

NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
NEW DELHI

C.P.No.
CA.Nos. 16/73/2013
PRESENT: SMT.INA MALHOTRA
Hon'ble Member (J)

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NEW DELHI BENCH OF
THE NATIONAL COMPANY LAW TRIBUNAL ON 07.03.2017**

NAME OF THE COMPANY: M/s. Global Information Systems Technology Pvt. Ltd.

SECTION OF THE COMPANIES ACT: 621A

| <u>S.NO.</u> | <u>NAME</u> | <u>DESIGNATION</u> | <u>REPRESENTATION</u> | <u>SIGNATURE</u> |
|---------------------|--------------------|---------------------------|------------------------------|-------------------------|
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Present: Dr. S.K.Jain, Practicing Company Secretary

ORDER

The petitioners have filed this application u/s 621A of the Companies Act, 1956 praying for compounding of the offence u/s 297 of the Companies Act. The said petition has been routed through the office of the RoC along with their comments. The default was on account of Related Party Transactions without obtaining prior approval of the Central Government. The company which is engaged in the business of Sale & Purchase of Print & Online Journal Subscription had two common Directors with M/s. Universal Subscription Agency Pvt. Ltd. Since the paid up share capital of the company was more than Rs.1 crore, they were required to seek prior approval of the Central Government which they failed to do, thereby violating the provisions of Section 297(1) of the Companies Act 1956.

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2. The period of default is stated to be for the F.Y. 2012-13. It is submitted by the petitioners that the said violation had occurred due to inadvertence and without any malafide intention and having realized their mistake have sought permission from the office of the Regional Director.

3. The aforesaid offence is punishable u/s 629A of the Companies Act, 1956 whereby the Company and every officer who is in default is punishable with a fine which may extend to Rs.5000/- and where the contravention is a continuing one, with a further fine which may extend to Rs.500 for every day after the first during which the contravention continues. The fine attracted for default of 290 days tantamount Rs.1.5 lakhs on each of the applicants.

4. Given the facts of the case that there is no legal impediment in compounding of this one time default and that the applicants had subsequently prayed for approval from the office of the Regional Director, their prayer for compounding can be granted. This Bench deems it sufficient to impose a fine of Rs. 10,000/- on each of the defaulting petitioners. Accordingly, fine is imposed as under:

| For | Amount (Rs.) |
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| M/s. Global Information System Technology Pvt. Ltd. | 10,000/- |
| Mr. Ashok Kumar Chawla | 10,000/- |

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|-------------------|----------|
| Ms. Pomila Chawla | 10,000/- |
| Ms. Parul Arora | 10,000/- |

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

Idl-
(Ina Malhotra)
Member Judicial