

F.No:9/79/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022 /1262

BEFORE THE REGIONAL DIRECTOR, SOUTHEAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF DEVI AQUATECH PRIVATE LIMITED

1. M/s. Devi Aquatech Private Limited
2. Suryarao Yarlagadda, Managing Director
3. Veera Venkata Satyanarayana Murthy Yarlagadda, Director
4. Rajagopal Choudary Chitturi, Director
5. Veerraju Yarlagadda, Director
6. Indraneel Chitturi, Director
7. Venkataviswanadh Teegala, CFO

Appellants

Date of hearing : 28-10-2022

Present : T. Shiram, 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 F30496756 dated 16.10.2022 against the adjudication order No. ROC(V)/ADJ(454)/Sec.203(5)/DAPL/2022-23/1347 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 cessation of previous Company Secretary on 01.06.2019. Hence, the office of Whole Time Company Secretary is lying vacant beyond 6 months which means contravening the provisions of Section 203 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/- each on the Company, Suryarao Yarlagadda, Managing Director, Venkataviswanadh Teegala, CFO, Veera Venkata Satyanarayana Murthy Yarlagadda, Rajagopal Choudary Chitturi, Veerraju Yarlagadda and Indraneel Chitturi, Directors and (total aggregating to Rs. 35,00,000/-).

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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 submitted that there was a Whole Time Company Secretary upto 01.03.2019 and after that due to Covid-19 pandemic company could be succeed in appointing a competent Company Secretary i.e. Karuna Vanga on 16.09.2022. Further, the Company, though made profit which is in a downward trend if compared between 2021 & 2022. Further, the Company is having a Managing Director and CFO and other directors are not to be charged for the violations. 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, Company was unable to appoint Whole Time Company Secretary as none shown interest despite company's effort during that period.

(b) imposing maximum penalty by the Registrar of Companies on the company, its Managing Director, CFO and other directors is harsh, burdensome on the Company

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

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.1,69,820/-, Suryarao Yarlagadda, Managing Director, Venkataviswanadh Teegala, CFO to Rs.69,820/- each (total aggregating to Rs.3,09,460/-) and waived off the penalty on the other Directors as imposed by the Registrar of Companies as the Company is

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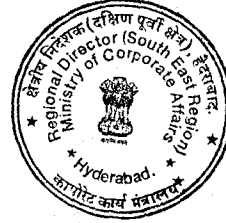


having a Managing Director who looks after the job of day-to-day activities. The appellants are directed to comply with this order and also provisions of Section 454(8) of the Companies Act, 2013 read with Companies (Adjudication of Penalties) Rules, 2014.

5. Accordingly, the penalty was paid by the Company Rs.1,69,820/-, Suryarao Yarlagadda, Managing Director, Venkataviswanadh Teegala, CFO amounting to Rs.69,820/- each (total aggregating to Rs.3,09,460/-) vide SRN's X30309165, X30308993 and X30307821 dated 14.12.2022 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 22nd 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. 8-30, Vishnalayam Street, Tangutur Mandalam, Tangutur, Andhra Pradesh
India- 523274.
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.

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