

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY APPLICATION NO. 298/621A/CLB/MB/2015**

PRESENT: B.S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

In the matter of Section 621-A of the Companies Act, 1956

And

In the matter of **M/s Multi Commodity Exchange India Ltd.**, having its Registered Office at Exchange Square, Chakala, Suren Road, Andheri (E), Mumbai - 400093

PRESENT FOR THE APPLICANT: -

R Muralimohan – Practicing Company Secretary

Date of Hearing: 19.05.2016

ORDER

Applicants in Default: -

- 1) Mr. Jignesh Shah – Director
- 2) Mr. Joseph Massey – Director
- 3) Mr. Shreekant Javalgekar – Director
- 4) Mr. Padmanabhan Ramanathan – Ex-Company Secretary

Section Violated; -

Section 211(3A) r.w. AS 17 of the Companies Act, 1956.

1. Nature of Violation: -

As per the submission made in the report of the RoC, Mumbai and as per the submissions made in the Compounding Application, it is observed that as per Accounting Standard 17, when the company prepares a consolidated balance sheet under AS – 21 r.w. S. 211 (3A) of the Act, the segment reporting needs to be prepared only on the basis of the consolidated financial statement and not on standalone balance sheet. However, whatever segment reporting disclosed by the Company in the balance sheets for the last 3 years, it was noticed that the reporting was made on standalone balance sheet and not on consolidated one as required under Accounting Standard – 17 r.w. S. 211 (3A) of the Act therefore violated AS – 17, thus liable for penal action for the said violation. If any such person as is referred to in sub-section (6) of section 209 fails to take all reasonable steps to secure compliance by the company, as respects any accounts laid before the company in general meeting, with the provisions of this section and with the other requirements of this Act as to the matters to be stated in the accounts, he shall, in respect of each offence, be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

The Registrar of Companies, Mumbai has forwarded the compounding application vide his letter No. ROC/STA/621A/74 dated 04th September 2015 which was reached to CLB, Mumbai Bench on 8th September 2015 and the same has been treated as Company Application No. 298/621A/CLB/MB/2015.

2. The undersigned, then the Presiding Officer of the erstwhile Company Law Board had gone through the application and the report submitted by the Registrar of Companies, Mumbai and also the submissions made by the authorised representative of the Company at the time of hearing and noted that application for compounding of offence committed under Section 211(3A) r.w. AS 17 of the Companies Act, 1956 , merited consideration.
3. Accordingly, the offence committed under the said section and explained above has been ordered on 19.05.2016 to be compounded against the defaulters on payment of ₹ 35,000/-.
4. Subsequently, vide Notification No. A-45011/14/2016-Ad. IV dated 01.06.2016, issued by the Ministry of Corporate Affairs, New Delhi, the Central Government has constituted the National Company Law Tribunal and dissolved the erstwhile Company Law Board w.e.f. 01.06.2016.
5. The applicants above named, have remitted the total compounding fees of ₹ 35,000/- by 4 (Four) Demand Drafts. The one has drawn on HDFC Bank bearing no. 683261 dated 04.06.2016. The second has drawn on ICICI Bank bearing no. 009245 dated 07.06.2016, and the other two were drawn on Axis Bank bearing nos. 042403 and 042386 dated 02.06.2016 and 01.06.2016 respectively, with the newly constituted office of the National Company Law Tribunal, Mumbai Bench i.e. after dissolution of the Company Law Board.
6. Having regard to the facts and circumstances of the case, the offence committed under Section 211(3A) r.w. AS 17 of the Companies Act, 1956 by the Company, is hereby compounded.
7. Therefore, Registrar of Companies, Mumbai is hereby directed to take further action as provided under S. 621 A (3) (c) (d) of the Companies Act, 1956.

Ordered Accordingly,

Sd/-
B. S. V. PRAKASH KUMAR
Member (Judicial)

Dated this June , 16 2017