

**Application No. RD/ER/13/Appeal/23/ 6901-06**

O/C

**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. Merit Investment Ltd  
Merit Investment Limited 41 Chowringhee Road,  
P S Park Street, Kolkata', West Bengal, 700071

**-AND-**

**IN THE MATTER OF**

Application under section 454 of The Companies Act, 2013 for preferring an appeal against the penalty order dated 06/06/2023 of Registrar of Companies, West Bengal passed for violating the provisions of section 203 of the Companies Act, 2013.

**-AND-**

**IN THE MATTER OF**

1. M/s. Merit Investment Ltd  
Merit Investment Limited 41 Chowringhee Road,  
P S Park Street, Kolkata', West Bengal, 700071
2. Jaiprakash Narayan Dwivedi  
P.N. Banerjee Road, Budge Budge, Budge Budge South  
arganas, Kolkata, 700137, West Bengal, India

**In the matter of** M/s. Merit Investment Ltd

प्रेषित किया गया/Dispatched by...  
हस्ताक्षर/Signature...  
दिनांक/Date... 7/06/2023



3. Mayank Dugar  
32a New Road Aliporekolkata,700027,West Bengal,

4. Sushila Dugar  
32A New Road, Aliporekolkata,700027,West Bengal,

..... APPELLANTS

**Date of Hearing** : 21/11/2023

**Present** : Mr. Kaushik Kar, CA  
and Authorised Representative of the  
Appellants

### **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. F62916515 dated 05/08/2023 by the aforesaid appellants against the penalty order under section 203 of the Adjudicating Authority i.e. Registrar of Companies, West Bengal dated 06/06/2023 communicated to the appellants vide letter no. ROC/ADJ/2023/031201/2343-2346 dated 06/06/2023.
2. The office of the Registrar of Companies, West Bengal had issued Adjudication notice for violation of section 203 of the Act vide no. ROC/ADJ/2022/031201 dated 27/07/2022 to the company and its

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officer. In this regard, a reply dated 10/8/2022 was received by the ROC, West Bengal from the Company and its officers for aforesaid Adjudication notice as under:-

- a) *"The company's shares were listed with the Calcutta Stock Exchange (CSE). However, with the derecognizing of the Calcutta Stock Exchange (CSE) by the Securities and Exchange Board of India (SEBI) for compulsory exit of the Calcutta Stock Exchange (CSE) under Section 5 of the SCRA, 1956 and the SEBI Act, 1992, which was confirmed by the Hon'ble Calcutta High Court in W.P. No. 27340 (W) of 2015 with W.P. No. 31846 (W) of 2014 with C.A.N. 8384 of 2015 (Calcutta Stock Exchange Ltd. & Anr. Vs. Security and Exchange Board of India & Ors.) vide order dated 12.04.2016 and with the derecognizing of the Calcutta Stock Exchange (CSE) by SEBI, the company ceases to be a listed company.*
- b) *As the trading operation of CSE is cancelled by SEBI with the derecognizing of the Calcutta Stock Exchange (CSE) hence no trading of securities is allowed. The company therefore no longer qualifies as a listed company.*
- c) *At present, the Authorized Capital of the above mentioned company is Rs. 25,00,000/- and the paid up capital is Rs. 20,00,000/-.*
- d) *At present the total number of shareholders in Merit Investment Ltd is 86 only and is a small company.*
- e) *Moreover, the paid up share capital of the company has never attained Rs. 5 crores nor attained Rs. 10 crores.*
- f) *The company has appointed a Company Secretary with effect from*

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01.11.2022. DIR-12 has been duly filed vide SRN:F48670574 dated 26.11.2022.

g) Disregarding the above submission the adjudicating officer vide order No. ROC/LEGAL/ADJ/2023/031201/2343 dated 8.6.2023 imposed penalty on the company and three directors totaling to Rs. 20 lakhs under section 203(5) of the Act, 2013. The said order was received by us on 10.06.2023.

h) Aggrieved by the said order, the company and the directors hereby files this appeal u/s 454(5) & 454(6) of the Act read with Companies (Adjudication of Penalties) Rules, 2014 against the above order issued under section 203(5) of the Act, 2013.

i) The appellant craves to add or modify any additional ground that may arise during the course of hearing.”

However, aforesaid reply of the Company was not found satisfactory by the ROC, West Bengal.

3. Considering the above facts and circumstances of the case, the Adjudicating Authority has imposed penalty as under :-

As per table below for violation of section 203(4) r/w 203(5) of the Act:

Name of the Applicant Company/ Director	No. of days of Default	First Default (in Rs. )	Continuing Default (in Rs. )	Total maximum Penalty (in Rs.)
MERIT INVESTMENT LTD (Period of default from 02.11.2018 to 14.03.2020 to 01.03.2022 to 31.10.2022)	744	5,00,000/-		5,00,000/-

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JAYPRAKASH NARAYAN DWIVEDI [DIN: 01913309] [Appointed on 24.12.2014] (Period of default from 02.11.2018 to 14.03.2020 01.03.2022 to 31.10.2022)	744	50,000/-	744 * 1,000= 7,44,000	5,00,000/-
MAYANK DUGAR [DIN: 06889061] [Appointed on 24.12.2014] (Period of default from 02.11.2018 to 14.03.2020 01.03.2022 to 31.10.2022)	744	50,000/-	744 * 1,000= 7,44,000	5,00,000/-
SUSHILA DUGAR [DIN: 07222958] [Appointed on 27.06.2015] (Period of default from 02.11.2018 to 14.03.2020 01.03.2022 to 31.10.2022)	744	50,000/-	744 * 1,000= 7,44,000	5,00,000/-

4. Having considered the facts and circumstances of the case and after taking into account the factors above, ROC, West Bengal imposed a penalty of Rs. 5,00,000/- (Rupees Five Lakhs Only) on the concerned Company and Rs. 5,00,000/- (Rupees Five Lakhs Only) each of the three officers in default under Section 203(5) of the Act, **in Total Rs. 20,00,000** (Rupees Twenty Lakhs Only) (i.e., Rs. 5,00,000 for Company and Rs. 5,00,000x 3 Director) for failure to make compliance of the Act u/s. 203 of the Act.

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5. The appeal was heard on 21/11/2023 and the Authorized Representative of the appellants was heard. During the hearing the Authorized Representative has explained as under:-
- a) Company is in the process of the voluntary delisting from the Calcutta Stock Exchange Ltd., as the Company being a small Company.
  - b) Company has already appointed Merchant Banker, M/s. Finshore Management Services Ltd., In terms of Board Resolution and have already paid pending fees payable to the Calcutta Stock Exchange Ltd., as required for compliance of the said process.
6. Authorised Representative was asked to make submission regarding any infirmity in the order of Registrar of Companies in ascertaining the offence under section 203 of the Companies Act, 2013 and deciding the Adjudication thereafter. The Authorised Representative had no submission in this regards. Hence, the order of ROC is confirmed as no 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 (Adjudication of Penalties) rules, 2014 confirms the order of the Registrar of Companies, West Bengal dated 06/06/2023. The Company and 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

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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.

7. Hence the instant Appeal stands disposed of accordingly.

(P.Sridhar)

REGIONAL DIRECTOR I/C (ER)

**Signed this the 03<sup>rd</sup> day of January, 2024.**

Copy to:-

1. M/s. Merit Investment Ltd  
Merit Investment Limited 41 Chowringhee Road,  
P S Park Street, Kolkata', West Bengal,700071
2. Jaiprakash Narayan Dwivedi  
P.N. Banerjee Road, Budge Budge, Budge Budge South  
arganas,Kolkata,700137,West Bengal, India
- 3 Mayank Dugar  
32a New Road Aliporekolkata,700027,West Bengal,
- 4 Sushila Dugar  
32A New Road, Aliporekolkata,700027,West Bengal,
5. The Registrar of Companies,  
West Bengal,..... for information in respect of his letter no.  
ROC/ADJ/2023/8161 dated 07/11/2023
6. 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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O/C  
~~to~~  
03/01/24

