

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD



ITEM No.302
CP/63(AHM)2025

Under Section 441 of Act, 2013

IN THE MATTER OF:

Vneet S Jaain
V/s
The Registrar of Companies

.....Applicant

.....Respondent

Order delivered on: 10/04/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

-SD-

SANJEEV SHARMA
MEMBER (TECHNICAL)

SHAMMI KHAN
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, COURT- I, AHMEDABAD**

CP No. 63 of 2025

*(A Company Petition filed under Section 441 read with Sections
129 and 133 of the Companies Act, 2013.)*

In the matter of:

VNEET S. JAAIN

A-702, Sundarvan Epitome,
B/s. Sundarvan Nature Park,
Opp. Star India Bazar,
Satellite Road, Ahmedabad – 380015

.... Petitioner

Versus

THE REGISTRAR OF COMPANIES

ROC Bhawan, Opposite Rupal Park Society,
Near Ankur Bus Stand, Naranpura
Ahmedabad – 380013

.... Respondent

Order Pronounced on: 10.04.2026

CORAM:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For the Petitioner : Mr. Sandeep Singhi, Advocate a.w.

: Mr. Ayaan Patel, Advocate and

: Mr. Dhairya Meamiyar, Advocate

For the RoC : None



ORDER
(Per: Bench)

1. The present petition is filed on 13.10.2025 by one Mr. Vneet S. Jaain (hereinafter to be referred to as “**the Petitioner**”) under Section 441 read with Sections 129 and 133 of the Companies Act, 2013 (hereinafter to be referred to as “**the Act**”) seeking following reliefs:

- A. *condone the delay, if any, that has occurred in filing the present Petition;*
- B. *compound the offences referred to in paragraph 18 in terms of section 441 of the Companies Act, 2013 by imposing the minimum penalty prescribed;*
- C. *grant such other and further relief as may be considered fit and expedient in the facts of the present case.*

2. **Background of the Case:**

2.1. It is stated that the Petitioner - Mr. Vneet S. Jaain was the Whole time Director of Adani Power Limited (“Company”) between the financial years between 2015-16 to 2019-20.

2.2. It is stated that the Respondent, Registrar of Companies, issued a notice dated 17.08.2021 under Section 206 of the Companies Act, 2013, calling upon the Company, Adani Power Limited, to furnish details, clarifications and explanations in respect of various alleged violations specified therein, within a period of 10 days from receipt of the communication, for the



purpose of conducting an inquiry. It is further stated that the Company was directed to serve a copy of the said notice upon its auditors and obtain their comments wherever applicable, and to furnish documents as required under paragraph 28 of the notice. It is averred that the said notice was served upon the Company on 31.08.2021 and is annexed as Annexure B to the petition.

- 2.3. It is submitted that the Company, vide letters dated 09.09.2021 and 01.10.2021, sought extension of time for responding to the aforesaid notice on the ground that the information sought was voluminous. Copies of the said letters are annexed as Annexure C and Annexure D respectively to the petition.
- 2.4. It is further stated that the Company, thereafter, vide letter dated 15.12.2021, furnished point wise explanations and clarifications to each of the alleged violations referred to in the notice dated 17.08.2021 and supplied the requisite documents as annexures thereto. The said letter is annexed as Annexure E. It is averred that pursuant to oral interactions between the officers of the Company and the Respondent, the Company made further submissions vide letter dated 20.10.2022.
- 2.5. It is submitted that the Company, vide letter dated 28.11.2022, furnished a certificate issued by an



independent chartered accountant certifying compliance and disclosure requirements in respect of related party transactions for the financial years 2017-2018, 2018-2019 and 2019-2020, and requested the Respondent to treat the same as documentary proof in support of its submissions made under point nos. 2 and 4 of its reply dated 15.12.2021. The said letter is annexed as Annexure F to the petition.

2.6. It is further stated that the Company addressed a detailed letter dated 25.01.2023, in continuation of its earlier replies dated 15.12.2021 and 28.11.2022, denying all allegations of wrongdoing and placing reliance upon relevant facts, statutory provisions and prevailing practices in India as well as globally, and requested the Respondent to consider its submissions and close the matter. The said letter is annexed as Annexure G to the petition.


2.7. It is submitted that thereafter, the Company received a further notice dated 25.04.2023 issued by the Respondent under section 206(4) of the Act, whereby six alleged violations, out of those referred to in the earlier notice dated 17.08.2021, were identified against the Company. The particulars of the six alleged violations as mentioned in the notice dated 25.04.2023 are as follows: -

Sr. No.	Particulars of Offence	Corresponding Point No. in Notice dated



		17.08.2021
1.	Sections 129 and 133 of the Companies Act, 2013 (auditor has qualified the accounting treatment given pursuant to the merger / amalgamation of Mundra plant with APMUL).	1
2.	Section 129 of the Companies Act, 2013 read with IND-AS 24 (non-disclosure of related party transactions).	4
3.	Section 129 of the Companies Act, 2013 (diversion of funds in an adverse manner).	12
4.	Section 129 of the Companies Act, 2013 (true and fair view of the financial statements of the Company regarding charge registered on MCA Portal amounting to Rs. 83321.91 Crore and borrowing amounting to Rs. 5701 Crore).	22
5.	Section 129 of the Companies Act, 2013 read with AS and IND-AS (non-providing of fuel cost and purchase of stock in trade).	24
6.	Section 206 of the Companies Act, 2013 (Non submission of documents / reply to ROC's letter dated 27.10.2021)	-

It is stated that the Company and its officer in default/auditors were called upon to file compounding applications in accordance with section 441 of the Act within a period of 7 days, failing which prosecution



would be initiated in the matter. A copy of the notice dated 25.04.2023 is annexed as Annexure - H.

2.8. The Petitioner has stated that in respect of the offence under Section 206 of the Act, the Company has preferred Company Petition somewhere on 23.10.2023 before the Regional Director, NWR at Ahmedabad. The said Company Petition has been allowed on 16.01.2025. A copy of the aforesaid memo of Company Petition (without annexures) along with copy of order dated 16.01.2025 is annexed as Annexure - I (Colly).

2.9. It is stated that the Company addressed letter dated 08.05.2023 to the Respondent - RoC in response to the notice dated 25.04.2023. It was stated that from a perusal of the notice dated 25.04.2023, it was evident that the additional submissions made vide letters dated 28.11.2022 and 25.01.2023 were not taken into consideration by the Respondent RoC. The Company reiterated its submissions in a point-wise manner and addressed all the issues that were raised by way of the notice dated 25.04.2023. A copy of the letter dated 08.05.2023 is annexed as Annexure - J.

2.10. It is submitted that the Company waited for further communication from the Respondent - RoC. However, as no such communication was received, it was presumed that the response of the Company had been considered by the office of the Respondent - ROC. The



Company believed that the answers submitted were satisfactory and hence no further steps were required to be taken. Sometime in the year 2024, the officers of the Company inquired with the office of the Respondent - ROC regarding the status of the matter. It was at this stage that it came to the knowledge of the Company that the matter was still pending.

2.11. It is submitted that on 27.08.2024, Mr. Rajesh S. Adani, Managing Director of the Company, filed Company Petition No. 37 of 2024 before this Tribunal seeking compounding of five offences referred to in the notice dated 25.04.2023. Thereafter, on 03.10.2024, the RoC filed report dated 23.09.2024 in CP No. 37 of 2024 stating, inter alia, that fine was also liable to be imposed on the Petitioner. However, the said report dated 23.09.2024 came to be served upon the petitioner in CP No. 37 of 2024 only on 05.12.2024. A copy of the report dated 23.09.2024 is annexed as Annexure-K to the petition. And thereafter, addendum to the report was supplied to the Petitioner by the Company.

2.12. In this background, the Petitioner has preferred Company Petition No. 63 of 2025 before this Tribunal under section 441 of the Act.

2.13. The Petitioner has reiterated that section 441 of the Act stipulates that an offence punishable under the Act



may be compounded either before or after the initiation of prosecution by this Tribunal. The Petitioner has submitted that the delay, if any, that has occurred in filing the present Petition is due to the bonafide belief on the part of the Petitioner and the Company that the issues raised by way of notice dated 25.04.2023 stood resolved in view of the reply dated 08.05.2023 addressed by the Company.

2.14. It is stated that as per Section 129 of the Act, if a company contravenes the provisions of the section, the managing director, the whole-time director in charge of finance, the Chief Financial Officer or any other person charged by the Board with the duty of complying with the requirements of section 129 of the Act shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

2.15. The Petitioner has submitted that in terms of the letters dated 15.12.2021, 20.10.2022, 28.11.2022, 25.01.2023 and 08.05.2023, no offence has been committed by the Company or its officers under Sections 129 or 133 of the Act. The Petitioner craves leave of this Tribunal to refer to and rely upon the contents of the aforementioned letters, if required, at the time of hearing. However, without prejudice to what has been stated hereinabove, the Petitioner is



desirous of compounding the following alleged offences in terms of section 441 of the Act:

Sr. No.	Particulars of Offence	Year	Minimum Prescribed (Fine in Rs.)	Maximum Prescribed (Fine in Rs.)
1.	Sections 129 and 133 of the Companies Act, 2013 (auditor has qualified the accounting treatment given pursuant to the merger/amalgamation of Mundra plant with APMUL).	2017-18	50,000/-	5,00,000/-
2.	Section 129 of the Companies Act, 2013 read with IND-AS 24 (non-disclosure of related party transactions).	2017-18	50,000/-	5,00,000/-
		2018-19	50,000/-	5,00,000/-
		2019-20	50,000/-	5,00,000/-
3.	Section 129 of the Companies Act, 2013 (diversion of funds in an adverse manner).	2015-16	50,000/-	5,00,000/-
		2016-17	50,000/-	5,00,000/-
		2017-18	50,000/-	5,00,000/-
		2018-19	50,000/-	5,00,000/-
		2019-20	50,000/-	5,00,000/-
4.	Section 129 of the Companies Act, 2013 (true and fair view of the financial statements of the Company regarding charge registered on MCA Portal amounting to Rs. 83321.91 Cr. and	2019-20	50,000/-	5,00,000/-



	borrowing amounting to Rs. 5701 Cr.).			
5.	Section 129 of the Companies Act, 2013 read with AS and IND-AS (non-providing of fuel cost and purchase of stock in trade).	2017-18	50,000/-	5,00,000/-
		2018-19	50,000/-	5,00,000/-
		2019-20	50,000/-	5,00,000/-
	Total fine		6,50,000/-	65,00,000/-

3. In response to the above averments, a **report/reply** has been filed by the **Respondent RoC** on 26.12.2025 vide Inward Diary No. R587, wherein following observations has been made by the Respondent: -

3.1. It is stated that the Ministry has forwarded a complaint dated 06.03.2018 made by Shri Niraj Gunde received through PM office and convey the approval to carry out inquiry under section 206(4) of the Companies Act, 2013 to examine the fund flow from nine Mauritius based subsidiaries of the company.

3.2. It is stated that the Ministry vide Letter no. F. No. 4/209/2019/CL-II (NWR), Dated 15.01.2020 directed to conduct Supp. Inquiry in respect of this office report dated 11.01.2019 submitted u/s 208 of the Act.

3.3. It is submitted that the Ministry vide letter dated 15.01.2020 has further directed to carry out inquiry of



the latest financial statement and annual return of the company by particularly focusing on related party transaction, shareholding of the company and verifying details of real ownership/beneficiary of shares of the company and NPAs.

3.4. It is submitted that the RoC has received a letter dated 14/09/2021 from the Ministry along with a serious complaint from the member of the Parliamentary Committee - Ms. Mahua Moitra, dated 23.07.2021 against the affairs of the Adani Power Ltd and its Group Companies. On the basis of above, the Ministry instructed to conduct Inquiry of company u/s 206(4) of the Act.

3.5. It is submitted that the Inquiry Officer had submitted the report dated 30.09.2022 to the Directorate u/s 208 of the Act. The Directorate's vide letter No. RD(NWR) Sec 206/TS/231/2018/4916 dated 07.02.2023 had issued directions to file prosecutions on the several violations committed by the Company/Officers in default.

3.6. The Directorate has sanctioned prosecution against the company/Officers in default vide letter dated 07.02.2023 for the following violations are as under:

Sr. No.	Particulars of Offence
1.	Sections 129 and 133 of the Companies Act, 2013 (auditor has qualified the accounting treatment given pursuant to the merger/amalgamation of Mundra



	plant with APMUL).
2.	Section 129 of the Companies Act, 2013 read with IND-AS 24 (non-disclosure of related party transactions).
3.	Section 129 of the Companies Act, 2013 (diversion of funds in an adverse manner).
4.	Section 129 of the Companies Act, 2013 (true and fair view of the financial statements of the Company regarding charge registered on MCA Portal amounting to Rs. 83321.91 Cr. and borrowing amounting to Rs. 5701 Cr.).
5.	Section 129 of the Companies Act, 2013 read with AS and IND-AS (non-providing of fuel cost and purchase of stock in trade).

3.7. That the RoC had issued a letter to the company vide letter no. ROC/GUJ/STA (N)/Compounding Appn/297 dated 25.04.2023 directing to file compounding application (s) failing which prosecutions shall be filed before competent court in the matter. (Annexure -C to the report).

3.8. It is submitted that, earlier the Company and Company Secretary Mr. Deepakbhai Sanatkumar Pandya has made one compounding application with RoC to compound the offence committed under Section 129 and 133 of the Companies Act, 2013 (04 counts) before the Regional Director, NWR, wherein the fine to be levied on the Officers pursuant to Section 129(7) of the Act exceeded amounting of Rs. 25 Lakhs. So to



avoid, the filing of multiple application before the Regional Director (NWR) in term of Section 441(1)(b) of the Act, the applicant prefer to file this application.

3.9. Thereafter, 01 another Application had filed by the Managing Director, Rajesh Shantilal Adani of Adani Power Limited for Compounding of offence committed under Section 129 & 133 of the Companies Act, 2013 (04 counts) in term of Section 441(1)(a) of the Act before the NCLT.

3.10. Now, this separate application is filed by Mr. Vneet S Jain (Whole Time Director) of the Company for which Maximum fine to be imposed on Mr. Vneet S Jain (Whole Time Director) for the below mentioned several violations is calculated as under:

Sr. No.	VIOLATION OF SEC.	DEFAULT PERIOD	Maximum Fine to be imposed pursuant to Sec. 129(7) of the Companies Act, 2013
1.	Sections 129 and Section 133 of the Companies Act, 2013 (Auditor has qualified the accounting treatment given pursuant to the merger/Amalgamation of Mundra Plant with APMUL)	Financial Year 2017-18	5,00,000



2.	Section 129 of the Companies Act, 2013 Read with IND-AS 24 (non-disclosure of major related party transactions)	Financial Year 2017-18, 2018-19, 2019-20	5,00,000 * 3 = 15,00,000
3.	Section 129 of the Companies Act, 2013 (diversion of funds in adverse manner)	Financial Year 2015-16, 2016-17, 2017-18, 2018-19, 2019-20	5,00,000 * 5 = 25,00,000
4.	Section 129 of the Companies Act, 2013 (true and fair view of financial statements regarding charge registered on MCA Portal amounting to Rs. 83321.97 Cr. & borrowings amounting to Rs. 5701 Cr.)	Financial Year 2019-20	5,00,000
5.	Section 129 of the Companies Act, 2013 Read with AS and IND-AS (not to provide schedule for fuel cost and purchase of stock in trade)	Financial Year 2017-18, 2018-19, 2019-20	5,00,000 * 3 = 15,00,000
	Total		Rs. 65,00,000

3.11. It is further noted that, as per Column 16 of the Report, the Respondent RoC has stated that prosecution has been filed against the Petitioner, and the same was stated to be annexed as Annexure A to the Report. However, upon perusal of the record, it is



observed that no such annexure has been placed on record by the Respondent along with the said Report.

3.12. The Applicant has filed this application for violation of Sections 129 and 133 of the Companies Act, 2013 of the Companies Act, 2013 (04 counts) under Section 441(1)(a) of the Companies Act, 2013. Thus, the Applicant Mr. Vneet S Jain (Whole Time Director) is liable to be penalized under Section 129(7) of the Companies Act, 2013. Hence, the said compounding application may be decided by the NCLT on merits subject to considering facts mentioned herein above.

4. This Tribunal has heard the counsel for the Petitioner as well as the Respondent and has perused the material available on record.

5. **Observations and Directions of this Tribunal: -**

5.1. It is observed from the averments recorded hereinabove that, on the basis of the Report of the Registrar of Companies and the Show Cause Notices dated 17.08.2021 and 25.04.2023, it is alleged that the Petitioner, being the Wholetime Director of Adani Power Limited, has contravened the provisions of Sections 129 and Section 133 of the Companies Act, 2013. Before proceeding to adjudicate upon the matter, the aforesaid provisions are reproduced hereunder for the sake of brevity: -



“129. Financial statement.- (1) The financial statements shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under section 133 and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III:

Provided that the items contained in such financial statements shall be in accordance with the accounting standards:

Provided further that nothing contained in this subsection shall apply to any insurance or banking company or any company engaged in the generation or supply of electricity, or to any other class of company for which a form of financial statement has been specified in or under the Act governing such class of company:

Provided also that the financial statements shall not be treated as not disclosing a true and fair view of the state of affairs of the company, merely by reason of the fact that they do not disclose-

(a) in the case of an insurance company, any matters which are not required to be disclosed by the Insurance Act, 1938 (4 of 1938), or the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);

(b) in the case of a banking company, any matters which are not required to be disclosed by the Banking Regulation Act, 1949 (10 of 1949);

(c) in the case of a company engaged in the generation or supply of electricity, any matters which are not required to be disclosed by the Electricity Act, 2003 (36 of 2003);

(d) in the case of a company governed by any other law for the time being in force, any matters which are not required to be disclosed by that law.

(2) At every annual general meeting of a company, the Board of Directors of the company shall lay before such meeting financial statements for the financial year.



(3) Where a company has one or more subsidiaries or associate companies, it shall, in addition to financial statements provided under sub-section (2), prepare a consolidated financial statement of the company and of all the subsidiaries and associate companies in the same form and manner as that of its own and in accordance with applicable accounting standards, which shall also be laid before the annual general meeting of the company along with the laying of its financial statement under sub-section (2):

Provided that the company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries and associate company or companies in such form as may be prescribed

Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed.

(4) The provisions of this Act applicable to the preparation, adoption and audit of the financial statements of a holding company shall, mutatis mutandis, apply to the consolidated financial statements referred to in sub-section (3).

(5) Without prejudice to sub-section (1), where the financial statements of a company do not comply with the accounting standards referred to in sub-section (1), the company shall disclose in its financial statements, the deviation from the accounting standards, the reasons for such deviation and the financial effects, if any, arising out of such deviation.

(6) The Central Government may, on its own or on an application by a class or classes of companies, by notification, exempt any class or classes of companies from complying with any of the requirements of this section or the rules made thereunder, if it is considered necessary to grant such exemption in the public interest and any such exemption may be granted either unconditionally or subject to such conditions as may be specified in the notification



(7) If a company contravenes the provisions of this section, the managing director, the whole-time director in charge of finance, the Chief Financial Officer or any other person charged by the Board with the duty of complying with the requirements of this section and in the absence of any of the officers mentioned above, all the directors shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

Explanation. For the purposes of this section, except where the context otherwise requires, any reference to the financial statement shall include any notes annexed to or forming part of such financial statement, giving information required to be given and allowed to be given in the form of such notes under this Act.”

“133. Central Government to prescribe accounting standards. The Central Government may prescribe the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949 (38 of 1949), in consultation with and after examination of the recommendations made by the National Financial Reporting Authority:

Provided that until the National Financial Reporting Authority is constituted under section 132 of the Companies Act, 2013 (18 of 2013), the Central Government may prescribe the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India, constituted under section 3 of the Chartered Accountants Act, 1949 (38 of 1949), in consultation with and after examination of the recommendations made by National Advisory Committee on Accounting Standards constituted under section 210A of the Companies Act, 1956 (1 of 1956).”

5.2. Based on the report of the Respondent RoC, it is observed that the Company Adani Power Limited and the Company Secretary Mr. Deepakbhai Sanatkumar



Pandya has made one compounding application with RoC to compound the offence committed under Section 129 and 133 of the Companies Act, 2013 (04 counts) before the Regional Director, NWR, wherein the fine to be levied on the Officers pursuant to Section 129(7) of the Act exceeded amounting of Rs. 25 Lakhs. To avoid, the filing of multiple application before the Regional Director (NWR) in term of Section 441(1)(b) of the Act, the Petitioner has preferred this application.

5.3. Section 441 of the Act states that: -

“441. Compounding of certain offences. –

(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), any offence punishable under this Act (whether committed by a company or any officer thereof) [not being an offence punishable with imprisonment only, or punishable with imprisonment and also with fine], may, either before or after the institution of any prosecution, be compounded by-

(a) the Tribunal; or

(b) where the maximum amount of fine which may be imposed for such offence [does not exceed twenty-five lakh rupees], by the Regional Director or any officer authorised by the Central Government, on payment or credit, by the company or, as the case may be, the officer, to the Central Government of such sum as that Tribunal or the Regional Director or any officer authorised by the Central Government, as the case may be, may specify:

Provided that the sum so specified shall not, in any case, exceed the maximum amount of the fine which may be imposed for the offence so compounded:

Provided further that in specifying the sum required to be paid or credited for the compounding of an offence



under this sub-section, the sum, if any, paid by way of additional fee under sub-section (2) of section 403 shall be taken into account:

Provided also that any offence covered under this sub-section by any company or its officer shall not be compounded if the investigation against such company has been initiated or is pending under this Act.

(2) Nothing in sub-section (1) shall apply to an offence committed by a company or its officer within a period of three years from the date on which a similar offence committed by it or him was compounded under this section.

Explanation. - For the purposes of this section,-

(a) any second or subsequent offence committed after the expiry of a period of three years from the date on which the offence was previously compounded, shall be deemed to be a first offence;

(b) "Regional Director" means a person appointed by the Central Government as a Regional Director for the purposes of this Act.

(3) (a) Every application for the compounding of an offence shall be made to the Registrar who shall forward the same, together with his comments thereon, to the Tribunal or the Regional Director or any officer authorised by the Central Government, as the case may be.

(b) Where any offence is compounded under this section, whether before or after the institution of any prosecution, an intimation thereof shall be given by the company to the Registrar within seven days from the date on which the offence is so compounded.

(c) Where any offence is compounded before the institution of any prosecution, no prosecution shall be instituted in relation to such offence, either by the Registrar or by any share holder of the company or by any person authorised by the Central Government against the offender in relation to whom the offence is so compounded.



(d) Where the compounding of any offence is made after the institution of any prosecution, such compounding shall be brought by the Registrar in writing, to the notice of the court in which the prosecution is pending and on such notice of the compounding of the offence being given, the company or its officer in relation to whom the offence is so compounded shall be discharged.

(4) The Tribunal or the Regional Director or any officer authorised by the Central Government, as the case may be, while dealing with a proposal for the compounding of an offence for a default in compliance with any provision of this Act which requires a company or its officer to file or register with, or deliver or send to, the Registrar any return, account or other document, may direct, by an order, if it or he thinks fit to do so, any officer or other employee of the company to file or register with, or on payment of the fee, and the additional fee, required to be paid under section 403, such return, account or other document within such time as may be specified in the order.

[(5) If any officer or other employee of the company who fails to comply with any order made by the Tribunal or the Regional Director or any officer authorised by the Central Government under sub-section (4), the maximum amount of fine for the offence proposed to be compounded under this section shall be twice the amount provided in the corresponding section in which punishment for such offence is provided.]

[(6) Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), any offence which is punishable under this Act with imprisonment only or with imprisonment and also with fine shall not be compoundable.]

(7) No offence specified in this section shall be compounded except under and in accordance with the provisions of this section.”



5.4. Moreover, the Guidelines vide Circular No. 5/93; F. No. 16/1/92-CLV, dated 28.04.1993, in regards to the Compounding of offences states that: -

“Under section 621-A of the Companies Act, 1956 inserted by the Companies (Amendment) Act, 1988 w.e.f. 31-05-1991 offences under the Companies Act, which are not punishable with compulsory imprisonment are compoundable by the Regional Director, where the maximum amount of fine is up to Rs. 5,000/- or by the CLB where the maximum amount of fine exceeds Rs. 5,000/- The salient features of these provisions of law are indicated below for the benefit of your constituent member-companies, and their Directors:

(a) The offences punishable with imprisonment only or with imprisonment and also with fine are not compoundable. Offences, which are punishable with fine or imprisonment or both are, however, compoundable.

(b) As per procedure, an application for compounding is to be made by the delinquent company and/or its officers in default to the ROC concerned, who shall forward the same together with his comments thereon to the CLB or RD as the case may be footel bonsai

(c) When a particular offence is so compounded, no prosecution shall be filed thereafter in relation to such an offence.

(d) In case, prosecution is pending before the court, it is open to the company and officers in default being prosecuted to make an application for compounding and after the offence are so compounded, the court shall discharge the company/its officers as the case may be.

(e) While compounding the offence, the CLB/RD may direct any officer of the company to file a return or other document(s) in question within such time, as



may be specified in the order and non-compliance of the order shall be a punishable offence.

(f) Compounding of an offence does not amount to conviction by a court of law and the prohibition contained in paragraph 1(a) in Schedule XIII to the Act does not apply.

(g) It is open to the CLB/RD to compound more than one offence under one charging section. at a time and from the date of such compounding, a similar offence committed subsequent to the date of compounding of this first offence, cannot be compounded within a period of three years from that date.

(h) In the case of the company, the composition fee shall be paid from its funds. Directors/Officers in default shall pay the composition fee from their personal funds.”

5.5. The alleged offences are stated to be under sections 129 and 133 of the Companies Act, 2013. Section 129 (7) provides for punishment with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees. When we look into provisions of section 441(1) of the Act, the offences are punishable with imprisonment or fine or both, and therefore fall within the category of compoundable offences under Section 441(1) of the Act, therefore, the offences under section 129 and 133 of the can be compounded by this Tribunal on payment by the Company or officer to the Central Government.

5.6. Proviso to section 441(1) provides that any offence covered under this sub-section by any company or



officer shall not be compounded if the investigation against such company has been initiated or pending under the Act. In this case, the ROC report dated 26.09.2024, under section 441(3)(a) states that the compounding application may be decided by the NCLT on merits. Section 441 (3)(a) requires that the Registrar will forward the application together with comments to the Tribunal. We note that the Report does not object to the compounding application.

- 5.7. It is further observed that, although no specific objection has been raised by the Respondent RoC to the present compounding application, it has been stated in the Report, particularly under Column 16, that prosecution against the Petitioner is pending.
6. The principal ground urged by the Petitioner for seeking compounding is that, despite having consistently responded to the notices issued by the Respondent and furnishing detailed explanations along with supporting documents from time to time, the Petitioner has, without prejudice to his rights and contentions, approached this Tribunal to compound the alleged offences in order to bring quietus to the matter.
- 6.1. It is further contended that the delay, if any, in filing the present petition has occurred on account of a bona



fide belief that the issues raised by the Respondent stood resolved in view of the detailed reply dated 08.05.2023 and the absence of any further communication from the Respondent for a considerable period. The Petitioner has thus submitted that the present application deserves to be considered in a lenient manner and the offences, if any, may be compounded by imposing the minimum penalty prescribed under the Act.

6.2. Mr. Vneet S. Jaain was a Wholetime Director of the company between the Financial Years 2015-16 to 2019-20. Accordingly, the computation of penalty leviable upon the Petitioner under the provisions of the Act is set out hereunder: -

Sr. No.	Particulars of Offence	Year	Minimum Prescribed (Fine in Rs.)	Maximum Prescribed (Fine in Rs.)
1.	Sections 129 and 133 of the Companies Act, 2013 (auditor has qualified the accounting treatment given pursuant to the merger/amalgamation of Mundra plant with APMUL).	2017-18	50,000/-	5,00,000/-
2.	Section 129 of the Companies Act, 2013 read with IND-AS 24 (non-disclosure of related party	2017-18	50,000/-	5,00,000/-
		2018-19	50,000/-	5,00,000/-
		2019-20	50,000/-	5,00,000/-



	transactions).			
3.	Section 129 of the Companies Act, 2013 (diversion of funds in an adverse manner).	2015-16	50,000/-	5,00,000/-
		2016-17	50,000/-	5,00,000/-
		2017-18	50,000/-	5,00,000/-
		2018-19	50,000/-	5,00,000/-
		2019-20	50,000/-	5,00,000/-
4.	Section 129 of the Companies Act, 2013 (true and fair view of the financial statements of the Company regarding charge registered on MCA Portal amounting to Rs. 83321.91 Cr. and borrowing amounting to Rs. 5701 Cr.).	2019-20	50,000/-	5,00,000/-
5.	Section 129 of the Companies Act, 2013 read with AS and IND-AS (non-providing of fuel cost and purchase of stock in trade).	2017-18	50,000/-	5,00,000/-
		2018-19	50,000/-	5,00,000/-
		2019-20	50,000/-	5,00,000/-
Total fine			6,50,000/-	65,00,000/-

6.3. It is observed that though the Respondent has identified multiple officers in default, the present petition has been filed only by the Petitioner, namely Mr. Vneet S Jaain. This Tribunal confines the present adjudication only to the Petitioner herein. The liability,



if any, of other officers in default shall be dealt with independently in accordance with law.

- 6.4. Hence in view of the above table, this Tribunal notes that the violations attributable to the Petitioner pertain to **thirteen (13) counts** under Sections 129 and 133 of the Companies Act, 2013, spread across multiple financial years. In terms of Section 129(7) of the Act, the minimum fine prescribed is Rs. 50,000/- for each such contravention. Accordingly, the aggregate minimum penalty works out to Rs. 6,50,000/- and the maximum penalty is Rs. 65,00,000/-. The computation herein is restricted solely to the Petitioner and does not include other officers in default as identified in the report of the Registrar of Companies.
- 6.5. It is further observed that the present application for compounding has not been made suo moto at the first instance, but pursuant to the notice dated 25.04.2023 issued by the Respondent, whereby the Company and its officers in default were specifically called upon to file compounding applications, failing which prosecution would be initiated. Thus, the application is clearly post-detection of violations and in response to regulatory action. This notice shows that the Petitioner was called upon to file the compounding application indicating the ROC was of the view that offences have been committed. Further, based on the report of the



RoC, it is noted that prosecution has also been initiated and is pending against the petitioner.

- 6.6. We also note that the nature of allegations pertains to non-compliance with provisions relating to financial statements, disclosures and accounting standards, which are fundamental to corporate transparency and governance. Such contraventions, even if procedural in nature, cannot be treated lightly. Further, compliance reports were filed by an independent auditor indicating compliance with applicable requirements.
- 6.7. This Tribunal is satisfied that the delay in filing the present petition is neither intentional nor mala fide, but occasioned due to bona fide belief based on the Petitioner's replies and absence of further communication. Accordingly, the delay, if any, stands condoned.
- 6.8. The Hon'ble NCLAT in the matter of ***Viavi Solutions India Private Limited & Ors. v. Registrar of Companies, NCT Delhi and Haryana, (2017) ibclaw.in 231 NCLAT*** has laid down certain parameters for deciding a compounding application as well as the compounding fee. The present petition is examined in light of the said parameters:

Sr. No.	Points to be considered as per NCLAT Judgment	Remarks
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1.	The gravity of offence	The alleged violations pertain to financial statements, disclosures and accounting standards under Sections 129 and 133 of the Act. While such provisions are fundamental to corporate governance, the material on record does not indicate any direct prejudice to the interest of shareholders, creditors or the public.
2.	The act is intentional or unintentional	From the explanations furnished by the Company, including reliance on an NCLT approved Scheme of Arrangement and accounting treatment thereunder, the default appears to be interpretational and not deliberate.
3.	The maximum punishment prescribed for such offence, such as fine or imprisonment or both fine and imprisonment	As per Section 129(7) of the Act, punishment is with imprisonment which may extend to one year or with fine ranging from ₹50,000/- to ₹5,00,000/- or with both. The offences are thus compoundable.
4.	The report of the Registrar of Companies	The Respondent RoC has submitted a detailed report identifying the violations, the officers in default and the corresponding period of default, and has also placed on record the sanction for prosecution.
5.	The period of default	The alleged defaults pertain to multiple financial years, namely FY 2015-16 to FY 2019-20, and in certain instances FY 2017-18 to FY 2019-20, as reflected in the notices and the report of the RoC.
6.	Whether petition is suo moto before	The present petition has been filed pursuant to the notice dated



	or after notice from Registrar of Companies or after imposition of the punishment or during the pendency of a proceeding	25.04.2023 issued by the RoC calling upon the Company and its officers to file compounding applications, and therefore is not a suo motu application at the initial stage. But, the offences were not established.
7.	The defaulter has made good of the default	The Petitioner has placed reliance on detailed replies and clarifications furnished to the RoC, including accounting treatment in terms of an NCLT approved Scheme, disclosures in financial statements and certification by an independent chartered accountant.
8.	Financial condition of the Company and other defaulters	The Company is a listed public company engaged in the power sector. As per financials placed on record, there has been a turnover of Rs. 39,204.57 Crores for the FY 2023-24.
9.	Offence is continuous or one-time	The alleged defaults relate to recurring financial reporting and disclosure requirements across multiple financial years and are therefore in the nature of continuing defaults for the relevant period.
10.	Similar offence earlier committed or not	There is nothing on record to indicate that a similar offence has been compounded in the preceding three years.
11.	The act of defaulters is prejudicial to the interest of the members or company or public interest or not	No material has been placed on record to demonstrate that the alleged defaults have caused any direct prejudice to the interest of the members, creditors or the public.




12.	Paid-Up Share Capital of the Company, etc.	Adani Power Limited is a listed public company having paid-up share capital of Rs. 3856.94 Crores, as reflected in its financial statements.
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6.9. Considering that (i) the defaults span multiple financial years, (ii) the application has been filed post initiation of prosecution, (iii) the nature of violations pertains to financial disclosures, and (iv) the need to ensure deterrence while balancing proportionality, this Tribunal deems it appropriate to impose compounding fees at 150% of the minimum prescribed penalty. The fine works out to **Rs. 9,75,000 /-** to be paid by the Petitioner.

6.10. The offence committed by the Petitioner stands compounded subject to payment of fine. The Petitioner is directed to deposit the amount into Pay & Accounts Office, Ministry of Corporate Affairs, New Delhi within a period of two weeks from the date of this order.

6.11. In terms of Section 441(3)(c) of the Act, no further prosecution shall be initiated against the Petitioner in respect of the offences so compounded.

6.12. In this case, a prosecution has been initiated therefore in terms of Section 441 (3) (d) of the Companies Act, 2013, the Registrar of Companies is directed to bring the compounding in writing to the notice of the Court in which a prosecution is pending. The Registrar shall



being the provisions of Section 441 (3)(d) to the notice of the Court concerning the discharge of the Applicant.

7. In light of the above order, **CP No. 63 of 2025** stands ***allowed*** and disposed of, accordingly.
8. It is further directed that upon payment of the compounding amount, the Petitioner shall file proof of such payment before the Registry. Upon such compliance, the Registrar of Companies shall take note of the compounding in accordance with law.

—SD—

SANJEEV SHARMA
MEMBER (TECHNICAL)
HG

SHAMMI KHAN
MEMBER (JUDICIAL)

Note: This order of the bench consisting of Hon'ble Member Judicial & Hon'ble Member Technical is pronounced in open court on behalf of the Bench by Hon'ble Member Judicial under Rule 151 of NCLT, Rules, 2016.

—SD—

Paresh Vedani
(Court Officer)