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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Pronounced on*: 19.12.2018

\+ CO.A.(SB) 53/2015

GURPREET SINGH& ANR. ..... Appellants

Through Mr.Ishaan Madaan & Mr.Sahil Gupta, Advocates

versus

DELHI DISTRICT CRICKET ASSOCIATION & ORS. ...... Respondents

Through Ms.Sonali Malhotra, Adv. for R-1
Mr.Vipul Sharma, Adv. for R-2

CORAM:
HON'BLE MR. JUSTICE JAYANT NATH

JAYANT NATH, J.

1. This appeal is filed under Section 10 (F) of the Companies Act, 1956 (*hereinafter referred to as 'the Act'*) seeking to impugn the order dated 30.06.2015 passed by the Company Law Board, New Delhi Bench, New Delhi permitting compounding of the offences committed under Section 299 of the Act.

2. It is the contention of the appellants that they are life members of respondent No.1 /Delhi District Cricket Association (*in short the 'DDCA'*), which is a company incorporated under Section 25 of the Act. It is also their claim that they were instrumental in institution of the inspection of records of the company which was carried out under Section 209A of the Act.

3. It is also the case of the appellants that the license under Section 25 of the Act was issued to the DDCA on 28.06.1985. It is urged that under the

terms of the license, DDCA cannot give any remuneration or any other benefits in the form of money or otherwise to any of its members whether such members are executive officers or directors of the DDCA. Further, no members of DDCA can be appointed to any office under the DDCA, which offers salary, fees etc.

4. It is urged that the respondent/directors of respondent No.1/DDCA have taken undisclosed benefits in violation of the provisions of the Act and the license issued to DDCA. Admittedly, the default committed by respondent/directors of respondent No.1/DDCA was in contravention of Section 299 of the Act. The default was disclosed and made good in the Executive Committee meeting held 13.01.2014. The grievance of the appellants is that despite breach of the Section 299 of the Act, respondent No.1/DDCA has committed fraud and not made any such disclosure in the said Executive Committee meeting.

5. It is further contended by the appellants that after raising these issues strongly, the respondents have filed an application under Section 621A of the Act for compounding of the offences committed under Section 299 of the Act on 14.09.2014. It is stated that the respondents themselves have conceded that the offence under Section 299 of the Act were committed by them in 2008-2011.

6. It is stated that the compounding application was listed before the Lok Adalat on 11.04.2015 and that next date of hearing was fixed as 08.08.2015. However, it is alleged that record of order dated 11.04.2015 is missing from the court record. It is urged that the appellant got to know that the aforesaid compounding application was listed before the Lok Adalat on 09.05.2015 of which no notice was served. The Lok Adalat compounded the offence for

violation of provisions of Section 299 of the Act and imposed a penalty of Rs.10,000/- each by the directors from their personal sources. The matter was decided at the Lok Adalat without giving any opportunity to the appellants to represent their case. Hence, the present appeal.

7. In a connected matter having identical facts and issues I have today in Co.A(SB) 45/2015 dismissed the appeal. For the same reasons and on the same grounds I dismiss this present appeal also.

8. The appeal stands dismissed. All pending applications, if any, also stand disposed of.

JAYANT NATH, J.

DECEMBER 19, 2018