

**In the National Company Law Tribunal**

**New Delhi Bench**

**C.P No- 11/441/ND/2017**

**In the Matter of**

**M/s Rapid Estates Private Limited**

**Order Delivered on – 15.01.2018**

**CORAM:**

**SMT. INA MALHOTRA, HON'BLE MEMBER (J)**

**SMT. DEEPA KRISHAN, HON'BLE MEMBER (T)**

**PRESENT-** Mr. Ashutosh Gupta, Advocate

Mr. Dhruv Gupta, Advocate

**ORDER**

**Per Ms. Ina Malhotra Member (J)**

This petition has been filed u/s 441 of the Companies Act, 1956 praying for compounding of the offence u/s 134(3)(o) of the Companies Act. As per Statutory requirements, the company was required to disclose in its Director's Report, the details of the CSR Policy developed and implemented during the year. A CSR Committee was also required to be constituted for this purpose. The said period of default is for the Financial year 2014-2015.

**2. As per the provision of Section 135(5) of the Companies Act, 2013:**

*“ Every Company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social*

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*Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.”*

**The requirement of Section 134(3)(o) of the Companies Act, 2013 is that :-**

“ There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year”

3. The petitioner’s case is that as the aforesaid provisions became applicable for the first time in the Financial year 2014-2015 itself, there was lack of clarity, moreso on account of the various notifications issued from time to time. The default has since been made good as the CSR committee has been duly constituted and CSR Policy has been framed and its disclosure made in the Director’s Report for the year 2015-2016.

4. The applicants have submitted that as the company is a full yielding entity and has good compliance record. Since the offence u/s 134(3)(o) is apparent on record, they have filed that the application for compounding.

5. The aforesaid offence is punishable u/s 134(8)of the Companies Act, whereby the Company is punishable with a fine which may extend to Rs. 25,00,000/-and every officer who is in default shall be punishable with imprisonment for a term which may extend to 3 years or with fine which may extend to Rs. 5,00,000/- or with both. Accordingly, RoC has recommended the imposition of a compounding fee of **Rs. 25,00,000 /-** on the company and **Rs. 5,00,000/-** on the two other applicants.

6. Given the facts of the case that the applicants have suo moto prayed for compounding and that the details about the policy were not disclosed due to lack of professional help, there is no legal impediment in compounding this offence. Keeping in view the submissions made and the guidelines set out by

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the Hon'ble NCLAT in the matter of M/s Viavi Solutions India Private Limited V. Registrar of Companies reported in (2017) 139 CLA 242, it would be just and equitable to impose the fine as under:-

<b>For</b>	<b>Amount (Rs.)</b>
M/s Rapid Estates Private Limited	Rs. 2,50,000/-
Mr. Anjani Kumar Prashar	Rs. 50,000/-
Mr. Omi Chand Rajput	Rs. 50,000/-

7. Subject to the remittance of the aforesaid fine, the offence shall stand compounded. For compliance within six weeks. Fine levied on the directors shall be paid out of their personal accounts.

8. Petition stands disposed off in terms of the above.

-S-d 7

**Deepa Krishan**  
**Member (T)**

-S-d 7

**Ina Malhotra**  
**Member (J)**