

F. No: 09/112/ADJ/SEC.203/2013/ANDHRA PRADESH /RD(SER)/2022/1405

**BEFORE THE REGIONAL DIRECTOR, SOUTHEAST REGION  
MINISTRY OF CORPORATE AFFAIRS, HYDERABAD  
IN THE MATTER OF COMPANIES ACT, 2013**

**IN THE MATTER OF MILANO SPIRITS INDIA PRIVATE LIMITED**

1. M/s. Milano Spirits India Private Limited
2. Mr. Manoj Rupani, Director
3. Mr. Baigadda Madhu, Director
4. Mr. Ramesh Bardipur, Director

Appellants

Date of hearing : 08.02.2023  
Present : Mr. Zoheb Sayani, 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 F42157941 dated 10.11.2022 against the adjudication order No. ROC(V)/ADJ(454)/Sec203(5)/MSIPL/2022-23/2026 dated 08.09.2022 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 after cessation of the previous Company Secretary to till date of passing adjudication order. 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.50,000/- each for 3 directors i.e., Manoj Rupani, Baigadda Madhu and Ramesh Bardipur (total aggregating to Rs.6.50 Lakhs).



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3. An opportunity of being heard was given to the Appellants on 08.02.2023. The authorized representative Mr. Zoheb Sayani, Practicing Company Secretary appeared on behalf of the appellants and reiterated the submissions made in the appeal and also submitted that for the last 5 years company is in losses & accumulated year to year. The registered office of the company is located in very remote locality for which potential candidate have not shown interest in joining this company. As the company's financial is so precarious that any further order will make it difficult to sustain as a going concern. Despite all these conditions the Company has appointed Naveen Kumar as Company Secretary of the Company with effect from 15.11.2022 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.

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 directors is harsh, burdensome on the Company.

(d) last 5 years company is in losses.

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. 75,000/- and for Manoj Rupani, Mr. Baigadda Madhu, Mr. Ramesh Bardipur, Directors to Rs.30,000/- each (total aggregating to Rs.1,65,000/-). 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.



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5. Accordingly, penalty was paid by the Company amounting to Rs. 75,000/-, Manoj Rupani, Mr. Baigadda Madhu, Mr. Ramesh Bardipur, Directors for amounting to Rs.30,000/- each (total aggregating to Rs.1,65,000/-) vide SRN's X37463510, X37464484, X37462991 & X3746563 dated 08.03.2023 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 27<sup>th</sup> day of May 2023.

X. M/s. Milano Spirits India Private Limited  
H.No. 3-115, Chinabrahmadevam(Village),  
Marripudi Post, Peddapuram Mandal,  
Chinabrahmadevam Guntur,  
Andhra Pradesh- 500033.



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

Copy for information and necessary action to :

2. Registrar of Companies, Ministry of Corporate Affairs,  
Andhra Pradesh, Vijayawada.
3. The Joint Secretary, E-Governance Cell, Ministry of Corporate Affairs, New Delhi.

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