

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

Order reserved on: 3rd April, 2019

Order issued on : 12 JUN 2019

Case 1: DC/NI/4/2016

Shri Sandeep Kumar Sheoran

.....Informant

Vs

Shri Arun Kumar Yadav, ACS-14393

..... Respondent

Case 2: DC/NI/8/2016

Securities & Exchange Board of India

.....Informant

Vs

Shri Arun Kumar Yadav, ACS-14393

..... Respondent

CORAM:

Shri Deepak Kumar Khaitan, Presiding Officer

Shri Manish Gupta, Member

Shri Ashok Kumar Dixit, Member

Present:

Respondent in person

Mrs. Meenakshi Gupta, Director (Discipline)

Ms. Anita Mehra, Assistant Director, Disciplinary Directorate

ORDER

DC/NI/4/2016 AND DC/NI/8/2016

1. The Board of Discipline considered the following: -

a) Two almost similar Information dated 17th July, 2015 and 11th August, 2015 were received from (i) Shri Sandeep Kumar Sheoran and (ii) Securities & Exchange Board of India (SEBI), respectively (hereinafter referred to as the 'Informants') against Shri Arun Kumar Yadav, ACS-14393 (hereinafter referred to as the 'Respondent').

b) The Informants alleged that the Respondent is serving as a whole time Company Secretary in two companies simultaneously namely M/s. MGC Estate Private Limited (Date of Appointment - 1st October, 2011) and M/s. Mideast (India) Limited (Date of Appointment - 1st February, 2003). The details of the companies taken on 18th March, 2015 from the MCA's website were also provided.

c) In response to the above two information, the Respondent contended that he was a Part Time Company Secretary of Mideast



Manish Gupta

Shri Arun Kumar Yadav

Shri Sandeep Kumar Sheoran

India Ltd. and he has already resigned from Company M/s. MGC Estate Pvt. Ltd. Earlier he came to Delhi in year 2000 from Bihar and was struggling for job and joined M/s. Abhipra Capital Ltd. as a Company Secretary and resigned for better prospectus and joined M/s. Suraj Vanaspati Ltd. as a Company Secretary. His salary was very low then to have alternative job to increase his income, he started some own work and also joined a part-time (dummy) Company Secretary with M/s. Mideast India Ltd. in 2003 to survive.

- d) In year 2005, he was approached by Ms. Rita Singh (CMD) of M/s. Mideast India Ltd. for acceptance of resignation from the post of Company Secretary but still the company has not accepted and filed his resignation (Form-32) with the ROC. The Respondent further accepted his mistake because he was busy with his own work.
- e) In year 2011, the Respondent was suffering from Cardia Chelesia and some money was required for the operation, then he again joined part-time (dummy name) with M/s. MGC Estate (P) Ltd., as a Company Secretary for 3 months and resigned. But the company failed to file his resignation (Form-32) with ROC.
- f) The Respondent accepted the allegation and felt sorry for the same and stated that he has approached both the companies for deleting his name and inform the ROC accordingly.
- g) Pursuant to Rule 9 of the Company Secretaries (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007, the Director (Discipline) on examination of the information, written statement of the Respondent, Comments from both the companies, snapshot of signatory details of these companies on the website of Ministry of Corporate Affairs i.e. www.mca.gov.in and other material on record, observed that the Respondent was serving as 'Company Secretary' for two companies as detailed below: -

M/s. MGC Estate Private Limited

Date of Appointment	1 st October, 2011
Date of Resignation/Cessation	21 st July, 2016

M/s. Mideast (India) Limited

Date of Appointment	1 st February, 2003
Date of Termination/Cessation	14 th July, 2015

- h) The above dates of appointment are also confirmed from the snapshot of signatory details of both the companies on the website of Ministry of Corporate Affairs i.e. www.mca.gov.in provided by the Informant.

- i) On analysis, the Director (Discipline) found that the Respondent was working as 'Company Secretary' in two companies simultaneously



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for a period of 3 years & 9.5 months approximately, as the overlapping period of his employment with both the companies was from 1st October, 2011 to 14th July, 2015. Moreover, the Respondent in his written statement has admitted that he has joined as part-time (dummy) Company Secretary with M/s. Mideast India Ltd. in 2003 but still the company has not accepted and filed his resignation with the ROC. Further, he has joined part-time (dummy name) with M/s. MGC Estate (P) Ltd. as a Company Secretary for 3 months and resigned but the company was failed to file his resignation with the ROC. The Respondent further accepted the allegation and felt sorry for the same and stated that he has approached both the companies for deleting his name and inform the ROC accordingly.

- j) The Director (Discipline) vide *prima-facie* opinions both dated 24th May, 2017 in both the information cases is *prima facie* of opinion that the matters may be referred to the Council for its opinion as to whether the act of the Respondent of accepting part-time employment in 'dummy name' as Company Secretary and also working as 'Company Secretary' simultaneously with two companies namely-M/s. MGC Estate Private Limited and M/s. Mideast (India) Limited during the same period brought disrepute to the profession or the Institute, as per Item (2) of Part IV of the First Schedule to the Company Secretaries Act, 1980.
- k) The Board of Discipline considered two *prima-facie* opinions of the Director (Discipline) dated 24th May, 2017 separately in both the Information cases on 7th July, 2017.
- l) Before taking any decision on the *prima-facie* opinion of the Director (Discipline) in both the information cases, the Board of Discipline decided to hear the Respondent in person. Accordingly, the Board of Discipline advised the Disciplinary Directorate to call the Respondent to appear before it, at its meeting, as may be decided by the Presiding Officer.
- m) Accordingly, the Respondent was called to appear in person before the Board of Discipline on 27th February, 2018, and sought one more opportunity to produce supporting documents before the Board of Discipline. The Board of Discipline decided to grant one more opportunity to hear the Respondent in person, before taking any decision on the *prima-facie* opinions of the Director (Discipline) dated 24th May, 2017 in the matters. The Board of Discipline also advised the Director (Discipline) to call the Respondent to appear before it, along with all relevant records/documents pertaining to his appointment and resignation from the aforesaid companies at the meeting of the Board of Discipline, as may be decided by the Presiding Officer.



- n) Accordingly, the Respondent was again called to appear before the Board of Discipline on 3rd May, 2018. However, none appeared for the Respondent. The Board of Discipline observed that the Respondent vide email dated 2nd May, 2018 has shown his inability to appear before it. The Board of Discipline decided to proceed *ex-parte* in the matter.
- o) The Board of Discipline considered the two *prima-facie* opinions of the Director (Discipline) dated 24th May, 2017 in both the matters, wherein the Director (Discipline) in both the matters is *prima facie* of opinion that the matters may be referred to the Council for its opinion as to whether the act of the Respondent of accepting part-time employment in 'dummy name' as Company Secretary and also working as 'Company Secretary' simultaneously with two companies namely - M/s. MGC Estate Private Limited and M/s. Mideast (India) Limited during the same period brought disrepute to the profession or the Institute, as per Item (2) of Part IV of the First Schedule to the Company Secretaries Act, 1980.
- p) The Board of Discipline agreed with the *prima facie* opinion of the Director (Discipline) dated 24th May, 2017 and directed the Director (Discipline) to refer the matter to the Council of the Institute for its opinion under Item (2) of Part IV of the First Schedule to the Act.
- q) These matters were referred to the Council of the Institute at its 254th (Adj.) meeting held on 1st September, 2018 wherein the Council after deliberations was of the opinion that the alleged acts of the Respondent has brought disrepute to the profession and the Institute and forwarded the matter to the Board of Discipline to adjudicate in accordance with the Company Secretaries (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007 read with the Company Secretaries Act, 1980.
- r) On 24th September, 2018, the Board of Discipline noted the opinion of the Council in both the matters that the acts of Respondent have brought disrepute to the profession and the Institute. Accordingly, the Board of Discipline decided to proceed further and under clause (b) of sub-rule (2) of Rule 9 of the Company Secretaries (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007 read with the Company Secretaries Act, 1980.
- s) A copy of the *prima-facie* opinion of the Director (Discipline) in both the cases were sent to the Respondent calling his Written Statement. However, no response has been received from the Respondent.
- t) The Respondent was called for hearing before the Board of Discipline on 3rd April, 2019.



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At the meeting held on 12th July 1960, the following was discussed: The Board of Directors of the Institute for the Study of the History of the Church in England, which was established in 1959, has been asked to consider the possibility of a joint venture with the Board of Christian Education in England.

The Board of Christian Education in England, which was established in 1959, has been asked to consider the possibility of a joint venture with the Board of the Institute for the Study of the History of the Church in England. The Board of Christian Education in England has been asked to consider the possibility of a joint venture with the Board of the Institute for the Study of the History of the Church in England.

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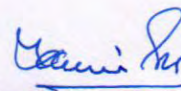
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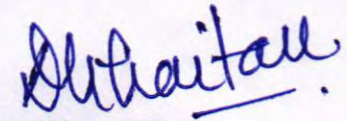
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2. The Respondent appeared in person before the Board of Discipline on 3rd April, 2019 and pleaded himself guilty orally as well as in writing for accepting part-time employment in 'dummy name' as Company Secretary and also working as 'Company Secretary' simultaneously with two companies namely-M/s. MGC Estate Private Limited and M/s. Mideast (India) Limited during the same period.
3. The Respondent requested the Board of Discipline to give him an opportunity of being heard on the quantum of punishment today itself (i.e. on 3rd April, 2019). Accordingly, the Board after some break heard the Respondent pursuant to Section 21A of the Company Secretaries Act, 1980 read with Rule 15(1) of the Rules wherein the Respondent submitted that he has already admitted his guilt and he has nothing more to add and requested the Board to take a lenient view in the matter while passing the order against him.
4. The Board of Discipline after considering the material on record; the nature of issues involved and given the totality of the circumstances of the case, submissions made by the Respondent, passes the following combined order against the Respondent under Section 21A (3) of the Company Secretaries Act, 1980 read with Rule 15(1) of the Company Secretaries (Procedure of Investigations of Professional and other Misconduct and Conduct of Cases) Rules, 2007, in both the Information Cases:
 - i) Fine of Rs. 30, 000/- payable within 30 days from the date of receipt of this order; and
 - ii) Removal of name of the Respondent from the Register of Members for a period of 3 (three) months
5. Accordingly, both the matters stand closed and disposed off.


Member


Member


Presiding Officer



The Respondent... to permit... the Board... Company... with... the Board...

The Respondent... the Board... to give him... of pay... the Board... the Board... the Respondent... the Board... the Board...

The Respondent... the Board... the Board... the Board... the Board... the Board... the Board... the Board...

The Respondent... the Board... the Board... the Board... the Board... the Board... the Board...

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President, Officer

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Member

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Member

