

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
T.P.NO. 246/16

C.A. 36/621A/CB/2016

*PRESENT: SHRI RATAKONDA MURALI, MEMBER JUDICIAL
SHRI. ASHOK KUMAR MISHRA, MEMBER TECHNICAL*

IN THE MATTER OF COMPANIES ACT, 2013 (18 OF 2013)
SECTION 621A READ WITH SECTION 166 AND 168 OF THE COMPANIES
ACT, 1956 AND SECTION 441 OF THE COMPANIES ACT, 2013.

AND

IN THE MATTER OF M/S LIFE TREE CYBERWORKS PRIVATE LIMITED

CA NO. 36/621A/CB/2016

1. M/S Life Tree Cyberworks Private Limited,
65/2, Level 07, 6th Floor,
Bagmane Tech Park,
Bagmane Tridib, CV Raman Nagar,
Byrasandra, Bangalore-560093.
2. Mr. Indiresk Vivekananda,
284, H.S.R Layout, 5th Sector,
5th Cross, 12th Main Road,
Venketapur, Bangalore-560102.
3. Mr. Tuomas Wegelius,
IIVARINTIE, 9A A 1, ESPOO, 02360, Finland.
4. Mr. Kiran Gowda
09, Krishna Niwas, 05th Cross,
Mannorayana Palya, Sulthanpalya Main Road,
R.T Nagar Post, Bangalore-560032.

- APPLICANTS

PARTIES PRESENTED: Mr. T.Sathya Prasad, Practicing Company Secretary
and Authorised representative for the Applicants.

ORDER

This Petition is filed under Sec.621A of Companies Act, 1956 read with Sec. 166 and 168 of Companies Act, 1956 and under section 441 of Companies Act, 2013 seeking composition of offence violation committed under provision of section 166 punishable under section 168 of Companies Act, 1956.

The averments of the Company Petition are briefly stated hereunder:

The 1st applicant is a company Registered under the name and style of "LIFETREE CYBERWORKS PRIVATE LIMITED" The Applicant Nos. 2 and 4 are Directors of the 1st Applicant Company and Applicant No. 3 was past Director. The 1st Applicant Company was originally incorporated under the name and style of "ELIFESTYLE.COM PRIVATE LIMITED". Later company changed its name as "LIFETREE CYBERWORKS PRIVATE LIMITED" vide General Meeting held on 03/07/2000. The Registered office of the company is situated at # 65/2 B-Block, 6th Floor, Level 07, Bagmane, Tridib Bagmane Tech Park, C.V.Raman Nagar, Bangalore-560093. The Authorized share capital of the applicant company as per the latest Audited Balance sheet on 31/03/2014 is Rs. 5,00,00,000/- (Rupees Five Crores only) consisting of 50,00,000 (Fifty lakhs) Equity Shares of Rs 10/- each.

The main objects of the 1st Applicant Company is to carry on business of developing and providing services in the field of electronic commerce, web based or related technology and applications etc., Further to carry on the business of marketing and sales representatives in the electronic media etc.,

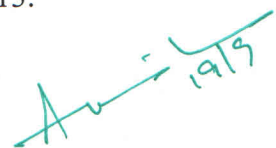
It is further averred under section 166 (1) of companies Act, 1956 every company shall hold Annual General Meeting in each calendar year and not more than fifteen months should have elapsed between one Annual General Meeting and that of the next. Thus company is required to hold Annual General Meeting in each calendar year or within fifteen months from the date of previous Annual General Meeting or within 6 months from the date of closure of accounts whichever is earlier.

It is contended that the Annual General Meeting for the financial year ending 31/3/2013 was held on 30/12/2013, whereas as per section 168 of the Companies Act, 1956 Annual General Meeting should have been held on or before 30/9/2013 for the financial year 2012-13. Thus there was failure to comply with provision of section 166(1) of Companies Act, 1956. The delay was purely unintentional and there was no malafide intention.

Therefore, this application is filed under section 621 of the Companies Act, 2013 to compound the offence. The violation is punishable with fine only. Therefore, it is prayed to compound the offence taking lenient view.

We have heard the Practicing Company Secretary appearing for the petitioners. It is contended on behalf of the petitioners that, there was no malafide intention in not holding the Annual General Meeting within the stipulated time and it was purely unintentional. The Applicants acted bona fide in the matter and the violations are not prejudicial to the interest of any stakeholders of the company and no damage occurred to anybody. It is prayed to take lenient view and compound the offence.

We have seen the documents along with petition. The petitioners filed Memorandum and Articles of Association of the 1st Applicant Company. Petitioners also filed certified copy of Balance Sheet and Profit and Loss Account for the year ending 31/3/2014. Petitioners also filed Affidavit of Mr. Kiran Gowda who is the Director. It is stated that, the company is not carrying any business for the financial years 2012-13, 2013-14 and 2014-15. It is clear that, the main violation committed by the petitioners is that they fail to hold Annual General Meeting for the financial year 2012-13 by 30/9/2013. Thus there was violation of section 166(1) of Companies Act, 1956. The violation is punishable under section 168 of Companies Act, 1956. The 1st Applicant is a Company and Applicants 2 to 4 are Directors. There was delay of 90 days in holding the Annual General Meeting, which was held on 30/12/2013.

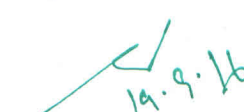


We have received report from the Registrar of Companies, Bengaluru who stated that violation can be compounded by levying compounding fee on the Applicants. Considering the submissions made by the Practicing Company Secretary for petitioners and after going through the contents of the application and documents filed, we direct the Applicant Nos.1 to 4 to pay the compounding fee as detailed hereunder:

Sl. No.	Particulars	Violation of Sec.166 of Companies Act, 1956	Delay of 90 days	Total Rs.	Grand Total Rs.
1	1 st Applicant Company	Rs. 20,000/-	90 x 500/-	45,000.00	65,000.00
2	2 nd Applicant	Rs. 20,000/-	90 x 500/-	45,000.00	65,000.00
3	3 rd Applicant	Rs. 20,000/-	90 x 500/-	45,000.00	65,000.00
4	4 th Applicant	Rs. 20,000/-	90 x 500/-	45,000.00	65,000.00
			TOTAL		2,60,000.00

In pursuant to our Order dated 18/08/2016 mentioned herein above, the Applicants have paid the compounding fee by depositing Demand Draft bearing No.825653 dated 07/09/2016 for Rs. 2,60,000/- (Rupees Two Lakhs sixty thousand only) of The Hongkong and Shanghai Banking Corporation Limited, Bangalore Branch, Bangalore drawn on 07/09/2016 in favour of "Pay and Accounts Officer, Ministry of Corporate Affairs, payable at Chennai".

As the compounding fee has been remitted by the Applicants, the offence stated in the petition is compounded. A copy of this Order be sent to Registrar of Companies, Karnataka, Bengaluru for appropriate action.


(RATAKONDA MURALI)
MEMBER, JUDICIAL


(ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL

DATED THIS THE 19th DAY OF SEPTEMBER 2016