

SPECIAL EDITION

YEARLY UPDATES ON NCLT ORDERS

Edition No.01 January 01, 2023 to November 30, 2023

YEARLY UPDATES ON NCLT ORDERS ON COMPOUNDING OF OFFENCES FOR THE YEAR 2023

PRAGYA (NCLT) SPOTLIGHT

- 1) Mumbai NCLT has imposed the Highest number of orders during the year 2023 from January November i.e 10 orders, followed by Bengaluru, New Delhi with 7 orders each and Chandigarh with 4 orders, Amaravati with 2 orders and Hyderabad and Guwahati with 1 order each.
- 2) The **highest number of orders** have been imposed for violation of **Section 96 r/w 441 and 137** of the Companies Act, 2013 i.e. Failure to file conduct Annual General Meeting and financial statements with registrar for the Company.
- 3) Mumbai NCLT and Delhi NCLT ordered one order each for the violation of Section 165 i.e., Directors holding directorship with more than 20 Private companies.
- 4) Bengaluru NCLT and Chandigarh NCLT issued 3 orders in total for the violation of Section 92 i.e., Failure to file Annual returns
- 5) Mumbai and Bengaluru NCLT imposed 3 orders in total for the violation of section 134 i.e., Failure to file financial statements
- 6) Bengaluru NCLT has imposed one order for the violation of section 215, i.e., Failure to authenticate Balance Sheet
- 7) Bengaluru NCLT has imposed one order for the violation of section 252 i.e., Failure to maintain a minimum number of directors
- 8) Chandigarh NCLT has imposed one order for the violation of **section 173** r/w 441 i.e., failure to convene board meetings
- 9) Amaravati and Mumbai Bench imposed one order each for the violation of section 67 i.e., Restriction on company for the purchase of shares
- 10) Bengaluru NCLT imposed one order for the violation of section 166 i.e., failure to follow the duty of the director
- 11) Chandigarh Bench imposed one order under violation of section 117 i.e., failure to file E-form



- 12) New Delhi NCLT has imposed an order for the violation under section 441 i.e., Company did not file application for compounding the offences to registrar
- 13) Certain cases were decided by the tribunals following the repealed sections where the punishment was imposed as a fine instead of a penalty as there shall be no retrospective effect on the Companies Act.

ORDERS OF THE NCLT DURING THE YEAR OF 2023 JANUARY TO NOVEMBER 2023

		Non filing of Annual retu	urn as prescribed u/s 92	
SL. NO	NCLT JURISDICTION	ORDER PASSED AGAINST AND	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
	AND NUMBER OF	AMOUNT OF FINE		
	ORDERS PASSED			
4	BENGALURU- 2	Marian and First and Community	Failure to file Association	Lucal the consideration and the Communication and
1	BENGALURU- 2	Maximum fine on Company	Failure to file Annual return	In all these instances, the Company did not
		Rs.39,85,225/-		file the Annual returns and balance sheets
		Maximum fine on Directors		also for various years
		Rs.5,00,000		
2	CHANDIGARH -1	On company – 2,00,000	Failure to file Annual return	In this instance, the company failed to file
		On Directors – 50,000 each		annual statements and returns due to
				disputes between members of the
			~	company. Hence, the company also could
		Busi	ness Suppo	not conduct any meetings of the Board of
			1 1	Directors and the company failed to carry



				out various corporate actions including
				statutory compliances.
				, ,
		Non filing of Financials	as prescribed u/s 137	
'		World Hilling of Financials	as presented u/s 157	
SL. NO	NCLT JURISDICTION	ORDER PASSED AGAINST AND	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
	AND NO. OF	AMOUNT OF FINE		
	ORDERS PASSED			
1	NEW DELHI- 2	Maximum fine on Company		In all these instances, the Company did not
		Rs.53,06,000/-		file the financial statements due to various
		Maximum fine on Directors		reasons.
		Rs.28,17,500/-		
2	MUMBAI-1	On company – 10,94,500		In this instance, the company delayed in
		On Directors – 2,00,000 each	Failure to file Financial	filing the adoption of financial statements
			statements with the registrar	by the members due to certain changes in
			and annual returns	the management and vacancies in some of
				the key positions for a reasonable period of
			/\ \	time and the shareholders of the company
				had not raised any objection in this regard
3	BENGALURU – 1	On company – 1,66,000		In this instance, the company was also on
			ness Suppo	default to hold AGM along with default in
		Dust.	ness suppo	n i boinilons
				filing the annual returns and vide their



	1			Business Support Solutions
				Board resolution, suo-moto filed this
				petition for compounding their defaults
		NON-COMPLIANCE UND	ER SECTION 96 r/w 441	
SL. NO	NCLT JURISDICTION	ORDER PASSED AGAINST AND	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
	AND NO. OF	AMOUNT OF FINE		
	ORDERS PASSED			
1	BENGALURU - 4	On Company Rs.3,985,225/-		In this instance, the NCLT has levied fine on
		On Directors Rs.1,91,000/-		company and directors as the company
				failed to conduct Annual General Meeting
2	MUMBAI - 7	On company – Rs.10,94,500		on time due to various disputes between
		On Directors- Rs. 2L each		the management and shareholders etc In
3	NEW DELHI - 4	On company – 17,845,000		few cases, the tribunal followed the
		On Directors – 17,845,000		sections that were enacted before the
				recent amendments as it does not take
			Λ	retrospective effect.
4	CHANDIGARH – 1	For 1st year:	Failure to conduct AGM	In this instance, the company failed to
		On company – 7,03,000		conduct the Annual General Meeting for
		On Directors – 7,03,000 each		two years as the quorum was not sufficient
		For 2 nd year: BUST	ness Suppo	as per the legal requirements to conduct
			ness suppo	as per the legal requirements to conduct
		On company – 3,45,000		



meet the statutory compliances. 5 GUWAHATI – 1 On Company –44,75,000 On Directors – 15,85,000 On Directors – 15,85,000 6 HYDERABAD-1 On Company – 50,000 On Directors – 50,000 each On Directors – 50,000 each meet the statutory compliances. In this instance, the company failed to conduct the meeting. In this instance, the company failed to conduct AGM for two years.					Business Support Solutions
5 GUWAHATI - 1 On Company -44,75,000 On Directors - 15,85,000 On Directors - 15,85,000 HYDERABAD-1 On Company -50,000 On Directors - 50,000 each 7 AMARAVATI - 1 On Company -30,20,000 On 1st Director - 30,20,000 On 2nd Director - 2,40,000 On 2nd Director - 2,40,000 NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION AND NO. OF ORDER PASSED AGAINST AND AND NO. OF ORDERS PASSED MUMBAI-1 On Director - 2,00,000 Holding directorship with more than private than 20 companies Non-company -44,75,000 In this instance, the company failed to conduct AGM for two years. In this instance, the company did not conduct AGM conduct AGM for 3 years and there was no business activity in the company subsequently due to the death of the promoter. NON-COMPLIANCE UNDER SECTION 165			On Directors – 3,45,000 each		the meeting and so the company failed to
On Directors – 15,85,000 On Directors – 15,85,000 Conduct the Annual General Meeting even after acquiring an extension period from the registrar to conduct the meeting. In this instance, the company failed to conduct AGM for two years. In this instance, the company did not conduct AGM for 3 years and there was no business activity in the company subsequently due to the death of the promoter. NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION AND NO. OF ORDER PASSED AGAINST AND AND NO. OF ORDER PASSED MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private than 20 companies					meet the statutory compliances.
after acquiring an extension period from the registrar to conduct the meeting. 6 HYDERABAD-1 On Company – 50,000 On Directors – 50,000 each 7 AMARAVATI – 1 On Company – 30,20,000 On 1st Director – 30,20,000 On 2nd Director – 2,40,000 NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION AND AND NO. OF ORDER PASSED AGAINST AND AND NO. OF ORDERS PASSED NON-COMPLIANCE UNDER SECTION 165 NATURE OF NON-COMPLIANCE OTHER RELEVANT POINTS, IF ANY Holding directorship with more than private than 20 companies	5	GUWAHATI – 1	On Company –44,75,000		In this instance, the company failed to
the registrar to conduct the meeting. On Company – 50,000 On Directors – 50,000 each On Company – 30,20,000 On 1st Director – 30,20,000 On 2nd Director – 2,40,000 NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION AND NO. OF ORDERS PASSED NON-COMPLIANCE ORDERS PASSED NATURE OF NON-COMPLIANCE NATURE OF NON-COMPLIANCE OTHER RELEVANT POINTS, IF ANY Holding directorship with more than private holding directorship in more than private			On Directors – 15,85,000		conduct the Annual General Meeting even
the registrar to conduct the meeting. On Company – 50,000 On Directors – 50,000 each On Company – 30,20,000 On 1st Director – 30,20,000 On 2nd Director – 2,40,000 NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION AND NO. OF ORDERS PASSED NON-COMPLIANCE ORDERS PASSED NATURE OF NON-COMPLIANCE NATURE OF NON-COMPLIANCE OTHER RELEVANT POINTS, IF ANY Holding directorship with more than private holding directorship in more than private					after acquiring an extension period from
6 HYDERABAD-1 On Company – 50,000 On Directors – 50,000 each 7 AMARAVATI – 1 On Company – 30,20,000 On 1st Director – 30,20,000 On 2nd Director – 2,40,000 NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION AND NO. OF ORDERS PASSED NON-COMPLIANCE UNDER SECTION 165 NATURE OF NON-COMPLIANCE NATURE OF NON-COMPLIANCE Holding directorship with more than private holding directorship in more than private					
On Directors – 50,000 each AMARAVATI – 1 On Company – 30,20,000 On 1 st Director – 20,20,000 On 2 nd Director – 2,40,000 NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION AND NO. OF ORDERS PASSED MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private than 20 companies Conduct AGM for two years. In this instance, the company did not conduct AGM conduct AGM for 3 years and there was no business activity in the company subsequently due to the death of the promoter. NON-COMPLIANCE UNDER SECTION 165 NATURE OF NON-COMPLIANCE OTHER RELEVANT POINTS, IF ANY Holding directorship with more than private			A		
7 AMARAVATI – 1 On Company – 30,20,000 On 1 st Director – 30,20,000 On 2 nd Director – 2,40,000 SL. NO NCLT JURISDICTION AND NO. OF ORDER PASSED MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private than 20 companies In this instance, the company did not conduct AGM conduct AGM for 3 years and there was no business activity in the company subsequently due to the death of the promoter. NON-COMPLIANCE UNDER SECTION 165 NATURE OF NON-COMPLIANCE OTHER RELEVANT POINTS, IF ANY Holding directorship with more holding directorship in more than private	6	HYDERABAD-1	On Company – 50,000		In this instance, the company failed to
On 1st Director – 30,20,000 On 2nd Director – 2,40,000 NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION AND NO. OF ORDERS PASSED MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private The conduct AGM for 3 years and there was no business activity in the company subsequently due to the death of the promoter. NON-COMPLIANCE UNDER SECTION 165 OTHER RELEVANT POINTS, IF ANY Holding directorship with more holding directorship in more than private			On Directors – 50,000 each		conduct AGM for two years.
Don 2 nd Director – 2,40,000 business activity in the company subsequently due to the death of the promoter. NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION ORDER PASSED AGAINST AND AND NO. OF ORDERS PASSED AMOUNT OF FINE ORDERS PASSED On Director – 2,00,000 Holding directorship with more than 20 companies Holding directorship in more than private	7	AMARAVATI – 1	On Company – 30,20,000		In this instance, the company did not
SL. NO NCLT JURISDICTION ORDER PASSED AGAINST AND AND NO. OF ORDER PASSED MOUNT OF FINE MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private holding directorship in more than private			On 1 st Director – 30,20,000	Failure to conduct AGM	conduct AGM for 3 years and there was no
NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION ORDER PASSED AGAINST AND AND NO. OF ORDERS PASSED MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private holding directorship in more than private			On 2 nd Director – 2,40,000		business activity in the company
NON-COMPLIANCE UNDER SECTION 165 SL. NO NCLT JURISDICTION ORDER PASSED AGAINST AND AND NO. OF ORDERS PASSED MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private holding directorship in more than private					subsequently due to the death of the
SL. NO NCLT JURISDICTION ORDER PASSED AGAINST AND NATURE OF NON-COMPLIANCE OTHER RELEVANT POINTS, IF ANY					promoter.
AND NO. OF ORDERS PASSED MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private than 20 companies		•	NON-COMPLIANO	CE UNDER SECTION 165	
AND NO. OF ORDERS PASSED MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private than 20 companies					
ORDERS PASSED MUMBAI-1 On Director – 2,00,000 Holding directorship with more than private than 20 companies	SL. NO	NCLT JURISDICTION	ORDER PASSED AGAINST AND	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY
1 MUMBAI-1 On Director – 2,00,000 Holding directorship with more In these instances, the directors were than 20 companies holding directorship in more than private		AND NO. OF	AMOUNT OF FINE		
1 MUMBAI-1 On Director – 2,00,000 Holding directorship with more In these instances, the directors were than 20 companies holding directorship in more than private		ORDERS PASSED			/
than 20 companies holding directorship in more than private		ONDERS PASSED			
than 20 companies holding directorship in more than private					
	1	MUMBAI-1	On Director – 2,00,000	Holding directorship with more	In these instances, the directors were
				than 20 companies	holding directorship in more than private
			Busi	ness Suppo	20 companies which is a violation under



				section 165 of CA,2013 and levied				
				compound fee for the said offence.				
2	NEW DELHI – 1	No fine levied		In this instance, the company was				
				notaware of decriminialsiation of this				
				section hence the tribunal dismissed the				
		A .		application.				
		NON-COMPLIANCE U	JNDER SECTION 134					
SL. NO	NCLT JURISDICTION	ORDER PASSED AGAINST AND	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY				
	AND NO. OF	AMOUNT OF FINE						
	ORDERS PASSED							
1	MUMBAI-2	Maximum fine on Company – Rs.	Failure to file financial	In all these instances, the offences have				
		10,94,500/- Maximum fine on directors – Rs.	statements	taken place before decriminalisation of				
		2,00,000 each		offences. Consequently, orders have been				
				passed based on the penal provisions as				
2	BENGALURU-1	On Company – Rs. 2,78,500		prevalent at that point in time (prior to				
		On Director – Rs. 2,78,500 each		decriminalisation), viz., prior to the 2020				
				Amendment.				
NON-COMPLIANCE UNDER SECTION 215								
SL. NO	NCLT JURISDICTION	ORDER PASSED AGAINST AND	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY				
	AND NO. OF	AMOUNT OF FINE BUST	ness Suppo	ort Solutions				
	ORDERS PASSED	20000						



				Business Support Solutions			
1	BENGALURU – 1	On Company – Rs. 2,78,500	Failure to authenticate accounts	The company failed to comply with various			
		On Director – Rs. 2,78,500		provision and one of them was a failure to			
				duly authenticate the Balance sheet and			
				P&L A/c by a minimum of two directors.			
				This Section 215 comes under the 1956 Act			
				which is now a repealed one.			
		NON-COMPLIANCE U	INDER SECTION 252				
SL. NO	NCLT JURISDICTION	ORDER PASSED AGAINST AND	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY			
	AND NO. OF	AMOUNT OF FINE					
	ORDERS PASSED						
1	BENGALURU – 1	On Company – Rs. 8,01,100	Failure to maintain minimum	In this instance, the company failed to			
		On Directors – 4,25,025 each	number of directors	maintain minimum number of directors			
				and honce violated the said provision			
				and hence violated the said provision.			
		NON-COMPLIANCE UND	ER SECTION 173 r/w 441				
SL. NO	NCLT JURISDICTION	ORDER PASSED AGAINST AND	NATURE OF NON-COMPLIANCE	OTHER RELEVANT POINTS, IF ANY			
	AND NO. OF	AMOUNT OF FINE					
	ORDERS PASSED						
1	CHANDIGARH – 1	On company – Rs. 50,000	Failure to convene board	In this instance, the company failed to			
		On Directors – Rs. 50,000 each	meetings	conduct board meeting due to disputes			
				between members of the company			
		Rugi	nogg Cunno	ort Solutions			
	NON-COMPLIANCE UNDER SECTION 67						



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SL. NO		JURISDICTION ORDER PASSED AG		AINST AND	NATURE OF NON-COMPLIANCE		OTHER RELEVANT POINTS, IF ANY		
	AND NO.								
	ORDERS P								
1	AMARAVA	TI – 1	On company – Rs. 8		· ·	eholder's funds for	In this insta	nce, the exit offer to the eligible	
			On Directors – Rs. 8	3,25,100 each	expansion		shareholde	rs were delayed as the company	
							utilized the	ose funds for the company's	
				_			expansion		
2	MUMBAI -	- 1	On company – Rs. 3	3,42,11,500	Allotted equit	y shares more than	In this insta	ance, the company has allotted	
					the required a	amount	Alexander in the		
	No.						the equity s	shares to more than 49 persons	
						which		which is a non-compliance under 67(5)	
			NON-COMP	LIANCE UNDE	R SECTION	117 r/w 403			
SL. NO		NCLT JURIS	DICTION AND NO.	ORDER PASSE	D AGAINST	NATURE OF	NON-	OTHER RELEVANT POINTS, IF	
		OF ORDERS	S PASSED	AND AMOUNT	OF FINE	COMPLIANCE		ANY	
1		CHANDIGA	RH-1	On Company – Rs. 5,00,000 Fa		Failure to file E-for	m MGT 14	In this instance, the company	
				On Directors – rs. 50,000 Each			failed to file the e-form MGT		
								14 within the due date as the	
								company had only limited	
		N.						resources in the company to	
								work with.	
NON-MAINTAINABILITY UNDER SEC 441									
SL. NO		NCLT JURIS	DICTION AND NO.	ORDER PASSE	D AGAINST	NATURE OF	NON-	OTHER RELEVANT POINTS, IF	
		OF ORDERS	S PASSED	AND AMOUNT OF FINE COMPLIANCE		COMPLIANCE		ANY	



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1	NEW DELHI-1	Disposed the application to	Failure to file application for	In this instance, the company
		resort to procedure as per	compounding offence to the	had no business activity since
		441(3	registrar	its incorporation and the
				directors have not moved any
				application for compounding
		_		the default hence ROC
				objected. Hence, the court
				decided to resort the
				company to follow the
				procedure as per sec 441(3)
	NON -C	OMPLIANCE UNDER SECT	ION 166	
SL. NO	NCLT JURISDICTION AND NO.	ORDER PASSED AGAINST	NATURE OF NON-	OTHER RELEVANT POINTS, IF
	OF ORDERS PASSED	AND AMOUNT OF FINE	COMPLIANCE	ANY
1	BENGALURU – 1	On company – Rs. 39,85,225/-	The director failed to follow	In this instance, the company
		On Director – 5,00,000 Each	his duty	failed to conduct AGM for 20
				years and did not file Annual
A 14				returns. The company just
/ \ BG		- /	W /1	completed only one project
				since its incorporation and
				had poor performance.
	1		No company of the last	
		<i>Business</i>	Support S	olulions
		Business	Support S	olulions



NON-COMPLIANCE UNDER SECTION 129								
SL. NO	NCLT JURISDICTION AND NO.	ORDER PASSED AGAINST	NATURE OF NON-	OTHER RELEVANT POINTS, IF				
	OF ORDERS PASSED	AND AMOUNT OF FINE	COMPLIANCE	ANY				
1	BENGALURU-1	On Director – 2,78,000	Failure to file Financial	In this instance, the company				
			statements	failed to file financial				
		A		statements and the director				
				decided to discontinue the				
				operations of the company				
				without knowing the legal				
				recourse and did not take any				
				steps to save the company				

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