

BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI

**Date of Decision : 05.09.2019**

**Appeal No. 344 of 2019**

Ritman Infra Ltd.

Regd. Office:

Ritman House,

14, Ayed Amir Ali Avenue,

Kolkata - 700 017.

... Appellant

Versus

Securities and Exchange Board of India

SEBI Bhavan, Plot No. C-4A, G Block,

Bandra Kurla Complex, Bandra (East),

Mumbai - 400 051.

... Respondent

Ms. Sheetal Prakash, Advocate with Ms. Bahar, Advocate i/b M V  
Law Partners for the Appellant.

Mr. Abhiraj Arora, Advocate with Mr. Vivek Shah, Advocate i/b  
ELP for the Respondent.

CORAM : Justice Tarun Agarwala, Presiding Officer

Dr. C. K. G. Nair, Member

Justice M. T. Joshi, Judicial Member

Per : Justice Tarun Agarwala, Presiding Officer (Oral)

1. Pursuant to the show cause notice and the reply filed by the  
appellant, the Whole Time Member (hereinafter referred to as,

‘WTM’) found that the appellant had not appointed the Company Secretary for the financial years 2015-16 and 2016-17. The WTM further found that during the relevant period the company had only four directors and one independent director and, therefore, the company did not have proper composition of an audit committee, nomination and remuneration committee as required under the provision of Companies Act, 2013 and, thus, the appellant had violated the provisions of Regulations 6(1), 18(1)(b) and 19(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as, ‘LODR Regulations’). The WTM accordingly directed the company to appoint the company secretary and constitute the audit committee, nomination and remuneration committee and till such time the said committees were not constituted, the appellant was restrained from accessing the securities market for a period of six months or till such time the compliances were not made.

2. The appellant being aggrieved by the said order has filed the present appeal.

3. We have heard Ms. Sheetal Prakash with Ms. Bahar, the learned counsel for the appellant and Mr. Abhiraj Arora with Mr. Vivek Shah, the learned counsel for the respondent.

4. It was contended that the Company Secretary was appointed on October 6, 2018 and since there was a delay, penalty of Rs. 7,080/- was paid to the Calcutta Stock Exchange and necessary details were provided to the respondent which has not been considered. It was stated that since the paid up capital of the company is Rs. 3.19 crores and the net worth of the company is Rs. 3.68 crores, Regulations 18 and 19 of the LODR Regulations are not applicable in as much as they are applicable to listed entities which has a paid up capital of more than 10 crores. The aforesaid assertions have been made by the appellant in paragraph 6.2 of the memo of appeal.

5. The respondent has denied the assertions made in paragraph 6.2 of the memo of appeal in paragraph 19 of their reply and contended that no such assertion was made by the appellant before the WTM in the written submission nor any proof has been filed before this Tribunal and only a bald statement has been made. The learned counsel has however admitted that Regulations 18 and 19 are not applicable though this fact has not been stated specifically in the reply.

6. Since no proof of the appointment of the company secretary has been filed before this Tribunal nor was filed before the WTM, we

are not inclined to interfere in the impugned order as we do not find any material to set aside the order to show that the appellant had complied with the LODR Regulations. The appeal is accordingly dismissed.

7. However, in the event, the appellant files an application before the WTM showing proof of appointment of the Company Secretary and consequent compliance of Regulation 6 of the LODR Regulations as well as make a statement that Regulations 18 and 19 are not applicable to the appellant as their paid up capital is less than 10 crores, the WTM will reconsider the matter and pass appropriate orders within four weeks from the date of filing of such application.

Sd/-  
Justice Tarun Agarwala  
Presiding Officer

Sd/-  
Dr. C. K. G. Nair  
Member

Sd/-  
Justice M. T. Joshi  
Judicial Member

05.09.2019  
Prepared & Compared by  
PTM