

F.No:9/109/ADJ/SEC.203/2013/ROC(TG) /RD(SER)/2022 /1264
BEFORE THE REGIONAL DIRECTOR, SOUTHEAST REGION
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD
IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF SAVEERA HOSPITAL PRIVATE LIMITED

1. M/s. Saveera Hospital Private Limited
2. Yelakala Preethi Reddy, Director
3. Ramakrishna Reddy Sane, Director
4. Venkatarami Reddy Yelakala, Director
5. Perangur Srinivas Prasad, Director

Appellants

Date of hearing : 28.02.2023

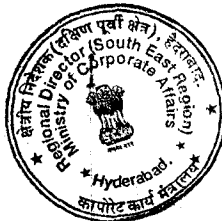
Present : P. Srikant Kumar, PCS

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 F40322208 dated 05.11.2022 against the adjudication order No. ADJ 109/203 of 2022-23/2201 dated 08-09-2022 under section 454 passed by the Registrar of Companies, Telangana 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 Company Secretary since applicable provisions of the act came into force to till date despite paid up capital exceeded the prescribed limit as stated in the provisions of Companies Act, 2013. Hearing was held before Registrar of Companies on 08.09.2022 and after hearing the authorized representative had levied a penalty of Rs. 5.00 Lakhs on the Company and Rs.0.50 Lakhs each for 4 directors i.e., Yelakala Preethi Reddy, Ramakrishna Reddy Sane, Venkatarami Reddy Yelakala, Perangur Srinivas Prasad, (total aggregating to Rs. 7.00 Lakhs).

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3. An opportunity of being heard was given to the Appellants on 28.02.2022. The authorized representative Mr. P. Srikant Kumar, Practicing Company Secretary appeared and reiterated the submissions made in the appeal and also submitted that company was having initially a Company Secretary upto 29.09.2018. After that due to bad financial position coupled with Covid-19 pandemic situation it could not appoint a Whole Time Company Secretary in compliance of Section 203 of the Companies Act, 2013. Further, stated that the Company is having only 6 shareholders and very closely held private company. No public interest is involved and not prejudicial to any body's' interest. Company is having accumulated losses. Company is situated at Anantapur, Chittoor, Andhra Pradesh a suburban area where a qualified person is not showing interest and demanding a higher pay scale which was not feasible for a loss making company. Despite all these conditions the Company has appointed Shalem Raju Vempati as Company Secretary of the Company with effect from 01.11.2022 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 with regard to Company and other directors.

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 having only 6 shareholders and very closely held private company

(c) No public interest is involved and not prejudicial to any body's interest

(d) Company is having accumulated losses.

(e) Company is situated at Anantapur, Chittoor, Andhra Pradesh a suburban area where a qualified person is not showing interest and demanding a higher pay scale which was not feasible for a loss making company

(f) imposing maximum penalty by the Registrar of Companies on the company, its Managing Director and other director is harsh, burdensome on the Company.



Contd.3.

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.1,20,000/- and for four Directors i.e., Yelakala Preethi Reddy, Ramakrishna Reddy Sane, Venkatarami Reddy Yelakala, Perangur Srinivas Prasad to Rs.50,000/- each (total aggregating to Rs. 3,20,000/-). 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

5. Accordingly, penalty was paid by the Company amounting to Rs. 1,20,000/- and for 4 directors i.e., Yelakala Preethi Reddy, Ramakrishna Reddy Sane, Venkatarami Reddy Yelakala, Perangur Srinivas Prasad to Rs.50,000/- each (total aggregating to Rs. 3,20,000/-) vide SRN's X37395340, X37399961, X37397791, X37398617 and X37399698 dated 07.03.2023 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 16th day of May 2023.

✓ M/s. Saveera Hospital Private Limited
D.No:1-1348, Srinagar Colony extension,
Opposite to Sakshi office, Rudrampeta,
Anantapur Chittoor, Andhra Pradesh-515004.



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

Copy for information and necessary action to :

1. Registrar of Companies, Ministry of Corporate Affairs,
Andhra Pradesh, Vijayawada.

2. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

Sd/-
(B. MOHANTY)
REGIONAL DIRECTOR(SER)
HYDERABAD