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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, AT HYDERABAD**

C.A. No. 67/441/96/HDB/2016

Date of Order: 28 .10.2016

In the matter of:

1. Srinivasa Construction Corporation Private Limited
D No.8, Peddapadu Village, Kaligiri Mandal,
Nellore, Andhra Pradesh-524224.

2. Mr. Karthik Bollineni,
Managing Director,
8-2-293/82/JIII/300/A, Prashasan Nagar,
Devakonda Basti,
Jubilee Hills, Road No.78,
Hyderabad-500 033, Telangana.

3. Ms. Bollineni Swaroopa Rani,
Director,
B 003, Universal Meadows,
New Sneha Nagar, Wardha Road,
Nagpur-440015, Maharashtra

..... Applicants

Counsel for the Applicants:

.....Mr. K. Ch. Venkat Reddy
Practising Company Secretary

CORAM:

HON'BLE Mr. RAVIKUMAR DURAISAMY, MEMBER (TECH)

HON'BLE Mr. RAJESWARA RAO VITTANALA, MEMBER (JUDL)

ORDER

(AS PER RAVIKUMAR DURAISAMY, MEMBER (TECH))

1. The present Application under section 441A of the Companies Act, 2013 r/w Regulation 40(1) of the Company Law Board Regulations, 1991 of Srinivasa Construction Corporation Private Limited has been submitted to the NCLT, Hyderabad Bench, by Registrar of Companies (RoC), Hyderabad vide letter No.ROCH/Legal/Sec96/441/ SCC/STACK/2016/1818 dated 01.08.2016.
2. The present application filed before RoC, Hyderabad by Srinivasa Construction Corporation Private Limited, Mr. Karthik Bollineni, Managing Director and Mrs. Bollineni Swaroopa Rani, Director for compounding the offences under section 96 of the Companies Act, 2013 for not conducting the Annual General Meeting on or before 30.09.2015.
3. The brief facts of the case as averred in the application are as follows:-
 - a. The company is a Private Limited Company, incorporated on 18.05.2012 vide CIN No.U45209AP2012PTC081041 and has its registered office is at D No.8, Peddapadu Village, Kaligiri Mandal, Nellore, Andhra Pradesh-524224, India.
 - b. The Authorized Share Capital of the company is Rs.10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) equity shares of Rs.10/- (Rupees Ten) each and its paid up capital is Rs.9,44,00,000/- (Rupees Nine Crores Forty Four Lakhs only) divided

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into 94,40,000 (Ninety Four Lakhs Forty Thousand) equity shares of Rs.10/- (Rupees Ten) each.

- c. The main objects of the Applicant Company are to carry on the business of infrastructures projects, roads, irrigation projects, airports, ship yards, railway projects, construction, canals, jungle clearances, earth movers, tenders, transports, granites, housing, exports, agriculture, industries, environment, raw materials of supplies and purchase of heavy machineries, commissioning agents & management consultants.
- d. The applicants have submitted that the company could not conduct third Annual General Meeting before 30.09.2015, due to scrutiny by Income Tax Department. After completion of formalities with IT Department, the company conducted its Annual General Meeting on 24.12.2015 with a delay of 84 days.
- e. The company received notice of scrutiny from Income Tax Department, by the time of completion of scrutiny it is last week of September, after complying all the income tax formalities and addressing their queries to the satisfaction of the department the company's Statutory Auditor could not complete his Audit before the September 30, 2015, mean while the company proposed to seek extension of time for conducting the Annual General Meeting and filed Form GNL-1 seeking extension of time for conducting Annual General Meeting, however all the efforts for getting the extended time

are in vain as the company filed Form GNL-1 after 30th September, 2015.

- f. As the Directors of the company not violated the provisions of the Companies Act, 2013 so far as the present violation of provisions are also beyond their control, the Directors may be eligible to file application for compounding of offence in this regard.
 - g. While addressing the various procedural and legal formalities in the process of Income Tax Scrutiny the Directors could not forecast the procedural lapses under the Companies Act, 2013 in calling the Annual General Meeting however which was made good and held the Annual General Meeting on 24th December, 2015.
 - h. It is contended that the violation is done for the first time and also is made good or rectified. Thus, prayed the Tribunal to permit them to compound the offence committed by the company and its directors.
4. We have heard Mr. K. Ch. Venkata Reddy, Learned Counsel for the Applicants, perused the application and also the report of RoC forwarded vide Proceedings No. RAP/Legal/Sec 96/441/SCC/STACK/2016/1818 dated 01.08.2016.
5. The RoC, while confirming the contentions of the Applicants in the present Application, stated that there was a delay of 84 days in conducting the Annual General Meeting as mentioned in the present application. For the violation of

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said offence, the Company and every officer of Company, who is in default shall be punishable with fine which may extend to One lakh rupees and in the case of continuing default, with a further fine which may extend to five thousand rupees for every day during which such default continues. He further stated that the present offence is first of such offence committed by the company.

6. It is not in dispute that the Applicants have admitted the violation of Sec. 96 of the Companies Act, 2013. The company was required to conduct Annual General Meeting for every financial year 01st April to 31st March, on or before 30th September of the respective year, but conducted its 3rd Annual General Meeting on 24.12.2015 with a delay of 84 days.
7. As per section 96 (1) of the Companies Act, 2013, every company other than a One Person Company shall in each year hold in addition to any other meetings, a general meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of a company and that of the next:

Provided that in case of the first annual general meeting, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months, from the date of closing of the financial year:

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Provided further that if a company holds its first annual general meeting as aforesaid, it shall not be necessary for the company to hold any annual general meeting in the year of its incorporation:

Provided also that the Registrar may, for any special reason, extend the time within which any annual general meeting, other than the first annual general meeting, shall be held, by a period not exceeding three months.

8. In the aforesaid facts and circumstances of the case and in the interest of justice, we consider the delay of 84 days in conducting Annual General Meeting. Accordingly, we allow the Applicants for compounding of offence under Section 441 of Companies Act, 2013 by imposing a fine of Rs. 1,90,000/- (Rupees One Lakh Ninety Thousand Only) i.e. Rs. 1,00,000/- (Rupees One Lakh only) on the Company and Rs. 45,000/- (Rupees forty five thousand only) each on its two Directors which is to be paid within 3 weeks from the date of receipt of copy of the order and report compliance of the same.

The applicants are warned to be careful in the future and if such conduct is ever repeated, then appropriate proceedings shall be initiated and a serious view shall be taken. In terms of above, the case is disposed off.



Sd/-

RAVIKUMAR DURASAMY
MEMBER (TECH)

Sd/-

RAJESWARA RAO VITTANALA
MEMBER (JUDL)