

F.No:9/87/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/1384

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF ANANDA ENTERPRISES INDIA PRIVATE LIMITED

1. M/s. Ananda Enterprises India Private Limited
2. Jogi Anand Varma Uddaraju, Director
3. Kasi Viswanadha Raju Uddaraju, Director
4. Muralianandvarma Uddaraju, Director
5. Ramakrishnama Raju Uddaraju, Director
6. Sri Rama Lakshmi Pathi Bhogaraju Uddaraju, Director
7. Suryanarayana Raju Uddaraju, Director
8. Uddaraju Anand Ramesh Varma, Director

Appellants

Date of hearing : 28.12.2022

Present : Mr. M Nagaraju, 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 F31220460 dated 19.10.2022 against the adjudication order No. ROC(V)/ADJ/454/Sec.203(5)/AEIPL/2022-23/1324 dated 18.08.2022 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 appoint the Whole-time Company Secretary after the cessation of previous Company Secretary on 31.01.2020. Hearing was held before Registrar of Companies on 18.08.2022 and after hearing the authorized representative had levied a penalty of Rs.5.00 Lakhs each on the Company and seven directors i.e., Jogi Anand Varma Uddaraju, Kasi Viswanadha Raju Uddaraju, Muralianandvarma Uddaraju, Ramakrishnama Raju Uddaraju, Sri Rama Lakshmi Pathi Bhogaraju Uddaraju, Suryanarayana Raju Uddaraju and Uddaraju Anand Ramesh Varma (total aggregating to Rs.40.00 Lakhs).

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3. An opportunity of being heard was given to the Appellants on 28.12.2022. The authorized representative Mr. M Nagaraju, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that the Company was having a whole-time Company Secretary upto 31.01.2020 and after he resigned company could not appoint another due to Covid-19 pandemic. The Company is a closely held Private Limited with all the shareholders and Directors being relatives and friends of the promoters. Since incorporation, there has been no involvement of the public in the ownership and management of affairs of the company. Since the registered office of the company is remotely located in a small town named Bhimavaram in West Godavari District of Andhra Pradesh, it was difficult for the company to appoint/retain a suitable candidate to the position of Whole Time Company Secretary. Despite all these conditions the Company has appointed Nishi Aisha Baig as Company Secretary of the Company with effect from 01.09.2022 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.

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.

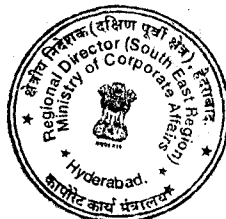
(b) The company is a closely held Private Limited Company with all the shareholders and Directors being relatives and friends of the promoters.

(c) Company is private limited and there is no injury to the public interest.

(d) the registered office of the company is remotely located in a small town

(e) imposing maximum penalty by the Registrar of Companies on the company and all the directors in the same footing is harsh, burdensome on the Company.

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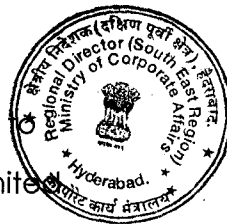
(f) Registrar of Companies passed the adjudication order in a manner without taking into consideration any of the above facts as evident from his order dated 18.08.2022.

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.3,00,000/- and for seven directors i.e., Jogi Anand Varma Uddaraju, Kasi Viswanadha Raju Uddaraju, Muralianandvarma Uddaraju, Ramakrishnama Raju Uddaraju, Sri Rama Lakshmi Pathi Bhogaraju Uddaraju, Suryanarayana Raju Uddaraju and Uddaraju Anand Ramesh Varma to Rs.64,960/- each (total aggregating to Rs.7,54,720/-). 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.3,00,000/- and for seven directors i.e., Jogi Anand Varma Uddaraju, Kasi Viswanadha Raju Uddaraju, Muralianandvarma Uddaraju, Ramakrishnama Raju Uddaraju, Sri Rama Lakshmi Pathi Bhogaraju Uddaraju, Suryanarayana Raju Uddaraju and Uddaraju Anand Ramesh Varma to Rs.64,960/- each (total aggregating to Rs.7,54,720/-) vide SRN's X38016945, X38013892, X38005989, X38011193, X38009742, X38012381, X38014080 and X38010781 dated 15.03.2023 respectively. Accordingly, this order is issued to the Appellant Company 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 27th day of May 2023.


(B. MOHANTY)
REGIONAL DIRECTOR (SER)
HYDERABAD



Copy for information and necessary action

1. M/s. Ananda Enterprises India Private Limited
27-8-21/3, Sivarao Pet, Bhimavaram,
Andhra Pradesh- 534202.
2. Registrar of Companies, Ministry of Corporate Affairs,
Andhra Pradesh, Vijayawada.
3. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.