

BEFORE THE REGIONAL DIRECTOR, (WR), MUMBAI

RD(WR)/Sec. 454(5)/Karnawat Metal Industries Limited /R29652518/2020/3208

In the matter of Companies Act, 2013: Section 454(5)

29 JAN 2021

AND

In the matter of KARNAWAT METAL INDUSTRIES LIMITED

having Registered Office at 105, Pushpanjali Appartment, Sai Krupa Society

No. 4 , Airport Road, , Nani Daman, DD - 396210

.....Appellant

**Parties Present:**

Ms. Nisha Uchil, Practicing Company Secretary, authorized representative attended on behalf of the Appellant Company and officer in default.

Date of Hearing: 17.12.2020

**ORDER**

Heard.

1. This appeal is filed under sub-Section (5) of Section 454 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Companies (Adjudication of Penalties) Rules, 2014 (hereinafter referred to as the "Rules") by Karnawat Metal Industries Limited (hereinafter referred to as the "Company" or "Appellant") having CIN U27310DD2011PLC004696, incorporated under the Companies Act, 1956, having its registered office at 105, Pushpanjali Appartment, Sai Krupa Society No. 4 , Airport Road, , Nani Daman, DD - 396210 against the order passed by Registrar of Companies-cum-Official Liquidator (ROC), Goa, adjudicating a penalty for violation of Section 92 & 137 of the Act vide Order No. ROCGDD/AO/92&137/2019/dated 07/11/2019.
2. The order was passed by the ROC on 07.11.2019 and the appeal is filed with this appellate forum having jurisdiction in the matter being the Regional Director having jurisdiction in the State of Maharashtra and Goa. Thus, this appellate forum is having jurisdiction.
3. The appeal on Form ADJ (SRN R29652518) is filed on 09/01/2020. As per provisions of Section 454(6), an appeal under sub-Section (5) of Section 454

is to be filed within a period of 60 days from the date of which the copy of the order made by the adjudicating officers is received by the aggrieved person. In this case, the appellant company has admitted that the order was received on 11.11.2019 and the appeal is filed on 09.01.2020. The appeal was filed on 09.01.2020 and thus is within the stipulated period of 60 days in terms of provisions of Section 454(5) of the Act.

4. The brief facts of the case are as under:
- The appeal is filed by the Appellant Company. The appellant company was defaulting in filing of its Annual return and Financial Statements for the Financial Year ended 31.03.2015
  - The ROC has issued show cause notice dated 26.10.2016 to the company and its officer in default filing of such documents.
  - The Annual Returns and Financial Statement for Year 2014-15 were filed on 12.01.2018 to regularize the default.
  - The ROC fixed personal hearing on 24.09.2019 to adjudicate the default under Section 137(3) of the Companies Act, 2013, however none from Company or its representative was present for the scheduled hearing.
  - The ROC has imposed a total penalty of Rs.18,52,700/- (Rupees Five Lakhs Sixty Four Thousand Eight Hundred only) on the company and its Director as detailed herein below:

Document required to be filed	No of Days of Default	Penalty imposed on Company/Director	First Default (in Rs)	Default Continues (in Rs)	Total (in Rs)
Annual Returns u/s 92(4) of the Companies Act, 2013	772 days	On Company	Rs. 50,000/-	Rs.100x772 days = Rs77,200/-/-	Rs.1,27,200/-
		Mr. Umesh Dwivedi, Director	Rs. 50,000/-	Rs.100x772 days = Rs77,200/-	Rs.1,27,200/-
		Anil Rajendra Chaudhary, Director		Rs.100x772 days = Rs77,200/-	Rs.1,27,200/-
		Deepnarayan Verma, Director		Rs.100x772 days = Rs77,200/-	Rs.1,27,200/-
Financial Statement u/s 137(1) of the Companies Act, 2013	803 days	On Company	Rs.1000x803 days =Rs.8,03,000/-		Rs.8,03,000/-
		Mr. Umesh Dwivedi, Director	Rs.1,00,000/-	Rs. 100x803days = Rs.1,80,300/-	Rs.1,80,300/-
		Anil Rajendra Chaudhary, Director	Rs.1,00,000/-	Rs. 100x803days = Rs.1,80,300/-	Rs.1,80,300/-
		Deepnarayan Verma, Director	Rs.1,00,000/-	Rs. 100x803days = Rs.1,80,300/-	Rs.1,80,300/-



- No. of days have been calculated from 30.11.2015 to 11.01.2018 and 30.10.2015 to 11.01.2018 respectively for Annual Return and Financial Statement till the date default was made good.

f. The Appellant Company has not yet deposited the said penalty.

5. In the appeal, the appellant has taken the following grounds:

- a. The Appellant Company had filed a Compounding Application with office of Regional Director, WR, Mumbai u/s. 441 of the Companies Act, 2013. The said Application was returned to the ROC, Goa as per Companies (Amendment) Ordinance, 2018.
- b. The Non- filing of documents for the financial year ended 31.03.2015 was unintentional and without any malice. The said non filing was due to inadvertence of officers and professional handling compliances for the Appellant Company.
- c. The Appellants Company has suffered financial losses over a period of past few years and does not bear the financial ability to pay the mammoth amount of fine imposed by the ROC, Goa.
- d. The Appellant Company stated that all the Directors and all shareholders intends to strike-off the Company considering the fact that the entire paid-up capital has been wiped-off by continuous losses suffered the Company. The Company will initiate the process of strike-off pursuant to provision of section 248(2) of the Companies Act, 2013.
- e. The Appellant Company prays that the penalty imposed by the ROC, Goa, be completely waived-off and Company be relived of the burden of the said penalty, which the Company is unable to bear due to continuous losses suffered over the last several financial years or pass such order as it may deem fit and proper in circumstances of the case.

6. This forum provided hearing to the Appellants on 17.12.2020 at 2.30 p.m. on which date Ms. Nisha Uchil, Practicing Company Secretary, authorized representative on behalf of the Appellant Company appeared before this forum and made submission. I have carefully considered the impugned order, all the submissions made by the Appellant in the appeal and oral submissions made by the Learned Representative of the company during the hearing held on 17.12.2020. Accordingly, the appeal is allowed and it

was directed to the representative of the Appellant Company the that revised penalty to be paid as under:-

Sr. No.	Defaults made for Non-filing documents	Penalty to be paid by Company/Director (officer in default)	Revised Penalty Rs.	Financial Year
1.	Annual Returns u/s 92(4) of the Companies Act, 2013	On Company	5,000/-	2014-15
		Mr. Umesh Dwivedi, Director	2,500/-	2014-15
		Anil Rajendra Chaudhary, Director	2,500/-	2014-15
		Deepnarayan Verma, Director	2,500/-	2014-15
2.	Financial Statement u/s 137(1) of the Companies Act, 2013	On Company	5,000/-	2014-15
		Mr. Umesh Dwivedi, Director	4,200/-	2014-15
		Anil Rajendra Chaudhary, Director	4,200/-	2014-15
		Deepnarayan Verma, Director	4,200/-	2014-15

Total penalty comes to Rs.30,100/-for the default of Non-filing Annual Return and Financial Statement FY 2014-15

7. Pursuant to the said directions of this forum, the authorized representative vide its letter date submitted that copies of challan /payment receipt for penalties paid to the MCA. He has informed that as directed in hearing which was held on 17.12.2020, the total penalty of Rs.30,100/- has been paid for default under section 137of the Companies Act, 2013 by the Company & officer in default through challan to MCA. The details of the said challan are as under:-

Sr. No	Defaulters	Amount (Rs.)	Financial Year	Challan No. / SRN No. & date
1	Company U/s. 92 of the Act, 2013	5,000/-	2014-15	SRN: U78726965 Dated 16.01.2021
2	Mr. Umesh Dwivedi, Director, U/s. 92 of the Act, 2013	2,500/-	2014-15	SRN: U78727344 Dated 16.01.2021
3	Anil Rajendra Chaudhary, Director, U/s. 92 of the Act, 2013	2,500/-	2014-15	SRN: U78729290 Dated 16.01.2021
4	Deepnarayan Verma, Director, U/s. 92 of the Act, 2013	2,500/-	2014-15	SRN: U78731130 Dated 16.01.2021
5	Company U/s. 137 of the Act, 2013	5,000/-	2014-15	SRN: U78732047 Dated 16.01.2021
	Mr. Umesh Dwivedi, Director U/s. 137 of the Act, 2013	4,200/-	2014-15	SRN: U78733250 Dated 16.01.2021
	Anil Rajendra Chaudhary, U/s. 137 of the Act, 2013	4,200/-	2014-15	SRN: U78733870 Dated 16.01.2021

Deepnarayan Verma, Director ,U/s. 137 of the Act, 2013	4,200/-	2014-15	SRN: U78773462 Dated 17.01.2021
Total :-	30,100/-		

8. In view of the above and penalty having been paid by the Appellant Company and officer in default, the ROC, Goa is directed to take necessary action for withdrawal of case filed for default under section 137(3) & 92(5) of the Companies Act, before the Hon'ble CJM Court, Panaji, Goa, numbered as L.C. No. 36/2017/A and 37/2017/A. Accordingly, the Appeal is disposed off.
9. That at the time of hearing, Ms. Nisha Uchil, Practicing Company Secretary, authorized representative was directed to submit an undertaking stating that the Company neither have turnover nor revenue since last five (5) years and company do not have any charges nor borrowings as on date. Hence, the Company will be closed under section 248(2) of the Companies Act, 2013. Accordingly, she has submitted a letter dated 17.12.2020 and given an undertaking for the same.
9. A copy of this order shall be published on the website of the Ministry of Corporate Affairs as per Rules.

Signed and sealed on <sup>28</sup> day of January, 2021.



*M.P. Shah*  
(M.P.SHAH)  
REGIONAL DIRECTOR  
WESTERN REGION, MUMBAI.

To,

1. Karnawat Metal Industries Limited,  
105, Pushpanjali Appartment,  
Sai Krupa Society No. 4,  
Airport Road, Nani Daman, DD - 396210
2. The Registrar of Companies, Goa.  
(To monitor that the Company files application for striking of the Company.)
3. Master Copy
4. Office Copy.

"Certified True Copy"

*Manoj S. Bang*

मनोज एस. बंग  
Manoj S. Bang  
उप निदेशक / Deputy Director  
कार्पोरेट, प्रादेशिक निदेशक (प.क्षे.)  
O/o. Regional Director (W.R.)  
कारपोरेट कार्य मंत्रालय, मुंबई-२  
Ministry of Corporate Affairs, Mumbai-2