

F.No:9/90/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022 /537

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF VIJAYNAGAR BIO-TECH PRIVATE LIMITED

1. M/s. Vijaynagar Bio-Tech Private Limited
2. Vivekananda Raju Datla, Managing Director
3. Ranga Raju Datla, Director
4. Datla Tirupathi Raju, Director
4. Ragava Raju Datla, Director
5. Sridevi Mantena, Director
6. Nishitha Pinnamaraju, CFO

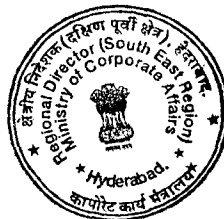
Appellants

Date of hearing : 18.11.2022
Present : P L Lavanya, 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 F30436927 dated 15.10.2022 against the adjudication order No. ROC(V)/ADJ(454)/Sec.203(5)/VBPL/2022-23/1369 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 02.03.2020. 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 Lakhs each on the Company, Vivekananda Raju Datla, Managing Director, Ranga Raju Datla, Datla Tirupathi Raju, Raghava Raju Datla and Sridevi Mantena, Directors and Rs.3.72 Lakhs for Nishitha Pinnamaraju, CFO (total aggregating to Rs.33.72 Lakhs).



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3. An opportunity of being heard was given to the Appellants on 18.11.2022. The authorized representative P Lakshmi Lavanya, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that earlier Company Secretary worked upto 02.03.2020 i.e. Ms. Priya Binani and resigned due to Covid-19 pandemic, After that company took all the steps but could not succeed in finding a suitable candidate for Whole Time Company Secretary as explained in its appeal. However, only on 25.07.2022 it could appoint Ms. Swati Singhi as Company Secretary of the Company. Further, company is having Managing Director and CFO who are responsible for all day to day affairs and to appoint a Company Secretary and other non-executive directors should not have been charged in an equal footing while imposing penalty 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:

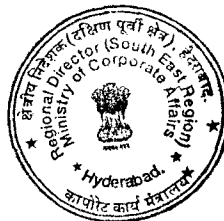
(a) due to Covid-19 pandemic, the mobility of the people completely hampered from place to place and people are not willing to move from their respective place which caused the delay in filing the vacancy.

(b) company registered office is situated at a remote place i.e. Kotha Kopperla of Vizianagaram District of Andhra Pradesh.

(c) company is a closely held private company. The entire shareholding of the company is held by family members and their associates and the Board of Directors, comprising of family members only.

(d) non-compliance of the provision of the Act in the present case is beyond the control of the company and its management. Management made the best effort in complying the provisions.

(e) when the Company is having a Managing Director and a CFO other non executive directors should not have been charged on equal footing.



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(f) 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 18.08.2022

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 imposed by Registrar of Companies is reduced for Company amounting to Rs.2,72,000/-, Vivekananda Raju Datla, Managing Director & Nishitha Pinnamaraju, CFO for Rs.58,000/- each and as the Company is having Managing Director and CFO who are responsible for all day to day affairs and other non-executive directors should not have charged in a equal footing while imposing penalty, accordingly penalty imposed by Registrar of Companies is reduced for four directors i.e., Ranga Raju Datla, Datla Tirupathi Raju, Raghava Raju Datla and Sridevi Mantena to Rs.25,000/- each (total aggregating to Rs.4,88,000/-). 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.2,72,000/-, for Vivekananda Raju Datla, Managing Director & Nishitha Pinnamaraju, CFO to Rs.58,000/- and for 4 directors i.e., Ranga Raju Datla, Datla Tirupathi Raju, Raghava Raju Datla and Sridevi Mantena to Rs.25,000/- each (total aggregating to Rs.4,88,000/-) vide SRN's X37381837, X37380748, X37381431, X37381084, X37380110, X37379385 and X37375599 dated 07.03.2023 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 25th day of April 2023.


(B. MOHANTY)
REGIONAL DIRECTOR (SER)
HYDERABAD

✓ M/s. Vijaynagar Bio-Tech Private Limited
D.No.9-29-15/7, 3rd Floor, Padmavathi Towers
VIP Road, Balaji Nagar, Siripuram, Vishakhapatnam,
Andhra Pradesh- 530003.



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2. Registrar of Companies, Ministry of Corporate Affairs,
Andhra Pradesh, Vijayawada.
3. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs,
New Delhi.

