

DC/344/2017

**THE BOARD OF DISCIPLINE
THE INSTITUTE OF COMPANY SECRETARIES OF INDIA
IN THE MATTER OF COMPLAINT OF PROFESSIONAL OR OTHER MISCONDUCT
UNDER THE COMPANY SECRETARIES ACT, 1980**

DC/344/2017

Order reserved on : 9th April , 2018

Order issued on : 3rd May 2018

Shri Munish Mehta

....Complainant

Vs

Ms. Navneet Kaur ACS-19916

....Respondent

Present:

Mrs. Meenakshi Gupta, Director (Discipline)

FINAL ORDER

1. A complaint dated 22nd February, 2016 in Form-'I' has been filed under Section 21 of the Company Secretaries Act, 1980, ('the Act') read with Sub-Rule (1) of Rule 3 of the Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007, ('the Rules'), by Shri Munish Mehta ('the Complainant'), against CS Navneet Kaur (ACS- 19916) (hereinafter referred to as 'the Respondent').
2. The Complainant has inter-alia stated that M/s GMR & Co., Chartered Accountants, has not been reappointed as statutory auditor of the subsidiary companies of M/s Emergent Ventures India Private Limited. No opportunity, to appear in AGM, was provided to them in which, decision of reappointment was discussed. Decision in this regard was received by them after a lapse of 3 months vide letter dated 7th Jan, 2015. The AGM has been convened after the prescribed time limit under Section 96 of the Companies Act, 2013. The Respondent being Company Secretary of the M/s Emergent Ventures India Private Limited, is party to the said contravention of the provisions of the Companies Act, 2013.
3. The Respondent, in her Written Statement dated 25th May, 2016, has stated as under:
 - (i) that the Respondent's job is limited to discharging the duties according to the instructions of Board of Directors of the M/s



h
Ⓐ

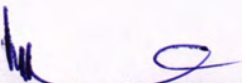
Emergent Ventures India Private Limited and not the Companies where the Complainant was the Statutory Auditor.

- (ii) that the shareholder's meeting was convened on 29th Sep, 2014, the shareholders decided not to reappoint him in view of certain discussions. AGM was adjourned without appointing auditors. the complainant was communicated officially on 7th Jan, 2015 that his firm was not reappointed in the AGM held on 29th Sep, 2014.
 - (iii) that the allegation of contravention of Section 96 of Companies Act 2013 is incorrect. AGM was held on 29th September 2014, part business on the agenda was transacted. Therefore, legal requirement was complied with.
4. The Complainant in his rejoinder dated 14th June, 2016 has reiterated his allegations and *inter-alia* stated that the Respondent does not serve any evidence which shows that the notice of AGM was served to him on time.
5. The Board of Discipline in its meeting held on 9th April 2018 has considered the prima-facie opinion dated 10th October 2017 of the Director (Discipline) wherein she is *prima-facie* of opinion that the commission/omission of the alleged act does not amount to professional or other misconduct under the First and/or Second Schedule to the Company Secretaries Act, 1980. Hence, the Respondent is "**not guilty**" of professional or other misconduct under Company Secretaries Act, 1980.
6. The Board of Discipline considered the material on record, prima-facie opinion of the Director (Discipline) and all the facts and observed as under :-
- (i) That the Complainant was aggrieved by the fact that M/s GMR & Co was not reappointed as Statutory Auditors by the subsidiaries of M/s Emergent Ventures India Private Limited.
 - (ii) That not serving notice and not providing opportunity of being heard contravenes Section 140 (4) of the Companies Act, 2013.
 - (iii) that the Respondent was Company Secretary of M/s Emergent Ventures India Private Limited and as Company Secretary appointment of Statutory Auditor was beyond his authority under the provisions of the Companies Act, 2013.
 - (iv) That the jurisdiction for the adjudication of the alleged contravention does not come within the ambit of the Company Secretaries Act, 1980 and is punishable under the provisions of Companies Act, 2013 only.

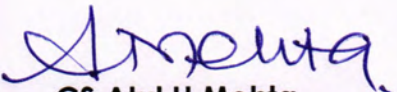


L A

1. The Board of Discipline after considering the material on record, prima-facie opinion of the Director (Discipline), all the facts and circumstances of the case and in view of observations made in para 6 above agreed to the prima-facie opinion of the Director (Discipline), that the commission or omission of the alleged act does not amount to professional or other misconduct under the First and/or Second Schedule to the Act. Hence, the Respondent is **"not guilty"** of professional or other misconduct under Company Secretaries Act, 1980. Accordingly, the Board of Discipline ordered the closure of the case.


CS Dinesh Chandra Arora
Member




CS Atul H Mehta
Presiding Officer