

F.No:9/38/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/1454

BEFORE THE REGIONAL DIRECTOR, SOUTHEAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF DEVI CORPORATION PRIVATE LIMITED

1. M/s. Devi Corporation Private Limited
2. Sathvika Naidu Gangineni, Director
3. Vasundra Gangineni, Director

Appellants

Date of hearing : 28-10-2022

Present : T. Shriram, Company Secretary

**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 F25962309 dated 23-09-2022 against the adjudication order No. ROC(V)/ADJ(454)Sec203(5)/SSNR/2022-23/1074 dated 10.08.2022 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 since applicable provisions of the act came into force i.e., 02.11.2018 to 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 10.08.2022 and after hearing the authorized representative had levied a penalty of Rs. 5,00,000/- on the Company and Rs.50,000/- each for 2 directors i.e., Sathvika Naidu Gangineni and Vasundra Gangineni (total aggregating to Rs. 6.00 Lakhs).



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3. An opportunity of being heard was given to the Appellants on 28.10.2022. The authorized representative T. Sriram, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also stated that business prospectus have impacted heavily due to covid-19 pandemic. Company is not in a position to bear the financial implications of appointing a full time Company Secretary as per provisions of Companies Act, 2013 as company's operations descended heavily after covid-19 pandemic. Despite of active efforts for appointment of qualified full time Company Secretary, found difficult to find as company operations are in remote and rural area and taking into consideration has 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) business prospectus has impacted heavily due to covid-19 pandemic

(b) Company was unable to appoint Whole Time Company Secretary as none shown interest despite the company's effort during that period as company operations are in remote area.

(c) Revenue from operation are nil as per the financial year as at 31.03.2022 and 31.03.2021

(d) company is into losses for the financial year 31.03.2021 (Rs.79,553/-) and 31.03.2022 (Rs.69,673/-)

(e) company is private limited and there is no injury to the public interest

(f) 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 10.08.2022.

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 as

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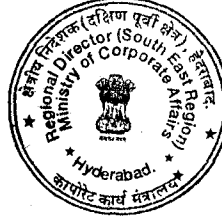
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imposed by Registrar of Companies is reduced for the Company to Rs. 50,000/- and for two directors i.e. Sathvika Naidu Gangineni and Vasundra Gangineni to Rs.30,000/- each (total aggregating to Rs.1,10,000/-). The appellants are directed to comply with this order 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 amounting to Rs. 50,000/- and for two directors i.e. Sathvika Naidu Gangineni and Vasundra Gangineni for Rs.30,000/- each (total aggregating to Rs. 1,10,000/-) vide SRN's X27117548, X27119809 and X27119445 dated 02.11.2022 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 29<sup>th</sup> day of May 2023.

M/S. Devi Corporation Private Limited  
D.No. 1-1B, Opp Road to Water Works,  
Singaraya Konda Post & Mandal,  
Singaraya Konda, Andhra Pradesh-523101



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

Copy for information and necessary action to :

1. Vasundara Gangineni, Director  
D.No. 1-1B, Opp Road to Water Works,  
Singaraya Konda Post & Mandal,  
Singaraya Konda, Andhra Pradesh-523101.
2. Sathvika Naidu Gangineni, Director  
D. No. 8-30, Vishnalayam Street,  
Tangutur Mandalam, Tangutur,  
Andhra Pradesh India- 523274.
3. Registrar of Companies, Ministry of Corporate Affairs,  
Andhra Pradesh, Vijayawada.
4. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi

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(B. MOHANTY)  
REGIONAL DIRECTOR (SER)  
HYDERABAD