

F.No:9/128/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/5783

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF SRI BHUVANESWARI AGRI PROCESSING & MARKETING PRIVATE LIMITED

1. M/s. Sri Bhuvanewari Agri Processing & Marketing Private Limited
2. Mr. Eluri Prasad Rao, Director
3. Mr. Karupati Harikrishna, Director

Appellants

Date of hearing : 27.03.2023

Present : Mr. Uppalapati Satish, 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 F52450921 dated 09.12.2022 against the adjudication order No. ROC(V)/ADJ(454)/SEC 203(5)/SBAPMPL/2022-23/2207 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., Eluri Prasada Rao and Karupati Harikrishna (total aggregating to Rs.6.00 Lakhs).



Contd..2.

3. An opportunity of being heard was given to the Appellants on 27.03.2023. The authorized representative Mr. Uppalapati Satish, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal submitting that the following reasons:

(a) the company has availed secured loan of Rs.47,25,00,000/- from IDBI Bank Limited. Due to some unavoidable and unexpected situations it was unable to repay the instalments within the scheduled repayment terms accordingly it became non-performing assets to the banker. Consequently, business operations of the company were stalled from the financial year 2012-13 onwards and accordingly, company has not earned any income.

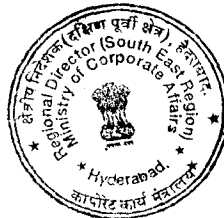
(b) Company has been incurring heavy losses from the past several years i.e. from 2012-13 onwards and even before the company has not earned any significant profits.

(c) Networth of the company is eroded. Consequently, business operations of the company were stalled from the financial year 2012-13 onwards and accordingly, the company has not earned any income. Promoters of the company not intended to restart business activities due to unviable business environment.

(d) Company and its promoters have been trying hard to settle all its statutory and other liabilities.

(e) Company is not in a position to bear the cost of remuneration payable to the Whole Time Company Secretary keeping in view of the present financial state of affairs of 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 the above reasons as stated by the authorized representative and penalty imposed by Registrar of Companies is reduced by the then Regional Director, for the Company to Rs.1,00,000/- and for 2 directors i.e., Eluri Prasada Rao and Karupati Harikrishna to Rs.50,000/- each (total aggregating to Rs.2,00,000/-).



Contd..3.

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 for 2 directors i.e., Eluri Prasada Rao and Karupati Harikrishna to Rs.50,000/- each (total aggregating to Rs.2,00,000/-) vide SRN's X59625962, X59626937 and X59625970 dated 28.11.2023 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 13<sup>th</sup> day of December 2023.



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

Copy for information and necessary action to

1. M/s. Sri Bhuvanewari Agri Processing & Marketing Private Limited  
6-21-63B, Lakshmi Venkateswara Nilayam, 1st Floor 15/2,  
Arundelpet, Krishna, GUNTUR, Andhra Pradesh- 522002
2. Mr. Eluri Prasada Rao, Director  
Sri Ram Residency, Pattablhapuram,  
Guntur, Andhra Pradesh- 520006.
3. Mr. Karupati Harikrishna, Director  
D.No.9-99, 9-1 to 9-121, Lingayapalem, Lalpuram  
(Village), Guntur, Andhra Pradesh- 522017.
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