

F.No:9/01/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2023/1439

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF SRI VASUDEVA TRADE CENTER PRIVATE LIMITED

1. M/s. Sri Vasudeva Trade Center Private Limited
2. Mr. Murli Krishna Desu, Director
3. Mr. Prameela Rani Desu, Director

Appellants

Date of hearing : 04.05.2023

Present : Mr. Y. Venkateshwara Rao, 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 F58287087 dated 02.02.2023 against the adjudication order No. ROC(V)/ADJ[454]/Sec203(5)/SVTCPL/2022-23 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 Whole-time 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 Company 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.5,00,000/- on the Company and Rs.50,000/- each for two directors i.e., Murli Krishna Desu and Prameela Rani Desu (total aggregating to Rs.6.00 Lakhs).

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3. An opportunity of being heard was given to the Appellants on 04.05.2023. The authorized representative Mr. Y. Venkateshwara Rao, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that the Company was incorporated on 01.11.2019 and few months after Covid-19 pandemic effected whole country. Company has not yet started its business and not a single rupee earned as on date. Further, it is observed that company is incurring losses 2021-22 (Rs.5-6 lakhs), 2022-23 (Rs.1.9 Lakhs). Further company is a Private Company and requested to reduce the quantum of penalty as levied by Registrar of Companies.

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) Company has not yet started its business and not a single rupee earned as on date

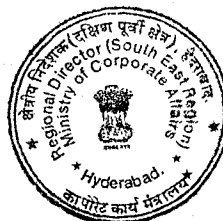
(d) company is incurring losses 2021-22 (Rs.5-6 lakhs), 2022-23 (Rs.1.9 Lakhs)

(e) imposing maximum penalty by the Registrar of Companies on the company, its other director is burdensome on the Company.

(f) Registrar of Companies passed the adjudication order in a manner without taking into consideration any of the above facts as evident from his order dated 09.09.2022.

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 for the Company to Rs.1,00,000/- and for Murli Krishna Desu and Prameela Rani Desu, Directors to Rs.50,000/- each (total

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aggregating to Rs.2,00,000/-). 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.

5. Accordingly, penalty was paid by the Company amounting to Rs.1,00,000/- and Murli Krishna Desu and Prameela Rani Desu, Directors for Rs.50,000/- each (total aggregating to Rs.2,00,000/-) vide SRN's X42470716 and X42464875, X42464081 dated 10.05.2023 respectively. 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 29<sup>th</sup> day of May 2023.

M/s. Sri Vasudeva Trade Center Private Limited  
D.No 19-92/291, Shop No 29, M G Commercial Complex,  
Gollapudi Vijayawada Rural Krishna, Andhra Pradesh-521225.



*B. Mohanty*  
(B. MOHANTY)  
REGIONAL DIRECTOR( SER)  
HYDERABAD

Copy for information and necessary action to

1. Murli Krishna Desu, Director,  
No.33-5-48, 1<sup>st</sup> Floor, Papaiah Street,  
Seetarampuram, Vijayawada-520 002,  
Andhra Pradesh.
2. Prameela Rani Desu, Director,  
No.33-5-48, 1<sup>st</sup> Floor, Papaiah Street,  
Seetarampuram, Vijayawada-520 002,  
Andhra Pradesh
3. Registrar of Companies, Ministry of Corporate Affairs,  
Andhra Pradesh, Vijayawada.
4. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

*sd/-*  
(B. MOHANTY)  
REGIONAL DIRECTOR( SER)  
HYDERABAD