrar of Companies vide its order dated 09.09.2022) for 2 directors i.e., Venkata Subba Reddy Karri and Pushpalatha Tetali (total aggregating to Rs.4,00,000/-). 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.

Contd..3.



5. Accordingly, the penalty was paid with respect to Company and by 2 Directors i.e., Venkata Subba Reddy Karri and Pushpalatha Tetali amounting to Rs.4,00,000/- vide SRN X42786087 dated 15.05.2023 and X63692289 dated 04.01.2024. Accordingly, this order is issued to the Appellants with a copy to Registrar of Companies, Andhra Pradesh 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 12th day of January 2024.



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

Copy for information and necessary action to :

1. M/s. Vaasudev Grain Mill Private Limited
4-188, Tossipudi, Biccavole Mandal, East
Godavari, Andhra Pradesh- 533345.
2. Venkata Subba Reddy Karri, Director
D.No.5-20, Sivalayam Street, Komaripalem,
Andhra Pradesh- 533346
3. Pushpalatha Tetali
4-126, Ramalayam, Street Komaripalem,
Andhra Pradesh- 533346
4. Registrar of Companies, Ministry of Corporate Affairs,
Andhra Pradesh, Vijayawada.
5. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

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