

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY APPLICATION NO. 217/621A/CLB/MB/2012

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. Repro India Ltd.**, having its Registered Office at 11th Floor, Sun Paradise Business Plaza, B-wing, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

PRESENT FOR THE APPLICANT: -

Kumudini Paranjape – Practicing Company Secretary

Date of Hearing: 18.05.2016

ORDER

Applicants in Default: -

- 1) M/s. Repro India Ltd.
- 2) Mr. Sanjeev Arora – Managing Director
- 3) Mr. Vinod Vora – Director
- 4) Mr. Mukesh Dhruve – Director
- 5) Mr. Pramod Khera – Director
- 6) Mr. Rajeev Vora – Director
- 7) Mrs. Madhavi Kulkarni – Company Secretary

Section Violated; -

Section 224 (8) 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 Company remunerated the statutory Auditors to the extent of ₹ 6,00,000/-, ₹ 12,00,000/- and ₹ 15,50,000/- towards Audit fee for carrying out the statutory audit of the Company's books for the years 2008-2009, 2009-2010, and 2010-2011 respectively. It is also observed that the members at the AGMs held on 18.07.2008, 18.07.2009, 24.07.2010 authorised the Board of Directors to fix the remuneration of the statutory auditors for the years 2008-2009, 2009-2010, and 2010-2011 respectively. The minutes of Board Meeting during the relevant period do not bear any resolutions passed by the Board of Directors for fixing and authorising payment of the above mentioned fees. Thus, the company had violated the provisions of S. 224 (8) of the Companies Act, 1956. The violation is from 01.04.2008 to 31.03.2011 i.e. 1095 days. The Registrar of Companies, Mumbai forwarded the compounding application vide his letter No. ROC/STA/621A/34 dated 14th May 2012 and the same has been treated as Company Application No. 217/621A/CLB/MB/2012.
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 S. 224 (8) of the Companies Act, 1956, merited consideration.

3. Accordingly, the offence committed under the said section and explained above has been ordered on 18.05.2016 to be compounded against the Company on payment of ₹ 3,00,000/-, its Managing Director on payment of ₹ 2,00,000/- and its four directors on payment of ₹ 1,00,000/- by each director and its Company Secretary on payment of ₹ 1,00,000/-.
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 ₹ 10,00,000/- by 6 (six) Demand Drafts drawn on State Bank of Travancore bearing Nos. 723279, 723283, 723282, 723281, 723280, 723278, dated 04.08.2016, and 1 (one) Demand Draft drawn on ICICI Bank bearing No. 032475 dated 09.08.2016 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 under S. 224 (8) of the Companies Act, 1956 by the Company, its Managing Director, its four Directors and Company Secretary, 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.

Sd/-

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

Ordered Accordingly,

Dated this May, 6 2017