

Court No. - 2

Case :- WRIT - C No. - 6139 of 2025

Petitioner :- Vaibhav Gupta

Respondent :- U.O.I. Thru. Secy. Ministry Of Corporate Affairs Govt. Of India And 2 Others

Counsel for Petitioner :- Ratnesh Tripathi,Riya Pandey

Counsel for Respondent :- A.S.G.I.

Hon'ble Alok Mathur,J.

Hon'ble Arun Kumar Singh Deshwal,J.

1. Heard Sri Sameer Agarwal, learned counsel for the petitioner and Sri S.B. Pandey, Deputy Solicitor General of India appearing for the respondents.

2. It has been submitted by learned counsel for the petitioner that the petitioner has submitted duly audited balance sheets audited by the statutory auditor under the provision of Section 206(1) of the Companies Act, 1956 (in short 'the Act, 1956') and during the course of inspection u/s 206 (v) of the Act, 1956, certain discrepancies were noticed in the said records due to which it was held that there is no compliance of Section 227(ii) read with Section 233 of the Act, 1956 as well as Section 143(ii) read with Section 147(ii) of the Act, 1956. Accordingly, a show cause notice was given to the petitioner in response to which the authorized representative of the petitioner had filed an application for compounding with regard to the violation of Section 247(ii) of the Act, 1956 before the Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi. It has been submitted that the matter was agreed to be compounded and the petitioner was directed to deposit the compounding penalty of Rs.45,000/- (Compounding fees of Rs.5,000/- per year for the first four year and

Rs.25,000/- for the fifth year). There is no dispute that the petitioner was required to deposit the said amount by 26.10.2021 but it has been submitted that due to reasons beyond the control of the petitioner, the compounding penalty was deposited on 30.10.2021. He submitted that there was in fact a delay of four days and in this regard, an order was passed on 05.10.2020/26.10.2021 where the application for compounding was rejected only on the ground that the petitioner has failed to deposit the compounding fees within the prescribed time and therefore, a decision was also taken to initiate prosecution against the defaulting petitioner.

3. In the aforesaid circumstances, the petitioner yet again filed an application for condonation of the period of delay for depositing the compounding penalty but the said application has also been rejected by means of the impugned order dated 19.03.2025 which has been impugned in the present petition.

4. Sri S.B. Pandey, learned Senior Advocate has opposed the present petition but did not dispute the aforesaid facts.

5. Considering the aforesaid submissions, there is no dispute with regard to the fact that the petitioner had availed the provisions for compounding of the violation of Section 227(ii) read with Section 233 of the Companies Act, 2013 and Section 143(ii) read with Section 147(ii) of Act, 1956. He had to deposit the said amount by 26.10.2021 but due to certain reasons including the fact that the order was never communicated to the petitioner and the amount was deposited on 30.10.2021 after the delay of four days.

6. This Court is of the considered opinion that once the

application for compounding was accepted and the petitioner had in fact deposited the amount, even after a slight delay in depositing of the said amount, the said delay ought to have been condoned and accordingly, in such circumstances, there is no occasion to initiate prosecution proceeding against the petitioner for not depositing the compounding penalty.

7. Accordingly, we find that the amount deposited by the petitioner on 30.10.2021 ought to be adjusted against the compounding fees treating it to be deposited within time and accordingly, we direct the Regional Director (Northern Region) Ministry of Corporate Affairs, New Delhi to pass appropriate orders on the application for compounding of the petitioner treating that the amount of compounding penalty deposited by him has been deposited within the prescribed time.

8. With the aforesaid direction, present petition is **disposed of.**

Order Date :- 26.6.2025

S.Chaurasia

(Arun Kumar Singh Deshwal, J.) (Alok Mathur, J.)