

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY APPLICATION NO. 17/621A/441/NCLT/MB/2016
PRESENT: B.S.V. PRAKASH KUMAR, MEMBER (JUDICIAL) AND
V. NALLASENAPATHY MEMBER (TECHNICAL)

In the matter of Section 621A of the Companies Act, 1956 read with Section 441 of the Companies Act, 2013.

In the matter of **M/s. Jayaswal Neco Industries Limited** having its Registered Office F-8, MIDC Industrial Area, Hingna Rd, Nagpur – 440-016.

PRESENT FOR THE APPLICANT: -

Ajay Kumar – Practicing Company Secretary

Date of Hearing: 25.01.2017

ORDER

Applicants in Default: -

1. M/s. Jayaswal Neco Industries Limited - Company
2. Mr. Arbind Jayaswal – Managing Director
3. Mr. Ramesh Jayaswal – Joint Managing Director
4. Mr. Avinash Dinakar Karajgaonkar – Company Secretary

Section Violated:-

Section 297 of the Companies Act, 1956.

Nature of Violation: -

1. As per the submission made in the Report of Registrar of Companies, Mumbai and from the submissions made in the Compounding Application, it is observed that inspection of books of accounts and other records etc. of the Company under Sec 209A of the Companies Act, 1956 was conducted by the Ministry of Corporate Affairs, Govt of India, New Delhi vide their letter No. 4/8/200/-CL-II dated 04.02.2008. On Inspection the company has purchased the materials and services to the tune of Rs. 684.42 lakhs and sold goods of Rs.0.07 lakhs from a private limited Company namely M/s. Abhijeet Infrastructure Pvt. Limited during the year ended as at 31.03.2005. M/s. Abhijeet Infrastructure Pvt. Limited comprised of 4 directors out of which 3 directors Mr. Arbind Jayaswal, Mr. Basant Lall Shaw and Mr. Ramesh Jayaswal were interested/ exercises significant control in the aforesaid transaction. Further as per provisions of Sec 297, the paid up share capital of the Company being more than 1 Crore, no such transaction should have been entered without the prior approval of the Central Government.

Hence, the company has not complied with provisions of Sec 297 of the Companies Act, 1956. The Registrar of Companies, Mumbai forwarded the compounding application vide his letter No. ROC/JTA/621A/16154/198 dated 24.08.2016 and the same has been treated as Company Application No. 17/441/NCLT/MB/MAH/2016.

2. We have gone through the application of the applicants and the report submitted by the Registrar of Companies, Mumbai and also the submissions made by Authorised Representative for applicants at the time of hearing and noted that application made by the applicants for compounding of offence committed under Section 297 of the Companies Act, 1956, merited consideration.

3. Having regard to the facts and circumstances of the case, the offence committed under Section 297 of the Companies Act, 1956, as stated and explained above in first para is compounded against the Company, its two Directors and one Company Secretary, on payment of Rs. 20,000/- by each defaulter. The remittance shall be made by way of Demand Draft drawn in favour of "Pay and Accounts Officer, Ministry of Corporate Affairs, Mumbai". Since the Company, its two Directors and one Company Secretary named above have remitted total amount of Rs. 80,000/- as mentioned below:

Demand Draft No	Demand Date	Draft	Amount	Drawn On
318942	30.01.2017		Rs . 20,000/-	State Bank of India
097324	30.01.2017		Rs . 20,000/-	Axis Bank
097332	30.01.2017		Rs . 20,000/-	Axis Bank
739134	30.01.2017		Rs . 20,000/-	PNB Bank

to the registry of this Bench towards compounding fees, the Registrar of Companies, Mumbai is hereby directed to take further action as provided under Section 621A(3)(c)(d) of the Companies Act, 1956 read with Section 441 (3) (c) (d) of the Companies Act, 2013.

Ordered Accordingly,

Dated this November 6, 2017

Sd/-

B. S.V. PRAKASH KUMAR
Member (Judicial)

Sd/-

V.NALLASENAPATHY
Member (Technical)