

In the National Company Law Tribunal

New Delhi Bench

C.P No- 16/69/17

In the Matter of

M/s Celsia Hotels Private Limited

Order Delivered on -17.08.2017

CORAM: SMT. INA MALHOTRA

HON'BLE MEMBER(J)

Present- Mr. Sanjay Grover, PCS

ORDER

The petitioners have filed this application u/s 441 of the Companies Act, 2013 praying for compounding of the offence u/s 134(3)(o) of the Companies Act, 2013, as they failed to spend 2% of their average profits on CSR activities for the F.Y ending 2014-2015. Further, they have also not disclosed the reasons for not spending on the CSR Activities as required under the Statute. The default has since been made good as the company has convened its Board Meeting on 06.06.2016 and decided how the budgeted CSR amount would be spent on the projects/ activities. Reasons for not spending for CSR during the financial year 2015-2016 were also given.

2. As per the provisions of Section 134(8) of the Companies Act, 2013



“If a company contravenes the provisions of this section, the company shall be punishable with fine which shall not be less than Rs. 50,000/- but which may extend to Rs. 25,000/- and every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than Rs. 50,000/- but which may extend to Rs. 5 Lakhs or with both”.

3. The applicant company had an operating revenue of Rs. 24,75,89,285/- as per their Profit and Loss Statement for the Financial year 2014-2015 and were liable to comply with the provision of Section 135 of the Companies Act, 2013 in respect of their Corporate Social Responsibility.

4. The present petition has been routed through the office of the RoC along with their comments. There is no repudiation by the department of the applicant's assertion that all objections have been removed. They have however recommended the fine of Rs. 25 Lakhs on the company and Rs. 5 Lakh on each of the erring Directors in terms of the fine provided under Section 134(8) of the Companies Act, 2013.

5. As the default has been made good, the petitioners/applicants' prayer can be granted. This Bench however deems it sufficient to impose a fine of **Rs 5 Lakhs** on the company and **Rs 1 Lakh** on each of the other petitioners, being 1/5th of the maximum fine attracted for the aforesaid violation. Accordingly, the fine imposed on the applicant is as under:-

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Name of Defaulter	Amount (in Rs.)*
M/s Celsia Hotels Private Limited	Rs 5 Lakhs
Mr. Davander Singh	Rs 1 Lakh
Mr. Nikhil Sharma	Rs 1 Lakh

7. Fine imposed on the Directors/officers shall be paid out of their personal accounts.
8. Subject to the remittance of the aforesaid fine within 15 days, the offence shall stand compounded. Copy of the order be sent to the office of the RoC. Compliance Report be placed on record.
9. Petition stands disposed off in terms of the above and be consigned to Record Room.

Sd
(Ina Malhotra)
Member Judicial