

F.No:9/11/ADJ/SEC.117 of 2013/KARNATAKA/RD(SER)/2024

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013 /6930

IN THE MATTER OF STANLEY LIFESTYLES LIMITED

1. M/s. Stanley Lifestyles Limited
2. Shubha Sunil, Whole time Director
3. Sunil Suresh, Managing Director
4. Akash Shetty, Company Secretary
5. Pradeep Kumar, CFO(KMP)
6. Jitesh Bansal, Company Secretary

Appellants

Date of hearing : 01.02.2024

Present : Mr. Hari Babu Pothapu, PCS

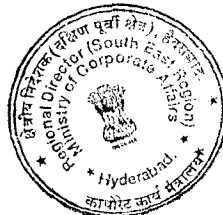
ORDER

This is an appeal filed under section 454(5) of the Companies Act, 2013 by the above appellants in e-form ADJ vide SRN F91430918 dated 31.01.2024 against the adjudication order FNo. ROC(B)/Adj.Ord.454-117(1)/ Stanley Lifestyles / Co.No.044090 /2023 dated 28.12.2023 under section 454 passed by the Registrar of Companies, Karnataka for violation of provisions of Section 117(1) of the Companies Act, 2013.

2. Registrar of Companies in his order of adjudication has stated that the Company has filed three suo-motu adjudications on 07.09.2023 wherein it was submitted by the company that three resolutions were passed by the company which ought to have been filed in e-form MGT-14 as per the provisions of Section 117(1) of the Act which have been missed out inadvertently.

S.No	Event	Section	Date of Passing resolution
1	Borrowing power of the Board (Kotak Mahindra Bank)	179(3)(d)	20.05.2019
2	Variation in terms of appointment i.e. remuneration of a managing director	117(3)(c)	16.12.2019
3	Borrowing power of the Board (HDFC Bank)	179(3)(d)	27.09.2021

Contd..2.



Hearing was held before Registrar of Companies on 05.12.2023 and after hearing the authorized representative had levied a penalty of Rs. 3,95,700/- on the Company and Rs.1,50,000/- each for 3 officers i.e., Shubha Sunil, Sunil Suresh and Akash Shetty and Rs. 1,29,000/- for Pradeep Kumar and Rs.1,00,000/- for Jitesh Bansal (total aggregating to Rs.10,74,700/-).

3. An opportunity of being heard was given to the Appellants on 01.02.2024. The authorized representative Mr. Hari Babu Pothapu, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and from the appeal filed it is observed that:

(a) The company had failed to file form MGT-14 for the resolution passed for exercising the borrowing monies power of the Board (availing credit card facility for online payments upto Rs.5,00,000/- from Kotak Mahindra Bank) vide resolution dated 20.05.2019 as required under section 117(1) and 117(3)(g) read section 179(3)(d) of the Companies Act, 2013. The form MGT-14 was filed on 13/10/2023 vide SRN AA5846094.

(b) The company has failed to file form MGT-14 for variation in terms of appointment i.e. remuneration of a managing directors (reduction in remuneration payable to Appellant 2 and Appellant 3) resolution dated 16/12/2019 as required under section 117(1) and 117(3)(c) of the Companies Act, 2013. The form MGT-14 was filed on 13/10/2023 vide SRN AA5839827.

(c) The company has failed to file form MGT-14 for exercising the borrowing monies, power of the Board (for availing auto loan of Rs.75,00,000/- from HDFC Bank) resolution dated 27/09/2021 as required under section 117(1) and 117(3)(g) read section 179(3)(d) of the Companies Act, 2013. The form MGT-14 was filed on 13/10/2023 vide SRN AA5844698.

(d) The company has failed to file the aforementioned form MGT-14 s within due date for the above-mentioned resolutions. However, the company had filed resolution on 13/10/2023 with the additional fee as per the Companies (The Registration Offices and Fees) Rules, 2014.

Contd..3.



(e) Due to over sightedness and the disruptions caused by covid-19 pandemic, the Company's business was affected and the main focus of the Company was to maintain its existing turnover and profits of the Company. Further the staff of the Company were working from home, which had its limitations.

(f) Imposing maximum penalty by the Registrar of Companies, on the Company, its Managing Director, Whole-Time Director, CFO, CSs (including Ex-CS), is harsh, burdensome on the Company.

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 reasons as stated at para 3 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 20% i.e., for the Company amounting to Rs.79,140/- and for 3 officers i.e., Shubha Sunil, Sunil Suresh and Akash Shetty amounting to Rs.30,000/- each and for Pradeep Kumar amounting to Rs.25,800/- and for Jitesh Bansal amounting to Rs.20,000/- (total aggregating to Rs.2,14,940/-). 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.79,140/- and by 3 officers i.e., Shubha Sunil, Sunil Suresh and Akash Shetty amounting to Rs.30,000/- each and by Pradeep Kumar amounting to Rs.25,800/- and by Jitesh Bansal amounting to Rs.20,000/- (total aggregating to Rs.2,14,940/-) vide SRN's X66043696, X66043704, X66044074, X66044082, X66044231 and X66043365 dated 02.02.2024 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. Stanley Lifestyles Limited
SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra
Village, Attibele Hobli, Anekal Taluk, Bangalore,
Karnataka- 560100.
2. Shubha Sunil, Whole time Director
No.1/1, Flat No.S-2, Skyline May Flower Apts
Leonard Lane, Richmond Town, Bengaluru,
Karnataka- 560025.
3. Sunil Suresh, Managing Director
No.275, 10th Cross, Wilson Garden,
Bangalore, Karnataka- 560027.
4. Akash Shetty, Company Secretary
No.15, 1st Flr, Sai Nivas, 4th Cross SR L/O, Wind Tunnel Rd,
Murgeshpalya, Hal old Town, Bangalore, Karnataka- 560017.
5. Pradeep Kumar, CFO(KMP)
Flat No.B1-703, White House Apartment, 6th Main,
15th Cross, Near R T Nagar, BDA Complex, RT Nagar,
Bangalore, Karnataka- 560032.
6. Jitesh Bansal, Company Secretary
Ballapur Road, Govindpur,
Dhanbad, Jharkhand- 828109.
7. Registrar of Companies, Ministry of Corporate Affairs,
Karnataka, Bangalore.
8. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.




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