

F.No:9/34/ADJ/SEC.203 of 2013/ANDHRA PRADESH/RD(SER)/2023

16599

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF MANGALAGIRI REALTY PRIVATE LIMITED

1. M/s. Mangalagiri Realty Private Limited
2. Mr. Bommireddy Prabhakar Reddy, Director
3. Mr. Bhogi Sridhara Rao, Director

Appellants

Date of hearing : 05.01.2024

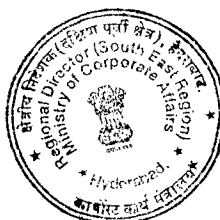
Present : Mr. M. Vijaya Kumar, PCS

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 F87034393 dated 07.12.2023 against the adjudication order No. ROC(V)/ADJ(454)/SEC 203(5)/CPPL/2022-23/773 dated 15.11.2023 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 not appointed the whole - time Company Secretary after the cessation of previous Company Secretary on 31.08.2020 and appointed Ms. Dadheech Joyothi as Whole Time Company Secretary on 06.07.2022. Hearing was held before Registrar of Companies on 15.11.2023 and after hearing the authorized representative had levied a penalty of Rs.5,00,000/- on the Company and Rs.1,96,000/- each on 2 directors i.e., Bommireddy Prabahakar Reddy and Bhogi Sridhara Rao (total aggregating to Rs.8,92,000/-).

3. An opportunity of being heard was given to the Appellants on 05.01.2024. The authorized representative Mr. M. Vijaya Kumar, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the



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appeal and also submitted that the company is into Construction Business and Company is not financially strong and is running through losses. Further, it was severely hit by Covid and there being changes occurred in the Board of Directors and Other Key Management personnel, the Company could not finalize a candidate for appointment in the position of Company Secretary within the time line. However, the 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 secretary were always high.

- a) The company had appointed as a whole time company secretary on 06.07.2022 and offence was made good.
- b) That the defaults made by the company and its officers were unintentional.
- c) That even through the company had been endeavoring to appoint a whole time Company secretary during the defaulting period.
- d) That there were no mala fide motives for non-appointing Company Secretary.
- e) The even though the Company had not appointed the Company Secretary during such default period, all the Compliances required to be complied by the Company under the Companies Act, 2013 were taken care of by the Company.
- f) The Company and its Directors assure that it will take more due care and caution henceforth in compliance of the various applicable provisions of Companies Act, 2013.

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 reasons as stated therein 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 15% i.e., Rs.75,000/- on the Company and Rs.29,400/- each on 2 directors i.e., Mr. Bommireddy Prabhakar Reddy and Mr. B. Sridhara Rao (total aggregating to Rs.1,33,800/-). 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.

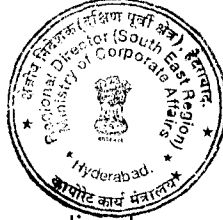
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5. Accordingly, penalty was paid by the Company amounting to Rs.75,000/- and 2 directors i.e., Mr. Bommireddy Prabhakar Reddy and Mr. B. Sridhara Rao (total aggregating to Rs.1,33,800/-) vide SRN's X63782098, X63785091 and X63785141 dated 05.01.2024 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 02nd day of February 2024.



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

Copy for information and necessary action to :

1. M/s. Mangalagiri Realty Private Limited
D.No.64-9-1, Gopala Krishna Bhavan, Beside
Eenadu Office, MG Road, Patamata, Krishna,
Vijayawada, Andhra Pradesh- 520008.
2. Mr. Bommireddy Prabhakar Reddy, Director
Plot No.75A, 1st Floor, Film Nagar, Jubilee Hills,
Hyderabad, Telangana- 500033.
3. Mr. Bhogi Sridhara Rao, Director
Block-M, Flat No.903, Phase-2, Rainbow
Vistas Moosapet, Rock Garden Moosapet,
K V Rangareddy, Hyderabad, Telangana- 500018.
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