

F.No:9/98/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022 1408

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF ACE URBAN DEVELOPERS PRIVATE LIMITED

1. M/s. Ace Urban Developers Private Limited
2. Anil Kumar Chalamalasetty, Director
3. Mahesh Kolli, Director
4. Sharad Jhingan, Director
5. Swathi Chalamlasetty, Director

Appellants

Date of hearing : 07.02.2023

Present : Soma Sekhar Marthi, 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 F38628640 dated 01.11.2022 against the adjudication order No. ADJ 98/203 of 2022-23/1936 dated 07.09.2022 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 Whole Time Company Secretary as specified in section 203(1) of the Companies Act, 2013 after cessation of the previous Company Secretary on 30.01.2021. Hearing was held before Registrar of Companies on 07.09.2022 and after hearing the authorized representative had levied a penalty of Rs.5.00 Lakhs on the Company and Rs.50,000/- each for 4 directors i.e., Anil Kumar Chalamalasetty, Mahesh Kolli, Sharad Jhingan and Swathi Chalamlasetty (total aggregating to Rs.7.00 Lakhs).



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3. An opportunity of being heard was given to the Appellants on 07.02.2023. The authorized representative Mr. S.S.Marathi, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that the authorized and paid up share capital of the Company at the time of incorporation i.e. 04.02.2015 was Rs.1,00,000/- and the company increased its authorized share capital to Rs.60,00,00,000/- and issued, subscribed and paid up capital to Rs.59,37,65,300/-. From 01.09.2017 to 30.01.2021 company was having a Company Secretary and due to covid-19 pandemic situation company could not appoint any one as Company Secretary. Subsequently appointed Mr. Kumar Raghavan, as a full time Company Secretary with effect from 01.08.2022. Company is making huge losses of Rs.17,992.34 Lakhs during the year 2021-22 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 could not appoint anyone as a Company Secretary

(b) company is making huge losses of Rs.17,992.34 Lakhs during the year 2021-22.

(c) location of the registered office of the Company is situated in a remote place

(d) Registrar of Companies passed the adjudication order in a mechanical manner without taking into consideration any of the above facts as evident from his order dated 07.09.2022.

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 Company to Rs.1,00,000/- and for four directors i.e., Anil Kumar Chalamalasetty, Mahesh Kolli, Sharad Jhingan and Swathi Chalamlasetty to Rs.50,000/- each (total aggregating to Rs.3,00,000/-). 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 for Rs.1,00,000/- and for 4 directors i.e., Anil Kumar Chalamalasetty, Mahesh Kolli, Sharad Jhingan and Swathi Chalamlasetty for Rs.50,000/- each (total aggregating to Rs.3,00,000/-) vide SRN's X36134237, X36133080, X36229276, X36228013 and X36232130 dated 20.02.2023 & 21.02.2023 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 24th day of April 2023.



Bohanty
(B. MOHANTY)
REGIONAL DIRECTOR (SER)
HYDERABAD

Copy for information and necessary action to

1. Ace Urban Developers Private Limited
No.20-339/5, Opp: Collector Bungalow, Chilakalapudi,
Machilipatnam, Andhra Pradesh- 521001
2. Anil Kumar Chalamalasetty, Director
H.No.1-60/8/D-1, Rolling Hills, Near Ramky Towers,
Gachibowli, Hyderabad, Telangana- 500032
3. Mahesh Kolli, Director
Plot No.42 & 43, Flat No.F1, Woods Apartments,
Road No.72, Jubilee Hills, Shaikpet, Hyderabad,
Telangana- 500033.
4. Sharad Jhingan, Director
Flat No.902, The Vilas, Akashneem Marg,
DLF Cityphase-2, Sector-25 Chakarpuri (74),
Gurgaon, Haryana- 122002
5. Swathi Chalamlasetty, Director
1-60/8/6/D-1, Rolling Hills, Near Ramky Towers,
Gachibowli, Serilingampally, Gachibowli, Hyderabad,
Telangana- 500032
6. Registrar of Companies, Ministry of Corporate Affairs,
Andhra Pradesh, Vijayawada.
7. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.