

F.No:9/77/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/1254

BEFORE THE REGIONAL DIRECTOR, SOUTHEAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF
NARASIMHASWAMY SOLAR GENERATIONS PRIVATE LIMITED & APPELLANTS

1. M/s. Narasimhaswamy Solar Generations Private Limited
2. B. Diwakar Reddy, Managing Director
3. Venkata Rami Reddy Sanivarapu, Director
4. Dinesh Reddy Sanivarapu, Director
5. Prasad Reddy Byreddy, Director

Appellants

Date of hearing : 15-02-2023

Present : B. Diwakar Reddy, Managing Director

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 F30318216 dated 15.10.2022 against the adjudication order No. ROC(V)/ADJ(454)Sec203(5)/NSGPL/2022/1270 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 after the cessation of previous Company Secretary on 01.07.2019 till date despite paid up capital exceeded the prescribed limit as stated in the provisions of 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. 5,00,000/- on the Company and Rs.50,000/- each for Diwakar Reddy Byreddy, Managing Director, Venkata Rami Reddy Sanivarapu, Dinesh Reddy Sanivarapu and Prasadreddy Byreddy, Directors (total aggregating to Rs. 7,00,000/-).



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3. An opportunity of being heard was given to the Appellants on 15.02.2023. The authorized representative B. Diwakar Reddy, Managing Director of the Company appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that the company is having only 6 shareholders all are belonging to one family. Company is not yet able to generate profits since inception. Revenue generation is insufficient. No public interest is also involved. Company is having a Managing Director and he should be charged as officers in default for imposing penalty. Other Directors are in non-executive capacity and should not have been charged. Despite all these conditions the Company has appointed Neha Karan Rangwani as Company Secretary of the Company with effect from 01.01.2023 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 with regard to Company, B. Diwakar Reddy, Managing Director and also to waive off the penalty as imposed for the other directors.

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:.

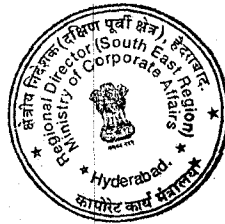
(a) due to Covid-19 pandemic, Company was unable to appoint Whole Time Company Secretary as none shown interest despite company's effort during that period.

(b) company is having only 6 shareholders and all are belonging to one family

(c) Company is not yet able to generate profits since inception

(d) No public interest is involved

(e) Registrar of Companies have not taken into consideration the facts that the Company is having a Managing Director, hence other non-executive director should not have been penalized.

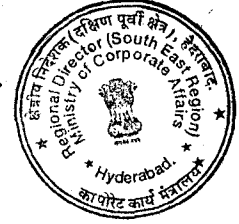


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Taking into consideration the facts of the appeal and submissions made by the authorized representative. I deem it would meet the end of justice if the penalty imposed by Registrar of Companies is reduced for the Company to Rs.1,00,000/- and B. Diwakar Reddy, Managing Director to Rs.50,000/- (total aggregating to Rs.1,50,000/-) and waived off the penalty on the other Directors as imposed by the Registrar of Companies as the Company is having a Managing Director who looks after the job of day-to-day activities. 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 and B. Diwakar Reddy, Managing Director amounting to Rs. 1.50 lakhs vide SRN's X36314755 dated 22.02.2023 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 16th day of May 2023.



✓ M/s. Narasimhaswamy Solar Generations Private Limited
House No. 28/1070 Sai Baba Nagar, Nunepally Nandyal,
Andhra Pradesh-518501.

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

Copy for information and necessary action to :

1. B. Diwakar Reddy, Managing Director
10-2-289/10, F-502, Padma Nilayam Road No.1,
Shanthinagar, Near Himalaya Book World,
Masab Tank, Hyderabad- 500028
2. Registrar of Companies, Ministry of Corporate Affairs,
Andhra Pradesh, Vijayawada.
3. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

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