

F.No:9/31/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022 / 5482
BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD
IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF TANUKU HOSPITALS PRIVATE LIMITED

1. M/s. Tanuku Hospitals Private Limited
2. Mr. Sundararao Velicheti, Managing Director
3. Mr. Somasekhar Valluri, Whole Time Director

Appellants

Date of hearing : 27.10.2022

Present : Mrs. Shaik Razia, Practicing 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 F25430646 dated 19.09.2022 against the adjudication order No. ADJ 17/203 of 2022-23/646 dated 27.07.2022 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 as the company has failed to appoint Whole Time Company Secretary since the applicable provisions of the Act came into force i.e. 02.11.2018 to till date despite paid up capital has exceeded the prescribed limit as stated in the provisions of Section 203(1) of the Companies Act, 2013. Hearing was held before the Registrar of Companies on 26.07.2022 and after hearing to the authorised representative, Registrar of Companies had levied a penalty of Rs.5.00 Lakhs on the Company and Rs. 50,000/- each for Mr. Sundararao Venicheti, Managing Director, Krishna Rao Pichikala, Director, Somasekhar Valluri, Whole Time Director, Jeedigunta Venkata Vallabha Narasimha Prasad, Tatini Ram Brahman, Srinivasulu Reddy Karri, Venkata Surya Satya Narayana Raju Vegesna, Jagadeesh Tatini, Venkateswararao Uppalapati, Varun Reddy Satti, Velicheti Sarojini, Directors (total aggregating to Rs.10,50,000/-)

3. Appellants in the present appeal has stated that despite the company able to appoint Whole Time Company Secretary but she resigned with effect from 30.06.2021 and non-availability of suitable candidates no Company Secretary was appointed. Further stated that the pandemic caused by Covid-19, company has been facing various challenges. Consequently, among the candidates who have consented for relocation to remote area for appointment as Company Secretary in the company demanded a higher pay scale which is not feasible for the company.

4. An opportunity of being heard was given to the Appellants on 27.10.2022. The authorized representative Ms. Shaik Razia, Practicing Company Secretary appears on behalf of the appellants and reiterated the submissions made in the appeal and requested to reduce the quantum of penalty as levied by Registrar of Companies.

5. 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. I deem it would meet the end of justice, if the penalty imposed is reduced for Company to Rs.2,00,000/- and for Mr. Sundararao Venicheti, Managing Director and Mr. Somasekhar Valluri, Whole Time Director to pay the same penalty as levied by Registrar of Companies i.e Rs.50,000/- each (total aggregating to Rs.3,00,000/-) and the penalty levied by Registrar for other eight non-executive directors such as Jeedigunta Venkata Vallabha Narasimha Prasad, Tatini Ram Brahman, Srinivasulu Reddy Karri, Venkata Surya Satya Narayana Raju Vegesna, Jagadeesh Tatini, Venkateswararao Uppalapati, Varun Reddy Satti, Velicheti Sarojini, Directors for amounting to Rs.50,000/- each are waived as they should not have been charged as officer in default when Company is having Managing Director and Whole Time Director. The appellants are directed to comply with this order and also the provisions of section 454(8) of the Companies Act, 2013 read with Companies (Adjudication of Penalties) Rules, 2014. Company as well as other appellants are also to comply with the provisions of Section 203 of the Companies Act, 2013 in appointing a Whole Time Company Secretary immediately and inform the same to Registrar of Companies, Andhra Pradesh.

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6. Accordingly, penalty was paid by the Company amounting to Rs.2,00,000/-, Mr. Sundararao Venicheti, Managing Director and Mr.Somasekhar Valluri, Whole Time Director for Rs.50,000/ - each (total aggregating to Rs.3,00,000/ -) vide SRN X26918250, X26919308 and X26918946 dated 31.10.2022. 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 29th day of December 2022.



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

Copy for information and necessary action to:

- ✓ 1. M/s. Tanuku Hospitals Private Limited
D.No.21-4-22, Tanukuvari Street,
Tanuku, Andhra Pradesh-534211.
2. Mr. Sundararao Velicheti, Managing Director
D.No.33-8-25, Kanchirajuvari Street, Tanuku Mandal,
West Godavari, Andhra Pradesh- 534211.
3. Mr. Somasekhar Valluri, Whole Time Director
H.No.35-40-2, Peketi Vari Street,
Beside Flyover Tanuku, Andhra Pradesh- 534211.
4. Registrar of Companies, Ministry of Corporate Affairs, Andhra Pradesh, Vijayawada.
5. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.