

F.No:9/10/ADJ/SEC.203 of 2013/ANDHRA PRADESH/RD(SER)/2024

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013 / 6938

IN THE MATTER OF SHRUSHTI CONTECH PRIVATE LIMITED

1. M/s. Shrushti Contech Private Limited
2. Jampala Madhusudhan Reddy, Managing Director
3. Jampala Prasanna Lakshmi, Director
4. Jampala Sujatha, Director
5. Jampala Rajasekhar Reddy, Director

Appellants

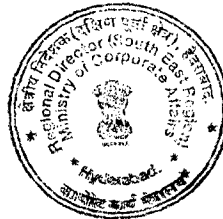
Date of hearing: 01.02.2024

Present: Mr. M Maruthi Rao, PCA

### 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 F90210824 dated 13.01.2024 against the adjudication order F No. ADJ72/203 OF 2023-24/876 dated 21.11.2023 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 the Whole-time Company Secretary since the applicable provisions of the Act came into force i.e., on 02.11.2018 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 30.10.2023 and after hearing the authorized representative had levied a penalty of Rs.5,00,000/- each on the Company and 4 directors i.e., Jampala Prasanna Lakshmi, Jampala Sujatha, Jampala Madhusudhan Reddy and Jampala Rajasekhar Reddy (total aggregating to Rs.25,00,000/-).



Contd..2.

3. An opportunity of being heard was given to the Appellants on 01.02.2024. The authorized representative Mr. M Maruthi Rao, Chartered Accountant appeared on behalf of the appellants and reiterated the submissions made in the appeal and from the appeal submitted by the company it has been stated that the Company is a private limited company and was delayed in complying the provisions of section 203 of the Companies Act, 2013 failure to appoint company secretary for the period from 02.11.2018 to 30.11.2023. The company has put all its efforts into appointing the said Company Secretary person but could not do so due to no availability of suitable qualified Company Secretary during the lock down and covid 19 pandemic period. Further company has appointed Jhalak Jain, Company Secretary on 01/12/2023 and complied the provisions of section 203 of the Companies Act, 2013 and also stated that the delay was inadvertent and unintentional on the part of the applicants and did not cause any financial loss to the Company or its stakeholders at large or injury to the interest of public.

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:

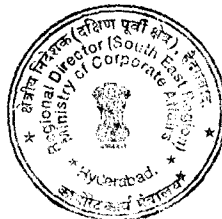
(a) Company is a private limited company and was delayed in complying the provisions of section 203 of the Companies Act, 2013 failure to appoint company secretary for the period from 02.11.2018 to 30.11.2023.

(b) The company has put all its efforts into appointing the said Company Secretary person but could not do so due to no availability of suitable qualified Company Secretary during the lock down and covid 19 pandemic period.

(c) the delay was inadvertent and unintentional on the part of the applicants and did not cause any financial loss to the Company or its stakeholders at large or injury to the interest of public.

(d) company appointed Jhalak Jain, Company Secretary on 01/12/2023 and complied the provisions of section 203 of the Companies Act, 2013.

**Contd..3.**




// 03 //

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., Rs.75,000/- each for the Company and 4 directors i.e., Jampala Prasanna Lakshmi, Jampala Sujatha, Jampala Madhusudhan Reddy and Jampala Rajasekhar Reddy (total aggregating to Rs.3,75,000/-). 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.

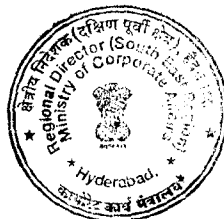
5. Accordingly, penalty was paid by the Company and 4 directors i.e., Jampala Prasanna Lakshmi, Jampala Sujatha, Jampala Madhusudhan Reddy and Jampala Rajasekhar Reddy (total aggregating to Rs.3,75,000/-) vide SRN's X67640888, X67712513, X67715177, X67878389 and X67882043 dated 14.02.2024, 15.02.2024 & 16.02.2024 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 19<sup>th</sup> day of February 2024.

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

Copy for information and necessary action to :

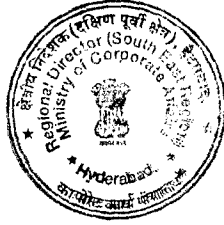
1. M/s. Shrushti Contech Private Limited  
S.No. 294/3, Bollavaram, Near Chowtapalli  
Proddatur, Ysr District, Proddatur, Cuddapah,  
Andhra Pradesh- 516360.
2. Jampala Prasanna Lakshmi, Director  
High-49, AP Housing Board Colony, Gopavaram,  
Proddatur, Cuddapah, Andhra Pradesh- 516360.
3. Jampala Sujatha, Director  
Plot No.134, Flat No.402, Sri Nivasam Apartments,  
Near HDFC Bank Lane, Srinagar Colony,  
Hyderabad, Telangana- 500073.




Contd..4.

// 04 //

4. Jampala Madhusudhan Reddy, Managing Director  
High-49, AP Housing Board Colony, Gopavaram,  
Proddatur, Cuddapah, Andhra Pradesh- 516360.
5. Jampala Rajasekhar Reddy, Director  
Plot No.134, Flat No.402, Sri Nivasam Apartments,  
Near HDFC Bank Lane, Srinagar Colony,  
Hyderabad, Telangana- 500073.
6. Registrar of Companies, Ministry of Corporate Affairs,  
Andhra Pradesh, Vijayawada.
7. The Joint Secretary, E-Governance Cell,  
Ministry of Corporate Affairs, New Delhi.



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