

BEFORE THE REGIONAL DIRECTOR
(SOUTHERN REGION)
MINISTRY OF CORPORATE AFFAIRS, CHENNAI
IN THE MATTER OF THE COMPANIES ACT, 2013
SECTION 454(7) OF COMPANIES ACT, 2013

IN THE MATTER OF M/s. KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

1. M/s. Kovai Medical Center and Hospital Limited
2. Shri. Nallagounder Palaniswami, Managing Director of M/s. Kovai Medical Center and Hospital Limited
3. Smt. Palanisami Thavamanidevi, Whole-time Director of M/s. Kovai Medical Center and Hospital Limited
4. Shri. Nallagounder Palaniswami Arun, Whole-time Director of M/s. Kovai Medical Center and Hospital Limited
5. Shri. Mohan S Gounder, Director of M/s. Kovai Medical Center and Hospital Limited
6. Shri. Pankajam Kochukrishnan Gopikrishnan, Ex-CFO of M/s. Kovai Medical Center and Hospital Limited
7. Shri. Ravidrakumar, CFO of M/s. Kovai Medical Center and Hospital Limited
8. Shri. Palanisamy Chitti Babu, Company Secretary of M/s. Kovai Medical Center and Hospital Limited

...Applicants/Appellants

Date of hearing : 16.02.2022

Present : Dr. C.V. Madhusudhanan, Practicing Company Secretary
M/s. KSR & Co., Company Secretaries

ORDER

This is an appeal filed under Section 454(5) of the Companies Act, 2013 by the above Applicants in Form ADJ vide SRN: T61164257, dated 30.11.2021 against the Adjudication Order No. ROC/CBE/A.O./12/01659/2021, dated 04.10.2021 under Section 454 (3) passed by the Registrar of Companies, Coimbatore, Tamil Nadu for default in compliance with the requirements of Sec. 12 of the Companies Act, 2013.

2. As per the provisions of Sec. 12(1) of the Companies Act, 2013, a company shall, [within thirty days of its incorporation] and at all times, thereafter, have a registered office capable of receiving and acknowledging all communications and notices as may be addressed to it. As per Sec. 12(2), the company shall furnish to the Registrar verification of its registered office within a period of thirty days of its incorporation in such manner as may be prescribed. As per Sec. 12(3), every company shall - (a) paint or affix its name, and the address of its registered office, and keep the same painted or affixed, on the outside of every office or place in which its business is carried on, in a conspicuous position, in legible letters, and if the characters employed therefor are not those of the language or of one of the languages in general use in that locality, also in the characters of that language or of one of those languages; (b) have its name engraved in legible characters on its seal, if any; (c) get its name, address of its registered office and the Corporate Identity Number along with telephone number, fax number, if any, e-mail and website addresses, if any, printed in all its business letters, billheads, letter papers and in all its notices and other official publications; and (d) have its name printed on hundies, promissory notes, bills of exchange and such other documents as may be prescribed.

3. ROC has observed from Form INC-22 that the Company by a Board Resolution passed at the Board Meeting held on 08.02.2018, shifted its Registered Office from Post Box No. 3209, Avanashi Road, Coimbatore - 641 014 to Door No. 99, Avanashi Road, Coimbatore - 641 014. The company has failed to comply with the provisions of Sec. 12(3) of the Companies Act, 2013 as the company had been maintaining its Registered Office in Post Box No. 3209 during the period from 01.04.2014 (date from which Sec. 12 came into effect) to 08.02.2018 (date from which registered office shifted to Door No. 99, Avanashi Road, Coimbatore - 641 014).

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4. The Registrar of Companies, Coimbatore, Tamil Nadu examined the said default and passed the Adjudication Order No. ROC/CBE/A.O./12/01659/2021, dated 04.10.2021 (impugned order) under Section 454 (3) and (4) of the Companies Act, 2013 for default in compliance with the requirements of Sec. 12(3) of the Companies Act, 2013 and imposed a penalty of Rs. 1,00,000/- upon the Company; and Rs. 1,00,000/- each upon the Officers in default respectively.

5. The Appellants have contended the impugned order and pleaded that the company has not shifted its registered office as claimed in the order and the company has not violated Sec. 12(3) of the Companies Act, 2013.

6. An opportunity of being heard was given to the Appellants on 16.02.2022. The Authorized Representative Dr. C.V. Madhusudhanan, Practicing Company Secretary has appeared for the Appellants while reiterating the grounds taken in the appeal had stated that the company has changed its registered office to Avanashi Road, Civil Aerodrome Post, Coimbatore - 641 014 since 30.12.1988. At that time, the local approving authority was Kalapatti Panchayat and there were no door number given for the address in which both the Hospital and the Registered Office of the company was situated, due to which P.O. Box address was obtained from the postal authorities by the Company to enable effective service of documents in terms of Sec. 55 of the erstwhile Companies Act, 1956. Further neither the Companies Act, 1956 nor the present Companies Act, 2013 under Sec. 12 has defined or described the constituents of what registered office address should contain. The company has affixed its name and the address of its registered office conspicuously legibly in both English and Tamil. The Company has also filed the required Form 18 with regard to shifting of Registered Office as per the provisions of the Companies Act, 1956. No change in situation of the Registered Office was made post the coming into force of Sec. 12 of the Act. The company vide resolution dated 08.02.2018 inserted the Door No. 99 (which was allotted later) in its registered office address and the company has filed Form INC-22 to record the same with MCA. Hence, he submitted that the company has not shifted its registered office as claimed in the order and the company has not violated Sec. 12(3) of the Companies Act, 2013 and hence prayed for lenient view.

7. In view of above, it is found that there is a ground in interfering with the impugned adjudication order of the Registrar of Companies to the extent of reducing the quantum of penalty. Accordingly, the penalties imposed are reduced from Rs. 1,00,000/- to Rs. 20,000/- for the Company and from Rs. 1,00,000/- each to Rs. 20,000/- each for the Officers in default respectively. The Appellants shall pay the penalty in 15 days.

Dated at Chennai this the 03rd day of March, 2022



(Dr. K. THIRUMALAIMUTHU)
REGIONAL DIRECTOR (SR)

To

✓ M/s. Kovai Medical Center and Hospital Limited,
No. 99, Avanashi Road,
Coimbatore,
Tamil Nadu - 641 014.

2. The Registrar of Companies, Coimbatore, Tamil Nadu.
3. The Officer in Charge, e-Gov. Cell, Ministry of Corporate Affairs, A-Wing, Shastri Bhavan, Dr. Rajendra Prasad Road, New Delhi -110 001- with a request to upload this Order on the website of the Ministry. Send via mail to Shri. B. Srikumar, Joint Director, (srikumar.b@gov.in) and Shri. Vivek Meena, Asst. Director (vivek.meena@gov.in)