

F.No:9/70/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022

16518

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF AVANTI LEATHERS LIMITED

1. M/s. Avanti Leathers Limited
2. Vasudeva Rao Dhanekula, Managing Director
3. Sivaji Narla, CFO
4. Opendar Kumar Kaul, Director
5. Sadhu Sundar Mallela, Director
6. Sreenivasa Reddy Maddala, Director
7. Dhanekula Nanda Kishore, Director
8. Ashok Kumar Aluri, Director

Appellants

Date of hearing: 29.12.2022

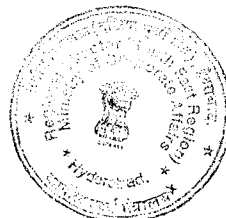
Present : Mr. Vikas J Thakker, PCS

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 F28628261 dated 11.10.2022 against the adjudication order No. ROC(V)/ADJ(454)/SEC203(5)/AVL/2022/1480 dated 17.08.2022 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 as specified in section 203(1) of the Companies Act, 2013 after cessation of the previous Company Secretary on 31.07.2020 to 31.07.2022. Hearing in the matter was scheduled before Registrar of Companies on 17.08.2022 but none appeared for hearing, accordingly Registrar of Companies had levied a penalty of Rs.5.00 Lakhs on the Company and for 4 officers i.e., Vasudeva Rao Dhanekula, Sivaji Narla, Sadhu Sundhar Mallela and Sreenivasa Reddy Maddala and Rs.2,94,000/- for 3 officers i.e., Opendar Kumar Kaul, Dhanekula Nanda Kishore and Ashok Kumar Aluri (total aggregating to Rs.33.82 Lakhs).

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3. An opportunity of being heard was given to the Appellants on 29.12.2022. The authorized representative Mr. Vikas J Thakker, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal before the then Regional Director and also submitted that Company was having Whole Time Company Secretary upto 31.07.2020 and later he resigned due to Covid-19 pandemic and it could not be possible to appoint another in his place till 31.07.2022. From 01.08.2022 the Company has appointed a Whole Time Company Secretary i.e. Neetu Sharma and requested to waive off the penalty as levied by the 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) company has taken all reasonable steps during the Covid Pandemic and regularized the compliance of Section 203 of the Companies Act, 2013.

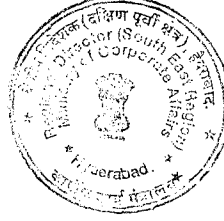
Hence, taking into consideration the report of Registrar of Companies, appeal and submissions made by the authorized representative penalty as imposed by Registrar of Company has been reduced by the then Regional Director and directed to pay Rs.1,06,000/- for the Company, Rs.56,000/- for Mr. Vasudeva Rao Dhanekula, Managing Director and Rs.46,000/- for Mr. Sivaji Narla, CFO (total aggregating to Rs.2,08,000/-) and the penalty as levied by Registrar of Companies with respect to Opendar Kumar Kaul, Sadhu Sundar Mallela, Sreenivasa Reddy Maddala Dhanekula Nanda Kishore, Ashok Kumar Aluri, Directors has been waved off as the Company is having a Managing Director and CFO. 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.



Contd..3.

5. Accordingly, penalty was paid by the Company amounting to Rs.1,06,000/-, Vasudeva Rao Dhanekula, Managing Director for Rs.56,000/- and for Opendra Kumar Kaul, Director for Rs.46,000/- (instead of Mr. Shivaji Narla, CFO) and matter was taken up with the company requesting to furnish the details regarding payment of penalty of Mr. Shivaji Narla, CFO, accordingly e-mail dated 27.01.2023 received from the company stating that Mr. Shivaji Narla was expired on 20.12.2021 (total aggregating to Rs.2,08,000/-) vide SRN's X34743583 dated 03.02.2023, X34172791 dated 28.01.2023 and X35005297 dated 07.02.2023 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 01st day of February 2024 2023.



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

Copy for information and necessary action to :

1. M/s. Avanti Leathers Limited
Avanti, Kambakkam Village, Varadayapalem
Andhra Pradesh -517541
2. Vasudeva Rao, Managing Director
3362A/2, AE Block, 8th Street, 10th Main Road,
Anna Nagar, Chennai, Tamil Nadu- 600040.
3. Opendra Kumar Kaul, Director
102B, Vaibhav Nagar, Kanadia Road, Kanadia,
Indore, Madhya Pradesh- 452016.
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)