

F.No:9/56/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022 /1561

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF ANANTHAPUR ENERGY PROJECTS PRIVATE LIMITED

1. M/s. Ananthapur Energy Projects Private Limited
2. Venkata Sunil Kumar Talla, Director
3. Lakshmi Prasad Yerneni, Director

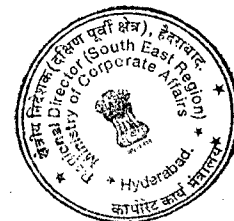
Appellants

Date of hearing : 10.11.2022  
Present : MS. T Durga Pallavi, 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 F27889609 dated 07.10.2022 against the adjudication order No. ROC(V)/ADJ(454)/Sec.203/EOWEPL/2022/1244 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 the Whole-Time Company Secretary since the applicable provisions of the Act came into force i.e., on 02.11.2018 to 30.07.2022 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 18.08.2022 and after hearing the authorized representative had levied a penalty of Rs.5.00 Lakhs on the Company and Rs.50,000/- each two directors i.e., Venkata Sunil Kumar Talla (Director) and Lakshmi Prasad Yerneni (Director) (total aggregating to Rs.6.00 Lakhs).



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3. An opportunity of being heard was given to the Appellants on 10.11.2022. The authorized representative Ms. T Durga Pallavi, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that company is not financially strong and is running through the losses since incorporation and also affected by the Covid-10 pandemic. Company and its managerial personnel has always been searching for a suitable candidate to recruit in the position of whole-time company secretary. But it was not successful as the market expectation of a Whole-Time Company Secretaries were always high demand and there is always a scarcity for the potential candidate. Still the company being under such losses has appointed a Whole Time Company Secretary i.e. Vangari Sushma with effect from 01.08.2022 and requested to reduce the 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) Company is not doing any business from the beginning.
- (b) Company is not financially strong and is running through losses since incorporation.
- (c) Company is private limited and there is no injury to the public interest.
- (d) imposing maximum penalty by the Registrar of Companies on the company, its directors is burdensome on the Company.
- (e) 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.50,000/- and for two Director i.e., Venkata Sunil Kumar Talla and Lakshmi Prasad Yerneni to Rs.40,000/- each (total aggregating to Rs.1,30,000/-). 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.



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5. Accordingly, penalty was paid by the Company amounting to Rs.50,000/- vide SRN's X43470350 dated 25.05.2023 and for two Director i.e., Venkata Sunil Kumar Talla for Rs.40,000/- (Rs.20,000/- vide SRNs X43471630 dated 25.05.2023 and Rs.20,000/- vide X39948252 dated 10.04.2023) and Lakshmi Prasad Yerneni to Rs.40,000/- vide SRN X43471226 dated 25.05.2023 (total aggregating to Rs.1,30,000/-). Accordingly, this order is issued to 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 30<sup>th</sup> day of May 2023.

M/s. Ananthapur Energy Projects Private Limited  
# 32-5-3, Lakshmi Nilayam, Prajasakti Nagar,  
Vijayawada, Krishna, Andhra Pradesh- 520010



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

Copy for information and necessary action to :

1. Registrar of Companies, Ministry of Corporate Affairs, Andhra Pradesh, Vijayawada.
2. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

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