

F.No:9/75/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022 /1408  
BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION  
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD  
IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF INDIAN INSTITUTE OF CANCER AND RESEARCH PRIVATE LIMITED

1. Indian Institute of Cancer and Research Private Limited
2. Srinivasa Kalyana Chakravarthy Toleti, Director
3. Ramamohana Rao Kancherla, Director
4. Valiveti Brahmaji, Director
5. Ramakrishna Moorthy Chitti, Director
6. Chaganti Sri Padmavati, Director

Appellants

Date of hearing : 15.11.2022

Present : P Srikanth Kumar, 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 F29863099 dated 14.10.2022 against the adjudication order No. ROC(V)/ADJ(454)Sec.203(5)/ICRPL/2022-23/1353 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 28.02.2021. The Company has stated in reply to SCN that despite the efforts made for appointing Company Secretary, the company could not appoint one due to non-availability of suitable candidates. Hearing was held before Registrar of Companies on 18.08.2022 and after hearing the authorized representative, Registrar of Companies had levied a penalty of Rs.5.00 Lakhs on the Company and Rs.50,000/- each for 5 directors i.e., Srinivasa Kalyana Chakravarthy Toleti, Ramamohana Rao Kancherla, Valiveti Brahmaji, Ramakrishna Moorthy Chitti and Chaganti Sri Padmavati (total aggregating to Rs.7,50,000/-).

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3. An opportunity of being heard was given to the Appellants on 15.11.2022. The authorized representative P Srikant Kumar, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also stated that the company was having a Whole Time Company Secretary from 01.09.2020 to 28.02.2021. Due to covid pandemic they could not be able to appoint a Competent Company Secretary. Company has not doing any business activity and still is in project stage. It has not yet earned any profit and it has no turnover. Despite all these conditions the Company has appointed Yavanika Singh as Company Secretary of the Company with effect from 01.09.2022 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

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 private limited and there is no injury to the public interest.

(c) imposing maximum penalty by the Registrar of Companies on the company, director is harsh, burdensome on the Company.

(d) company has not yet started business activity and still in project stage. It has not yet earned any profit and it has no turnover.

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.60,000/- and for 5 directors i.e., Srinivasa Kalyana Chakravarthy Toleti, Ramamohana Rao Kancherla, Valiveti Brahmaji, Ramakrishna Moorthy Chitti and Chaganti Sri Padmavati amounting to Rs.20,000/- each (total aggregating to Rs.1,60,000/-). 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.



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5. Accordingly, penalty was paid by the Company amounting to Rs.60,000/- and for 5 directors i.e., Srinivasa Kalyana Chakravarthy Toleti, Ramamohana Rao Kancherla, Valiveti Brahmaji, Ramakrishna Moorthy Chitti and Chaganti Sri Padmavati amounting to Rs.20,000/- each (total aggregating to Rs.1,60,000/-) vide SRN's X36379196, X36383420, X36387280, X36393056, X36397941 and X36381473 dated 23.02.2023 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 27<sup>th</sup> day of May 2023.

M/s. Indian Institute of Cancer and Research Private Limited  
D.No.10-27-15A, Kailasametta, Waltair, Visakhapatnam,  
Andhra Pradesh- 530003.



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

Copy for information and necessary action to :

1. Srinivasa Kalyana Chakravarthy Toleti, Director  
10-27-14/A, Kailasametta, Near Waltair Club, Siripuram,  
Visakhapatnam, Andhra Pradesh- 530003
2. Ramamohana Rao Kancherla, Director  
S.No. 75/A, and 76, Flat No.503, Aditya Splendor,  
Veterinary Colony, Shaikpet, Hyderabad,  
Telangana- 500096
3. Chaganti Sri Padmavati, Director  
10-27-14/A, Kailasametta, Near Waltair Club, Siripuram,  
Visakhapatnam, Andhra Pradesh- 530003
4. Registrar of Companies, Ministry of Corporate Affairs,  
Andhra Pradesh, Vijayawada.
5. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs,  
New Delhi.

*sd/-*  
B. MOHANTY  
REGIONAL DIRECTOR( SER)  
HYDERABAD