

BEFORE THE ADJUDICATING OFFICER
REGISTRAR OF COMPANIES, GOA, DAMAN & DIU
(ADJUDICATION ORDER NO: ROCGDD/AO/92&137/2019/4)

**UNDER SECTION 454 OF THE COMPANIES ACT, 2013 READ WITH
COMPANIES (ADJUDICATION OF PENALTIES) RULES, 2014.**

In respect of:
TIMELINE MEDIA PRIVATE LIMITED
U74999GA2010PTC006403

Appointment of Adjudicating Officer:-

1. Ministry of Corporate Affairs vide its gazette notification no SO 831(E) dated 24.03.2015 appointed undersigned as Adjudicating Officer in exercise of the powers conferred by section 454 of the Companies Act, 2013 [herein after known as **Act**] read with Companies (Adjudication of Penalties) Rules, 2014 [Notification no GSR 254(E) dated 31-3-2014] for adjudging penalties under the provisions of the Act. The undersigned vide Companies (Amendment) Ordinance, 2019 is entrusted to adjudicate penalties under section 92 and 137 of the Act with effect from 02.11.2018.

Company:-

2. Timeline Media Private Limited [herein after known as **Company**] CIN U74999GA2010PTC006403 is a registered company with the office of Registrar of Companies, Goa, Daman and Diu and having its registered address as 401, 4th Floor, Dukle Arcade, AV.Teofilo, Braga, Tiswadi Taluka, St.Inez, North Goa, Goa, 403001 India as per records maintained by this office in online registry.

Show Cause Notice, Reply and Personal Hearing:-

3. That this office had received complaint against the company filed by Ms. Ashwini Nayak, shareholder of the Company. The contents of the compliant are that the Company did not issue notices of its Annual General Meetings to its shareholders even though the due date of holding the AGM was expired. Further, the directors of the company are trying to fudge the books of accounts and divert the revenue

to show losses in the company. The matter was taken up with the company vide this office letter dated 07.11.2018 to which the company has responded vide letter dated 27.11.2018. The crux of the letter inter alia states as under:

- (a) That the company has stated that the complainant and her husband is trying to spoil the prospects of the company and creating all sorts of hurdles in the day to day functioning of the company.
- (b) That the company is fighting a case against the complainant in court of law vide case no. #68/2018/B dated 8.8.2018 for the unlawful judgment on the possession of the premises given to company by the complainant to operate their registered office cum Directors accommodation.
- (c) That Mr. Sadashiv Shet, Company Secretary expressed his inability to continue as Company Secretary of the company vide email dated 28.7.2018. But he has not returned books and records of the company. Company has filed complaint against Mr. Sadashiv Shet, CS at Directorate of Discipline; Headquarters ICSI-Delhi for taking disciplinary action and to withdraw his membership for practicing.
- (d) That Company had appointed N.N.Lotlikar & Associates as the Statutory Auditors till 2019, but when the Board has approached him during the last week of August 2018 before 30 days from the AGM date, the said CA expressed his decision to step down as the statutory auditor of the Company. Further, the company requested Adukia & Associates to do the Audit and they have written letter to N.N.Lotlikar & Associates for the issue of NOC as per statutory requirements. But even after almost 03 months the CA has not officially resigned nor issued the NOC to the new CA. Company has filed complaint against the N.N.Lotlikar, CA at ICAI for cancelling his membership and also to punish him as per the established laws of the country.
- (e) That company has stated that due to all the unprofessionalism of the CA and CS and the dispute between the members, the company was unable to conduct the AGM for the year and hence, there is no question of sending the notice of AGM to the members.
- (f) **That the company accepts the fact of non-conducting of AGM and is ready to bear the consequences of violations of Section 92, 96 and Section 137 of the Companies Act, 2013.**

4. Process of Adjudication of Penalties was initiated and a Show Cause Notice (SCN) under Section 92(5) and 137(3) of the Companies Act, 2013 was issued vide no. ROCGDD/Penalty/Non-filing/3941-3946 dated 17.01.2019 to Company, Managing Director and 3 Whole Time Directors, Shri Arjun Manjunath (DIN: 06814364), Shri Manjunath Nagappa Pujari (DIN: 02989640), Ms. Shanthi Manjunath (DIN: 03416569) & Ms. Shwetha Manjunath (DIN: 06451391). Noticee to SCN were called upon to show the cause for non-filing of Annual Return(s) and Financial Statement(s) pursuant to Section 92 and Section 137 of the Act respectively for Financial Year 2017-18. No response was received by this office to this SCN. Thereafter, Notice of Inquiry was issued vide no. ROCGDD/Penalty/Non-filing/4528-4533 dated 07.02.2019 pursuant to Rule (3) of Companies (Adjudication of Penalties) Rules, 2014. Company and Officers/Directors (Noticee) were called upon to appear personally or through authorized representative under Rule 3(3), the Companies (Adjudication of Penalties) Rules, 2014 on 25.02.2019 [between 10.30AM to 12.30PM]. But neither the Directors nor any representative of them or Company appeared for personal hearing.

Provisions of Companies Act, 2013:-

5. Sub-section (1) of Section 92 of the Act provides that every company shall prepare an Annual return in the prescribed form and sub-section(4) of Section 92 of the Act provides that every company shall file with the registrar a copy of the Annual return, within sixty days from the date on which the annual general meeting is held or where no annual general meeting is held in any year within sixty days from the date on which the annual general meeting should have been held together with the statement specifying the reasons for not holding the annual general meeting, with such fees or additional fees, as applicable.
6. Sub-section (5) of Section 92 of the Act provides that if any company fails to file its annual return under sub-section (4) of Section 92 of the Act, before the expiry of the period specified therein, such company and its every officer who is in default shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with further penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of five lakh rupees.



7. Sub-section (1) of Section 129 of the Act provides that company shall prepare a financial statement comply with the accounting standards notified under section 133 of the Act and sub-section (2) of Section 129 of the Act provides that at every annual general meeting of a company, the Board of Directors of the company shall lay before such meeting financial statements for the financial year. Further sub-section (1) of the Section 137 of the Act provides that a copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this Act, duly adopted at the annual general meeting of the company, shall be filed with the Registrar within thirty days of the date of annual general meeting in such manner, with such fees or additional fees, as applicable.
8. Sub-section(3) of section 137 of the Act provides that if a company fails to file the copy of the financial statements under sub-section (1) or sub-section (2) of the section 137, as the case may be, before the expiry of the period specified therein, the company shall be liable to a penalty of one thousand rupees for every day during which the failure continues but which shall not be more than ten 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 one lakh rupees and in case of continuing failure, with further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees.

Factors to be taken into account by the Adjudicating Officer:-

9. While adjudging quantum of penalty under section 92(5) and 137(3) of the Act, the Adjudicating Officer would take into consideration the following factors, namely:
- a. The amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of default.
 - b. The amount of loss caused to an investor or group of investors as a result of the default. S
 - c. The repetitive nature of default.

10. With regard to the above factors to be considered while determining the quantum of penalty, it is noted that the disproportionate gain or unfair advantage made by the noticees or loss caused to the investor as a result of the delay on the part of the noticees to redress the investor grievance are not available on record. Further, it may also be added that it is difficult to quantify the unfair advantage made by the noticees or the loss caused to the investors in a default of this nature. However, the offence is of serious nature since non-filing of Annual Accounts by the Company put itself out of reach of stakeholders/ regulatory authorities and other concerned.

ORDER

11. The Company has not filed Annual Return(s) and Financial Statement(s) pursuant to sub-section (4) of Section 92 and sub-section (1) of Section 137 of the Act respectively for financial year ending 31/03/2018, thereby attracting penal provisions under sub-section(5) of Section 92 and sub-section(3) of Section 137 of the Act respectively.
12. No response to Show Cause Notice dated 17.01.2019 was received and neither noticee or their authorised representative appeared for hearing. However, it is to place on record that Company vide its letter dated 27.11.2018 in 2nd last para has accepted the default inter alia stating that Company and Directors are ready to bear the consequences of violations of Section 92, 96 and Section 137 of the Companies Act, 2013.
13. Having considered the facts and circumstances of the case and submissions made by the Noticees and after taking into account the factors above, I do hereby impose penalty on Company and Directors as per table below for violation of Section 92 and Section 137 of the Companies Act, 2013 for Financial Year ending 31.03.2018. I am of the opinion that penalty is commensurate with the aforesaid failure committed by the Noticee.

Document Required to be filed	No of Days of Default *	Penalty imposed on Company /Director	Default (in Rs)	Default Continues (in Rs)	Total (in Rs)
Financial Statement u/s 137(1) of Companies Act, 2013	117 days	On Company	Rs.1000*117 = 1,17,000/-		1,17,000/-
		Arjun Manjunath	1,00,000	Rs.100*117=11,700/-	1,11,700/-
		Manjunath Nagappa Pujari	1,00,000	Rs.100*117=11,700/-	1,11,700/-
		Shanthi Manjunath	1,00,000	Rs.100*117=11,700/-	1,11,700/-
		Shwetha Manjunath	1,00,000	Rs.100*117=11,700/-	1,11,700/-

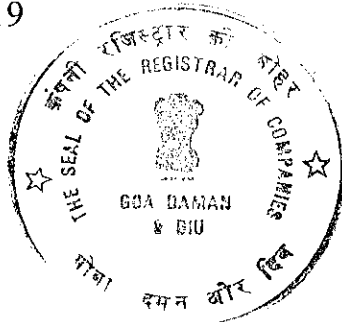
Annual Returns u/s 92(4) of Companies Act, 2013	87 days	On Company	50,000	Rs.100*87=8,700/-	58,700/-
		Arjun Manjunath	50,000	Rs.100*87=8,700/-	58,700/-
		Manjunath Nagappa Pujari	50,000	Rs.100*87=8,700/-	58,700/-
		Shanthi Manjunath	50,000	Rs.100*87=8,700/-	58,700/-
		Shwetha Manjunath	50,000	Rs.100*87=8,700/-	58,700/-


*No. of days have been calculated from November, 2018 and December, 2018 till Date of Personal Hearing i.e., 25.02.2018 for Financial Statement and Annual Return respectively.

14. The Company and it's Directors are hereby directed to rectify the default within 30 days from the date of receipt of copy of this Order.
15. Penalty shall be paid through Ministry of Corporate Affairs portal only.
16. Appeal against this order may be filed in writing with the Regional Director (WR), Ministry of Corporate Affairs, 100, Marine Drive, Everest Building, Mumbai-400002, within a period of sixty days from the date of receipt of this order, in Form ADJ setting forth the grounds of appeal and shall be accompanied by a certified copy of this order. [Section 454 of the Companies Act, 2013 read with Companies (Adjudicating of Penalties) Rules, 2014].
17. Your attention is also invited to section 454(8) of the Act regarding consequences of non-payment of penalty.
18. In terms of the provisions of sub-rule (9) of Rule 3 of Companies (Adjudication of Penalties) Rules, 2014, copy of this order is being sent to Timeline Media Private Limited at 401, 4th Floor, Dukle Arcade, AV.Teofilo, Braga, Tiswadi Taluka, St.Inez, North Goa, Goa, 403 001 India, Shri Arjun Manjunath (DIN: 06814364), Shri Manjunath Nagappa Pujari (DIN: 02989640), Ms. Shanthi Manjunath (DIN: 03416569) & Ms. Shwetha Manjunath (DIN: 06451391) at 401, 4th Floor, Dukle Arcade, St.Inez, Tiswadi, Panaji 403001, Goa and also to Office of Regional Director(WR), Ministry of Corporate Affairs, 100, Marine Drive, Everest Building, Mumbai-400002.

Place:- Panaji, Goa.

Date:- 25.03.2019




(K. S. Reddy)

Registrar of Companies Goa, Daman & Diu
&
Adjudicating Officer