

F.No:9/118/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/1376

BEFORE THE REGIONAL DIRECTOR, SOUTH EAST REGION

MINISTRY OF CORPORATE AFFAIRS, HYDERABAD

IN THE MATTER OF COMPANIES ACT, 2013

IN THE MATTER OF WELLCOME HOSPITALS PRIVATE LIMITED

1. M/s. Wellcome Hospitals Private Limited
2. Mr. Suneel Kumar Reddy Bathina, Director
3. Mr. Srikanth Sadhu, Director, Director
4. Ms. Sudha Madhuri Cheekati, Director
5. Sai Krishna Devarapalli, Director
6. Sudheer Reddy Bathina, Director
7. Sridhar Badireddi, Director
8. Venkata Satish Iduru, Director

Appellants

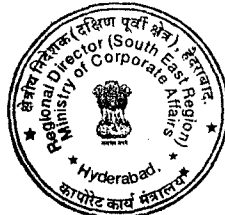
Date of hearing : 28.02.2023
Present : Mr. P: Srikant Kumar, PCS

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 F44323822 dated 16.11.2022 against the adjudication order No. ROCV/ADJ/454/Sec.203(5)/Welcome/2022-23/2164 dated 09.09.2022 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 as specified in section 203(1) of the Companies Act, 2013 since the applicable provisions of the act came into force to till date despite paid-up capital has exceeded the prescribed limit as stated

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in the provisions of Section 203(1) of the Companies Act, 2013. Hearing was held before Registrar of Companies on 09.09.2022 and after hearing the authorized representative had levied a penalty of Rs.5.00 Lakhs on the Company and Rs.50,000/- each for 7 directors i.e., Mr. Suneel Kumar Reddy Bathina, Mr. Srikanth Sadhu, Sudha Madhuri Cheekati, Sai Krishna Devarapalli, Sudheer Reddy Bathina, Sridhar Badireddi and Venkata Satish Iduru (total aggregating to Rs.8.50 Lakhs).

3. An opportunity of being heard was given to the Appellants on 28.02.2023. The authorized representative Mr. P. Srikanth Kumar, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that the Company is having only six shareholders and all belonging to family and relatives. Company is not doing any business for the year 2020-21, 2021-22 & 2022-23 and showing nil income from business. Company is engaged in revising its business activities to use its unused assets for healthcare. It was very difficult to appoint a Whole Time Company Secretary in the said circumstances. Despite all these conditions the Company has appointed Deepak Gautam as Company Secretary of the Company with effect from 01.10.2022 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:.

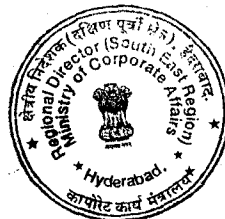
(a) due to Covid-19 pandemic, Company was unable to appoint Whole Time Company Secretary as none shown interest despite company's effort during that period.

(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, its other director is harsh, burdensome on the Company.

(d) company is not doing any business for the last three years and showing nil income.

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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 to Rs.50,000/- each for the Company and also for seven Directors i.e. Mr. Suneel Kumar Reddy Bathina, Director, Mr. Srikanth Sadhu, Sudha Madhuri Cheekati, Sai Krishna Devarapalli, Sudheer Reddy Bathina, Sridhar Badireddi and Venkata Satish Iduru (total aggregating to Rs.4,00,000/-). The appellants are directed to comply with this order and 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 and also for seven Directors i.e. Mr. Suneel Kumar Reddy Bathina, Director, Mr. Srikanth Sadhu, Sudha Madhuri Cheekati, Sai Krishna Devarapalli, Sudheer Reddy Bathina, Sridhar Badireddi and Venkata Satish Iduru for amounting to Rs.50,000/- each (total aggregating to Rs.4,00,000/-). vide SRN's X38821328 dated 24.03.2023, X38845657, X38847604, X38848610, X38848495, X38848040, X38849394, X38846945 dated 25.03.2023 respectively. Accordingly, this order is issued to the Appellant Company 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 26th day of May 2023.

✓ M/s. Wellcome Hospitals Private Limited
D.No.9-39-5, Plot No.30 Pithapuram Colony Visakhapatnam,
Andhra Pradesh-530003, India.



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)