

NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
NEW DELHI

C. P. NO.
CA. NO. 16/47/2016

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 30.03.2017**

NAME OF THE COMPANY: M/s. New delhi Centre For Sight Ltd.

SECTION OF THE COMPANIES ACT: 621A

S.NO.	NAME	DESIGNATION	REPRESENTATION	SIGNATURE
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Present: Mr. Varun Sharma, Advocate and Mr. Balraj Sharma,
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(1) 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 petitioner company had initially entered into Related Party Transactions with M/s. CFS Pharma (related party), a proprietorship firm of Dr. Alka Sachdev, Director of the petitioner company, relating to purchase of medical and other consumables including medicines, drugs and other related material etc. for the financial year ended 31.03.2010.

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2. Since the paid up share capital of the company was more than Rs.1 crore, the applicants 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.

3. The period of default is stated to be for the F.Y. 31.03.2009 to 31.03.2010. It is submitted by the petitioners that the said violation had occurred due to inadvertence and without any malafide intention.

4. 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 365 days tantamounts to Rs.1,87,500/- on the company and on the defaulting petitioner.

5. 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 however deems it sufficient to impose a fine of Rs. 25,000/- on the Company and the defaulting petitioner. Accordingly, fine is imposed as under:



For	Amount (Rs.)
M/s. New Delhi Centre for Sight Ltd.	25,000/-
Mr. Mahipal Singh Sachdev	25,000/-

6. Fine imposed on the Director shall be paid out of his personal account.

7. 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.

8. Petition stands disposed off in terms of the above and be consigned to Record Room.

Edl-

(Ina Malhotra)
Member Judicial