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शिघ्र डाक सेवा
SPEED POST



BEFORE THE REGIONAL DIRECTOR, WESTERN REGION

MINISTRY OF CORPORATE AFFAIRS, MUMBAI

प्रादेशिक निदेशक, पश्चिम क्षेत्र, कारपोरेट कार्य मंत्रालय, मुंबई के समक्ष

सं. प्रादे. निदे. (प.क्षे.)/454(5)/ Truthhigh Fintech (Keval Shah) /137/AB2568978/2024-25/

APPEAL UNDER SECTION 454(5) OF COMPANIES ACT, 2013 AGAINST ORDER PASSED FOR OFFENCES COMMITTED UNDER SECTION 137 OF THE COMPANIES ACT, 2013.

In the matter of TRUTHHIGH FINTECH PRIVATE LIMITED.

1. KEVAL MAHENDRA SHAH.

- Ex-Director

...Appellant

ORDER

Appeal under sub-Section (5) of Section 454 of the Companies Act, 2013 (Act) read with the Companies (Adjudication of Penalties) Rules, 2014 (Rules) has been filed by 'Keval Mahendra Shah', Ex-Director of 'Truthhigh Fintech Private Limited' (Company) having CIN U72900MH2019PTC330651, against Order No. ROC(M)/TRUTHHIGH/ADJ-ORDER/137/2024-25/3342 dated 07/01/2025 (ROC Order) of Registrar of Companies, Mumbai for violating provisions of Section 137 of the Act.

2. The appeal lies within the jurisdiction of the Regional Director, Western Region, Ministry of Corporate Affairs, Government of India.

3. The Registrar of Companies, Mumbai (RoC Mumbai) vide Adjudication Order dated 07/01/2025 held the Company and its Officers/Directors, who have defaulted liable for penalty under Section 137(3) of the Act from 31/12/2021 to 19/08/2024 for not filing Financial Statements for the Financial Year 2020-21 within thirty days from the date of Annual General Meeting in pursuance of Section 96 of the Act as under:

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No. of days default	Penalty imposed on Company / KMP	First default (In Rs.)	Default continues penalty (in Rs.)	Total penalty levied (In Rs.)	Maximum penalty (In Rs.)	Penalty payable (In Rs.)
962 days	Truthhigh Fintech Private Limited	10,000/-	962X100 = 96,200/-	10,000 + 96,200 = 1,06,200/-	2,00,000/-	1,06,200/-
	Keval Mahendra Shah	10,000/-	962X100 = 96,200/-	10,000 + 96,200 = 1,06,200/-	50,000/-	50,000/-
	Gajendra Ravindranath Tiwari	10,000/-	962X100 = 96,200/-	10,000 + 96,200 = 1,06,200/-	50,000/-	50,000/-
	Peihan Wei	10,000/-	962X100 = 96,200/-	10,000 + 96,200 = 1,06,200/-	50,000/-	50,000/-
	Anubhav Dwivedi	10,000/-	962X100 = 96,200/-	10,000 + 96,200 = 1,06,200/-	50,000/-	50,000/-
	Sunil Kumar Ram	10,000/-	962X100 = 96,200/-	10,000 + 96,200 = 1,06,200/-	50,000/-	50,000/-
	Pawandeep	10,000/-	962X100 = 96,200/-	10,000 + 96,200 = 1,06,200/-	50,000/-	50,000/-
	Ashish Kumar	10,000/-	962X100 = 96,200/-	10,000 + 96,200 = 1,06,200/-	50,000/-	50,000/-
TOTAL					5,50,000/-	4,56,200/-

4. Appellant has filed Form-ADJ vide SRN AB2568978 dt. 29/01/2025. As per provisions of sub-Section (6) of Section 454, every appeal under sub-section (5) shall be filed within sixty (60) days from the date on which the copy of the order made by the adjudicating officer is received by the aggrieved person. On examination of the application/appeal, it is seen that the said application/appeal has been filed within 60 days from the date of passing of the adjudication order.

5. Grounds of Appeal & Relief sought:

- The Appellant resigned from the post of non-executive director of the company with effect from 31/08/2020 vide SRN R52681574. Since he was not a director of the company at the time of closure/end of the Financial Year 31/03/2021, he was not required to ensure filing of financial statement for the Financial Year ended on 31/03/2021 with the Registrar of Companies.
- Withdraw the penalty order issued against the Appellant as he was not officer in default during the period of default u/s. 92 of the Act.

6. The matter was posted for hearing as per Section 454(5) read with Section 454(7) of the Act on 03/04/2025. Keval Mahendra Shah, Ex-Director of the company who appeared for the said hearing stated that he had resigned from the post of non-executive director of the company with effect from 31/08/2020 vide SRN R52681574 and hence was not liable for default committed under Section 137 of the Companies Act, 2013 for the Financial Year 2020-21.

7. The punishment for contravention of section 137 is prescribed under section 137(3) of the Companies Act, 2013 which states that –

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" If a company fails to file the copy of the financial statements under sub-section (1) or sub-section (2), as the case may be, before the expiry of the period specified therein the company shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of two lakh rupees, and the managing director and the Chief Financial Officer of the company, if any, and, in the absence of the managing director and the Chief Financial Officer, any other director who is charged by the Board with the responsibility of complying with the provisions of this section, and, in the absence of any such director, all the directors of the company, shall be liable to a penalty of ten thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of fifty thousand rupees."

8. Asstt. Registrar of Companies, Mumbai vide further letter dt.02/04/2025 has stated that the contention of the Appellant that he had resigned on 31/08/2020 can be admitted. She has further stated that the said director was not liable as an Officer in Default for any violation by the company after his cessation and therefore the Adjudication Order may be modified to that extent.

9. Facts of the Case:

- Keval Mahendra Shah has resigned from the post of director of the company with effect from 31/08/2020 vide SRN R52681574.
- The Company has failed to file a copy of Financial Statements with the Registrar of Companies for the Financial Year 2020-21 within thirty days as per the provisions of Section 137 of the Companies Act, 2013.
- The due date of filing Annual Return was 30/12/2021 and the Show cause notice was issued on 19/08/2024. The period of default is thus calculated from 31/12/2021 till the date of dispatch of the show cause notice i.e. dt. 19/08/2024.
- ROC, Mumbai has imposed penalty as per Section 137(3) of Companies Act, 2013.

10. Taking into consideration the Adjudication Order of the Registrar of Companies, Mumbai; submissions made by the Appellant in his application as well as oral submission during the hearing; further letter of RoC, Mumbai; I am of the considered view that Keval Mahendra Shah is not liable for default committed by the company under Section 137 of the Companies Act, 2013 for the Financial Year 2020-21 as he resigned w.e.f. 31/08/2020 and therefore, the Adjudication Order dated 07/01/2025 passed by ROC, Mumbai is 'MODIFIED' under Section 454(7) of the Companies Act, 2013 which is as under:

No. of days default	Penalty imposed on Company / KMP	Penalty imposed by Adjudicating Officer (In Rs.)	Penalty imposed by Regional Director (In Rs.)	Remarks of this forum
	Truthhigh Fintech Private Limited	1,06,200/-	1,06,200/-	Confirmed
	Keval Mahendra Shah	50,000/-	Waived Off	Modified
	Gajendra Ravindranath Tiwari	50,000/-	50,000/-	Confirmed



962 days	Peihan Wei	50,000/-	50,000/-	Confirmed
	Anubhav Dwivedi	50,000/-	50,000/-	Confirmed
	Sunil Kumar Ram	50,000/-	50,000/-	Confirmed
	Pawandeep	50,000/-	50,000/-	Confirmed
	Ashish Kumar	50,000/-	50,000/-	Confirmed
TOTAL		4,56,200/-	4,06,200/-	

11. In view of the above, the present appeal is disposed of with directions to Registrar of Companies, Mumbai, to file prosecution under Section 454(8) of the Companies Act, 2013, if the company and other directors/officers of the company have failed to deposit the penalty imposed upon them vide Adjudication Order dt.07/01/2025.

A copy of this order shall be published on the website of the Ministry of Corporate Affairs as per Rules.

Signed and sealed on 30th day of April 2025.



[Signature]
(SANTOSH KUMAR)
REGIONAL DIRECTOR
WESTERN REGION, MUMBAI

To,

1. Truthhigh Fintech Private Limited,
Office No. ResCo- work 01, 601,6th Floor,
Rupa Solitaire Millennium Business Park,
Pl No.A-1,Mahape Navi Mumbai,
Raigarh,Maharashtra,400710,India.
2. Keval Mahendra Shah,
E/403, Neelambuj Bldg, Shankar Lane,
Kamal Aparatment, Kandivali- West,
Mumbai ,400067, Maharashtra, India.
3. Registrar of Companies, Mumbai.
4. E-Gov Cell, Ministry of Corporate Affairs, New Delhi.
5. Master Copy.
6. Office Copy.

[Signature]
"Certified True Copy"

[Signature]
(TUSHAR WAGH, ICLS)
DEPUTY DIRECTOR