

F. No:9/10/ADJ/SEC.143 of 2013/ROC(TG)/RD(SER)/2022
BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD
IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF NALGONDA REALTORS PRIVATE LIMITED

1. Mr. M. Harish Babu, Partner,
M/s. M. Harish & Associates
Chartered Accountants
Statutory Auditor of Nalgonda Realtors Private Limited
Residing at – 3-1-330, Adithya,
1st Floor, Behind Civil Hospital,
Karimnagar – 505 001, Telangana.



..... Appellant

Date of hearing: 18.03.2025

Present: CA M. Harish Babu

ORDER

1. M. Harish Babu, Chartered Accountant, is the Statutory Auditor of the company NALGONDA REALTORS PRIVATE LIMITED has filed an appeal under section 454(5) of the Companies Act, 2013 in e-form ADJ vide SRN T74281650 dated 26.01.2022 against the adjudication order issued in Ref No. 7 of 2021 vide letter No.2586 dated 24.11.2021 under section 454 read with section 143 of the Companies Act, 2013 passed by the Registrar of Companies, Hyderabad for default in compliance with the requirements of Section 143 (2) & 143 (11) of Companies Act 2013.

2. Registrar of Companies in his Adjudication order dt. 24.11.2021 has stated that "the subject company viz. Nalgonda Realtors Private Limited was inspected u/s. 206(5) of the Companies Act, 2013 and it is observed that the auditor of the company, has violated the provisions of Section 143(3) of the Companies Act, 2013 by not reporting the practice of refund with interest of major portion of the advance so received and its possible violation of Section 73 of the companies Act, and Deposit Rules in his report attached to the Balance Sheet as at 31.03.2015, 31.03.2016



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and 31.03.2017 and hence liable for penal action for the aforesaid non-reporting u/s. 143(11) of the Act read with Clause 3(v) of the Companies (Auditor's Report) Order 2016. On the basis of the instructions from the competent authority, show cause notice for adjudication was issued vide letter no ROCH/023384 (NRPL-143)/TBR/2020/SCN/3126 dated 13.03.2020.

3. ROC has further stated that CA Mr. M. Harish Babu, Chartered Accountant of the Company attended the proceedings in person and after considering his submission, ROC has observed that the auditor has been found to have defaulted in complying with the above said provision resulting in non-compliance during the financial years 2015-16, 2016-17 and 2017-2018. Further, Registrar of Companies, Hyderabad passed an order dated 24.11.2021 by fixing a penalty of Rs. 30,000/- on the Auditor, i.e., Harish Babu (applicant).
4. In appeal, a hearing was fixed on 18.03.2025 before the Regional Director (SER), Hyderabad and Mr. Manjeet Bucha, PCS & CA M. Harish Babu, Chartered Accountant of the Company attended the hearing. The matter was heard. The applicant while stating that there is no violation of section 73 in the facts of the case, also relied on the order of the Hon'ble High Court in the Criminal Petition No. 1801 of 2021 filed by the Directors holding that there is no violation of Section 73 of the Act. The Auditor contended that as there was no violation of section 73, he was not required to qualify his report and accordingly there is no violation of Section 143 of the Act.
5. The Office of ROC has informed the undersigned that SLP has been filed before the Hon'ble Supreme Court against the order of the Hon'ble High Court. In view of the same the Applicant was directed to submit an undertaking that he will comply with the order of Adjudicating Officer as and when the SLP is decided depending on the outcome of the SLP.



6. Further, M. Harish Babu, Chartered Accountant Statutory Auditor of the Company has submitted undertaking vide his letter dated 07.04.2025 to comply with the orders of the Hon'ble Supreme Court of India and the orders passed by the Regional Director.

7. Since, the matter involved in the present application is Sub-Judice before the Hon'ble Supreme Court of India, the present appeal made in ADJ vide SRN T74281650 dated 26.01.2022 is hereby rejected with liberty to refile the appeal based upon the decision of the Hon'ble Supreme Court of India.

Issued under my hand and seal on this the 16th day of April, 2025.

रुचा कुकरेजा/ **RICHA KUKREJA**
क्षेत्रीय निदेशक (एस.ई.आर.)/
REGIONAL DIRECTOR(S.E.R.)
हैदराबाद /HYDERABAD

Copy for information and necessary action to :

1. Registrar of Companies, Ministry of Corporate Affairs,
Hyderabad, Telangana. – The ROC is directed not to take any action against the applicant till the disposal of SLP.
- ✓ 2. The Joint Secretary, E-Governance Cell,
Ministry of Corporate Affairs, New Delhi.



रुचा कुकरेजा/ **RICHA KUKREJA**
क्षेत्रीय निदेशक (एस.ई.आर.)/
REGIONAL DIRECTOR(S.E.R.)
हैदराबाद /HYDERABAD