

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY APPLICATION NO. 297/621A/CLB/MB/2015**

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

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

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 Murlimohan – Practicing Company Secretary

Date of Hearing: 19.05.2016

ORDER

Applicants in Default: -

- 1) M/s. Multi Commodity Exchange Ltd.
- 2) Mr. Jignesh Shah – Director
- 3) Mr. Joseph Massey – Director
- 4) Mr. Shreekant Javalgekar – Director
- 5) Mr. Padmanabhan Ramanathan – Ex-Company Secretary

Section Violated; -

Section 372 A of the Companies Act, 1956.

1. Nature of Violation: -

- 1) 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, the section 372A of the act, the company can invest, give loan, provide guarantee to a maximum of 60% of paid up capital and reserve or 100% of the reserve whichever is higher without the approval of shareholders by way of passing special resolution to this effect. On perusal of records it was noticed that the company has exceeded in limit prescribed under the act and without the approval of shareholders in the year 2011-12 and 2010-11 as per the working given. The company has therefore violated the provisions of Section 372 A of the Companies Act, 1956. If default is made in complying with the provisions of this section, other than sub section (5) the company and every

officer of the company who is in default shall be punishable with imprisonment for term which may be sentenced two years or fine which may have extended to fifty thousand rupees or with both.

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 372 A 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 Company on payment of ₹ 1,40,000/-.
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 applicant above named have remitted the total compounding fees of ₹ 1,40,000/- Demand Drafts drawn on i) HDFC Bank Ltd. bearing no. 683267 dated 04.06.2016, ii) ICICI Bank bearing no. 009246 dated 07.06.2016, iii) Axis Bank bearing Nos. 042385 dated 01.06.2016 and iv) Axis Bank bearing Nos. 042395 dated 01.06.2016, 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 Section 372 A of the Companies Act, 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,

Dated this June , 16 2017

Sd/-

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