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NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD

T.P. No. 184/621A/NCLT/AHM/2016(New)
C.A. No. 77-A/621A/CLB/MB/2015(Old)

Coram: **Present: Hon'ble Mr. BIKKI RAVEENDRA BABU**
MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 16.03.2017

Name of the Company: Safal Buildcon Pvt. Ltd.

Section of the Companies Act: Section 285 of the Companies Act, 1956

S.NO.	NAME (CAPITAL LETTERS)	DESIGNATION	REPRESENTATION	SIGNATURE
1.				
2.				

ORDER

None present for both parties.

Order Pronounced in open Court vide separate sheet.

16/3/17
BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Dated this the 16th day of March, 2017.

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NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
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T.P. No. 184/621A/NCLT/AHM/2016(New)

CA No.77-A/621A/CLB/MB/2015 (Old)

CORAM: SRI BIKKI RAVEENDRA BABU, MEMBER JUDICIAL

Date: 16th March, 2017

In the matter of:

1. M/s. Safal Buildcon Private Limited
   11th Floor, Safal Profitaire,
   Corporate Road, Opp:Auda Garden,
   Prahladnagar,
   Ahmedabad-380015

2. Shri Uday H. Vohra,
   Director. : Petitioners.

Appearance:

Mr. Kamlesh M. Shah, learned PCS for the Petitioners.

FINAL ORDER

Pronounced on 16th day of March, 2017

1. M/s. Safal Buildcon Private Limited and its Director filed this Petition under Section 621-A of the Companies Act, 1956 for violation of Section 285 of the Companies Act, 1956 for the financial year 2012-2013 and for violation of Section 173 of the Companies Act, 2013 for the financial year 2013-2014.

2. As per Section 285 of the Companies Act, 1956, every company shall hold its Board of Directors meeting at least one in every three months and at least four such meetings shall be held every year.

3. As per Section 173 of the Companies Act, 2013, every company shall hold minimum number of four meetings of its Board of Directors every year and there shall not be more than 120 days' interval between two consecutive meetings of the Board. Petitioners admitted the said violation in their Application filed before the Registrar of Companies on 9.1.2015. Registrar of Companies, by his Report forwarded the same to Company Law Board wherein it is numbered as 'CA No. 77 of 2015' and later altered as 'CA No.77-A of 2015'. The said Application was transferred to this Tribunal and renumbered as 'TP No. 184 of 2016'. Registrar of Companies in his Report stated that the Company is not a vanishing Company; no similar offences compounded by the petitioners during the last 3 years; and the petition is proper.

4. The Petitioners in their Petition stated that due to the disputes between two groups in the management of the Company they could not comply with holding of Board Meetings and thereby violated Section 285 of the Companies Act, 1956 and Section 173 of the Companies Act, 2013.

5. No punishment is provided for the violation of Section 285 of the Act. Therefore, we have to look to Section 629-A of the Companies Act, 1956. It provides punishment to every company and its officer who is in default with fine which may extend to fifty thousand rupees and where the contravention is a continuing one with a further fine which may extend to five hundred rupees for every day. Section 173(4) provides punishment for violation of Section 173. It says that, 'every officer of the company is liable to pay penalty of twenty five thousand rupees.

6. Petitioners admitted that violations are there in the financial years 2012-2013 and 2013-2014. Considering the fact that there are two groups in the management of the Company and both groups filed compounding petitions separately, it is clear that the delay in not holding Board Meetings is only on account of disputes

among the persons in management of the Company. Considering all the aspects, Petitioners No. 1 and 2 shall pay Rs.1,000/- each for each Meeting which comes to 1000 x 4 x 2 = Rs. 8,000/-. This is for violation of Section 285 of the Companies Act.

7. For violation of Section 173 of the Companies Act, each Petitioner shall pay Rs. 25,000/- for each Meeting. Therefore, the compensation amount comes to –

Rs. 1000 x 4 Meetings x 2	= Rs.	8,000
Rs. 25,000 x 4 Meetings x 2	=	Rs. 2,00,000
Total		Rs. 2,08,000

Therefore, the Petitioners No. 1 and 2 are directed to pay a sum of Rs. 1,04,000/- (One Lakh Four Thousand) each for compounding the offence under Section 285 of the Companies Act, 1956 and Section 173 of the Companies Act, 2013.

8. The Ministry of Corporate Affairs, by way of Notification dated 1st June, 2016 SO 1936-E, declared that the matters transferred from the Company Law Board to National Company Law Tribunal shall be disposed of in accordance with the provisions of Act 18 of 2013 or the Companies Act, 1956.

9. Hence, violation of Section 285 of the Companies Act, 1956 and violation of Section 173 of the Companies Act, 2013, committed by the petitioners is compounded on payment of Rs. 1,04,000/-. The Petitioners No. 1 and 2 shall pay the sum of Rs. 1,04,000/- [One Lakh Four Thousand] each by way of Demand Draft drawn on Nationalised Bank in favour of Pay and Accounts Officer, Ministry of Corporate Affairs, Mumbai, within three weeks from the date of this order and file the original Demand Draft before the Registry of this Tribunal on or before 13.4.2017.

10. In case the petitioners fail to pay the amount as ordered above, the Registrar of Companies shall take appropriate action including prosecution of the petitioners as per applicable law under intimation to this Tribunal forthwith.

11. Petition is disposed of accordingly. Send copy of this order to the petitioners for compliance, and Registrar of Companies, Gujarat, Ahmedabad for reporting compliance of the order by the petitioners. List the matter on 17.4.2017.

16/3/17

BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Pronounced by me in open court on this the 16th day of March, 2017.

By RMR, PS.