

**Application No. RD/ER/01/Appeal/23/7388-74,**

**BEFORE THE REGIONAL DIRECTOR, EASTERN REGION  
MINISTRY OF CORPORATE AFFAIRS, KOLKATA.**

**IN THE MATTER OF**

**THE COMPANIES ACT, 2013**

**-AND-**

**IN THE MATTER OF**

**M/S. WELTER SECURITIES LIMITED  
91, NETAJI SUBHASH ROAD,  
KOLKATA - 700001, WEST BENGAL, INDIA**

**-AND-**

**IN THE MATTER OF**

Appeal under section 454 of The Companies Act, 2013 against the penalty order dated 21/03/2023 of Registrar of Companies, West Bengal passed for violations of the provisions of section 204 of the Companies Act, 2013.

**-AND-**

**IN THE MATTER OF:**

1. M/S. WELTER SECURITIES LIMITED  
91, NETAJI SUBHASH ROAD,  
KOLKATA - 700001, WEST BENGAL, INDIA

**In the matter of** Welter Securities Limited

प्रेषित किया गया/Dispatched by... P/S. 2024  
हस्ताक्षर/Signature.....  
दिनांक/Date 29 NOV 2024

2. SARVESH KUMAR SHARMA (CFO)  
A-124 LIG, PKT-00, A-BLOCK,  
SECTOR-2, NEW DELHI - 110085,  
DELHI, INDIA
  
3. VIJAY AGARWAL (MANAGING DIRECTOR)  
313/90- 8, TULSI NAGAR, NEAR INDERLOK,  
KESHAV PURAM S O, NEW DELHI 110035,  
DELHI, INDIA
  
4. MOHINI AGARWAL (DIRECTOR)  
36, ROAD NO. 78, PUNJABI BAGH WEST,  
DELHI - 110026, DELHI, INDIA
  
5. ASHOK KUMAR SHARMA (MANAGING DIRECTOR)  
E-3/84, SHIVRAM PARK, NANGLOI, NEW DELHI  
110041, DELHI, INDIA

..... APPELLANTS

**Date of Hearing** : **25/06/2024**

**Present** Jatin Gupta, Practicing Company Secretary and  
Authorised Representative

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## ORDER

1. The present appeal under section 454 of the Companies Act, 2013 read with the provisions of the Companies (Adjudication of Penalties) Rules, 2014 was filed vide Form ADJ bearing SRN no. F61493615 dated 23/05/2023 by the aforesaid appellants against the penalty order dated 21/03/2023 under section 204 of the Adjudicating Authority i.e. Registrar of Companies, West Bengal communicated to the appellants vide letter no. ROC/ADJ/2023/048314/penalty order/2373 dated 21/03/2023.
  
2. The Company suo moto filed GNL 2 Form for Adjudication of penalties u/s 454 of the Companies Act, 2013 for the default committed under 204 of the said Act and communicated to Registrar of Companies, West Bengal through e-mail dated 09.09.2022. The office of the Registrar of Companies, West Bengal had issued a hearing notice vide letter no. ROC/ADJ/2023/048314 dated 10.01.2023 for violation of section 204 of the Act to the Company and its Officers scheduling a physical hearing on 18.01.2023. The Registrar of Companies had passed the Adjudication order dated 22.02.2023 imposing penalty on the Directors/KMP of the Company. Pursuant to the aforesaid adjudication order dated 22.02.2023 imposing penalty, the Registrar of Companies observed that the penalty imposed on the Directors/KMPs were wrongly calculated due to inadvertent clerical

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error and hence after that the Registrar of Companies issued corrigendum orders bearing nos. ROC/LEGAL/ADJ/2023/048314/PENALTY ORDER/2371 TO 2375 dated 21.03.2023.

3. Considering the facts and circumstances of the case, the Adjudicating Authority had imposed Penalty for violation of section 204 of the Act as under:-

<b>Name of the Applicant Company/ Director</b>	<b>Total Period of Default (FY)</b>	<b>Total maximum Penalty (in Rs.)</b>
WELTER SECURITIES LIMITED (Period of default FY 2016-17 to 2021-22)	6 yrs	2,00,000*6= 12,00,000
SARVESH KUMAR SHARMA [DIN: 00048556] [Appointed on 09.01.2007] (Period of default FY 2016-17 to 2021-22)	6 yrs	2,00,000*6= 12,00,000
VIJAY AGARWAL [DIN: 06509141] [Appointed on 01.02.2013] (Period of default FY 2016-17 to 2021-22)	6 yrs	2,00,000*6= 12,00,000
MOHINI AGARWAL [DIN: 06516711] (Appointed on 07.08.2017 (Period of default FY 2017-18 to 2021-22)	5 yrs	2,00,000*5= 10,00,000
ASHOK KUMAR SHARMA [DIN: 00048612] (Appointed on 24.04.2021) (Period of default FY 2021-22)	1 yr	2,00,000

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4. Having considered the facts and circumstances of the case, ROC, West Bengal imposed a penalty of Rs. 12,00,000/- (Rupee Twelve lacs Only) on the concerned Company and Rs. 12,00,000/- (Rupees Twelve lacs Only) on each of the 2(two) Directors and Rs 10,00,000/- (Ten lacs only) on one director and Rs 200000/- (two lacs only) on one director in default under Section 204 of the Act, and thus **in Total Rs.48,00,000/-** (Rupees Forty eight lacs Only) for failure to make compliance of the Act u/s. 204 of the Act.
5. The appeal was heard on 25/06/2024. The Authorized Representative was asked to make submission regarding infirmity if any in the order of Registrar of Companies. The Authorised Representative had submitted that the Applicant Company is having a negligible amount of turnover and is making losses for most of the period of alleged default. Mr. Vijay Agarwal worked as Managing Director during the period 22.04.2019 to 24.04.2021. And upon the resignation of Mr. Vijay Agarwal as Managing Director w.e.f. 24.04.2021, Mr Ashok Kumar Sharma was appointed as Managing Director w.e.f 24.04.2021. The appellant further submitted that the Company has appointed Managing Director w.e.f. 22nd April, 2019, therefore since Financial Year 2018-19 the other Directors on the Board should not have been penalised as per the provisions of the Section 204 in correct interpretation of Officer in default and such a relief ought to have been considered by Registrar of Companies, West Bengal during

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adjudication and since ROC, WB failed to consider the same may be considered in present appeal by the appellate Authority otherwise the same results in severe hardship for the appellants.

6. Based on the submissions made by the Authorised Representative and after verifying the Directorship of the Company from the signatory details of the portal, the Appellate Authority is of the view that the Company is having Managing Director in the Board for some part of the period of violation i.e. for the financial year 2018-19 onwards and as per the definition of officer in default, under the Act, the MD only should be termed as 'Officer in default' for the period when the Company is having a M.D. Since the Company is having a Managing Director, for the default committed during the said period the Managing Director is only liable along with Company. The period for which there is no Managing Director, all the Directors are liable along with the Company in the instant matter. The Appellate Authority is also of view that AOC 4 XBRL for F.Y 2022 vide SRN F92195585 has been filed in the portal on 14.02.2024 as such the Company Committed default for the F.Y 2021-2022 by not filing within the period prescribed. In view of the above, the order of ROC is modified as cogent ground was made out by Authorised Representative. The undersigned by virtue of the power vested in Regional Director under section 454(7) of the Companies Act, 2013 read with the Companies

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(Adjudication of Penalties) rules, 2014 modifies the order of the Registrar of Companies, West Bengal dated 21/03/2023 as under:

<b>Name of the Applicant Company/ Director</b>	<b>Total Period of Default (FY)</b>	<b>Total maximum Penalty (in Rs.)</b>
WELTER SECURITIES LIMITED (Period of default FY 2016-17 to 2021-22)	6 yrs	2,00,000*6= 12,00,000
SARVESH KUMAR SHARMA [DIN: 00048556]  (Period of default FY 2016-17 to 2017-18)	2 yrs	2,00,000*2= 4,00,000
VIJAY AGARWAL [DIN: 06509141]  (Period of default FY 2016-17 to 2019-20)	4 yrs	2,00,000*4= 8,00,000
MOHINI AGARWAL [DIN: 06516711]  ( Period of default FY 2016-17 to 2017-18)	2 yrs	2,00,000*2= 4,00,000
ASHOK KUMAR SHARMA [DIN: 00048612]  (Period of default FY 2020-21 to 2021-22)	2 yr	2,00,000 * 2= 4,00,000

Considering the facts and circumstances of the case and after taking into account the factors above, the appellate authority impose a penalty of of Rs. 12,00,000/- (Rupee Twelve lacs Only) on the concerned Company and Rs. 400000/- (Rupees Four lacs Only) on each of the 2(two) Directors i.e.

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Mr Sarvesh Kumar Sharma and Smt Mohini Agarwal and Rs 8,00,000/- (Eight lacs only) on one Managing Director i.e. Shri Vijay Agarwal and Rs 4,00,000/- (four lacs only) on other Managing Director i.e. Shri Ashok Kumar Sharma as the officer in default under Section 204 of the Act, **in Total Rs.32,00,000/-** (Rupees Thirty Two lacs Only) for failure to make compliance of the Act u/s. 204 of the Act during the relevant period of default.

7. The Directors/Officers of the company shall pay the amount of penalty from out of their own pockets. The amount of penalty shall be paid within a period of 90 days from the date of receipt of the copy of the order. Further, if the Company and its Directors fail to deposit the penalty amount within the prescribed time limit, action under section 454(8)(i) and (ii) of the Companies Act, 2013 shall be initiated against the Company and its Directors.

8. Hence the instant Appeal stands disposed of accordingly.



(P.Sridhar)

**REGIONAL DIRECTOR (ER)**

**Signed this the 28<sup>th</sup> day of November, 2024.**

Copy to:-

✓ M/S. WELTER SECURITIES LIMITED  
91, NETAJI SUBHASH ROAD,  
KOLKATA - 700001, WEST BENGAL, INDIA

o/c  
28/11/24

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5. ✓ ASHOK KUMAR SHARMA (DIRECTOR)  
E-3/84, SHIVRAM PARK, NANGLOI, NEW DELHI  
110041, DELHI, INDIA
6. ✓ The Registrar of Companies , West Bengal,..... for information in  
respect of letter dated 21.06.2023
7. ✓ The Officer in Charge, E-Gov. Cell, Ministry of Corporate Affairs, 5<sup>th</sup> Floor, A  
wing Shastri Bhavan, New Delhi-110001, -with a request to upload this Order on  
the website of the Ministry.



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