

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH**

T.P. No.287/16

**IN THE MATTER OF COMPANIES ACT, 2013 AND  
IN THE MATTER OF COMPANIES ACT, 1956 UNDER SECTION 621A  
FOR COMPOUNDING OF OFFENCE UNDER SECTION  
210 OF THE COMPANIES ACT, 1956**

**AND**

**IN THE MATTER OF  
LEVI STRAUSS (INDIA) PRIVATE LIMITED**

Judgement/Order delivered on: 3<sup>rd</sup> August 2017

Coram: Hon'ble Shri Ratakonda Murali, Member (Judicial)  
Hon'ble Shri Ashok Kumar Mishra, Member (Technical)

**Mr. Aswathanarayanrao Gurudutt - Director  
C 301, Mantri Pride, 1 Cross Road,  
Jayanagar I Block,  
Bangalore-560011.**

**PETITIONER**

For the Petitioner (s): Sri K.V. Omprakash, Conscientia Law Associates,  
76/1, 1<sup>st</sup> Floor, 7<sup>th</sup> Cross, Wilson Garden,  
Bangalore-560027 - Counsel and Authorised  
representative for the Petitioner.

Per: **Hon'ble Shri Ashok Kumar Mishra, Member (Technical) – Author**

**ORDER**

The Application was originally filed before the Company Law Board, Southern Region, Chennai under Section 621A of the Companies Act, 1956 for the purpose of compounding for violation of provisions of Sections 210 of the Companies Act, 1956. Consequent upon the establishment of National Company Law Tribunal Bench at Bengaluru, the said case was transferred to this Tribunal on abolition of Company Law Board, Southern Region, Chennai Bench and numbered as T.P No. 287/2016.

The averments made in the Company Application are briefly described hereunder:-

The Company was incorporated under the Companies Act, 1956 on 31<sup>st</sup> March 1994 under the name and style "**Levi Strauss (India) Private Limited**" vide Corporate Identity No. **U18101KA1994PTC015448**. The Registered Office of the company is situated at No.22, SJR Cyber, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> Floor, Laskar Hosur Road, Adugodi, Bangalore-560030.




The present Authorised Share Capital of the Company is Rs 50,00,00,000/- divided into 5,00,00,000 Equity Shares of Rs. 10/- each and the Subscribed Capital was Rs 37,56,15,020/- divided into 3,75,61,502 Equity Shares of Rs. 10/- each.



The Company was incorporated for carrying on the business set out in Clause I, II and III of the Memorandum of Association, as shown in **Annexure-I**.

The main objects of the company is to merchandise, buy, sell, import, export, distribute, retail, trade ad deal in and with any and all articles and items of wearing apparel, clothing, garments, headgear, footwear, dress, accessories and novelties, of every nature and description, and of every kind aride type of material and composition etc., Details of the main object of the Company are stated in the Memorandum of Association.

The Petitioner has filed written submissions stating that, two Directors of the Company by name Mr. Sanjay Purohit and Mr. N. Nandakumar filed C.A No. 55 and 56/621A/CB/2014 before the erstwhile Company Law Board, Chennai for compounding. It is also averred that, Petitioner herein by name Mr. Aswathanarayanrao Gurudutta also filed separate Application for compounding on 9<sup>th</sup> June 2014. However, his Petition was not listed before Company Law Board, Chennai Bench. On the other hand, C.A No. 55 and 56/621A/CB/2014 were disposed of by the Company Law Board, Chennai Bench. Thus, the present petition was pending before the Company Law Board, Chennai Bench which was not listed along with C.A No. 55 and 56/621A/CB/2014.

Consequent upon the establishment of National Company Law Tribunal Bench at Bengaluru, the said case was transferred to this Tribunal on abolition of Company Law Board, Southern Region, Chennai Bench and petition is listed for hearing.

It is averred in the Company Petition that, during the financial year 2012-13 the company could not finalize the accounts and audit thereof in a timely manner due to reasons beyond the control of the company and could not conduct the Annual General Meeting of the Shareholders on or before 30/09/2013.<sup>1</sup> However, the Annual General Meeting of the company was held on 31/10/2013 with a delay of 31 days and further averred that, the lapse in complying with the provisions under Section 210 of the Companies Act, 1956 was unintentional and inadvertently occurred.





Section 210(1) of the Companies Act, 1956, provides that:-

At every annual general meeting of a company held in pursuance of section 166, the Board of directors of the company shall lay before the company –

- (a) a balance sheet as at the end of the period specified in sub-section (3); and
- (b) a profit and loss account for that period.

For the violation of section 210(1) of the Companies Act, 1956, the punishment is provided under sub-section (5) of section 210 of the Companies Act, 1956 which reads as follows:-

“If any person, being a director of a company, fails to take all reasonable steps to comply with the provisions of this section, he shall, in respect of each offence, be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to Rs 10,000/- or with both:”

This Application was filed under section 621A of the Companies Act, 1956. The provisions of section 441 of the Companies Act, 2013 came into effect from 1<sup>st</sup> June 2016. Before erstwhile Company Law Board, Southern Region, Chennai this application was filed. Therefore, this application is to be decided under the provisions of section 621A of the Companies Act, 1956.

We have perused the compliance order dated 27<sup>th</sup> May 2015 passed by the erstwhile Company Law Board, Southern Region, Chennai Bench. We have received report from Registrar of Companies, Karnataka, Bangalore bearing No. ROCB/SVK/15448/210/2017 dated 22/05/2017. In his report, it is stated that, earlier Managing Director and Company Secretary made similar application for compounding the offence committed under section 210(1) of the Companies Act, 1956. The present Applicant is by one more Director on the Board of the Company as on the date of offence who had not preferred an application earlier and the compounding application may be decided on merits.

We have heard the Counsel for Applicant. He contended that the delay in not placing Audited accounts of the company at the Annual General Meeting on the due date was due to reasons beyond the control of the Company and further contended that, the Applicant admitted default of provisions of sub-section (1) of section 210 of the Companies Act, 1956 by not placing Audited accounts of the company at the Annual General Meeting on the due date, but placing the audited accounts later on 31<sup>st</sup> October 2013. Further, he contended that, default committed under Section 210 of the Companies Act, 1956, is unintentional and occurred inadvertently and suo-moto filed this Application to compound the violation.




We have perused the documents filed by the Petitioner. We have seen the certified copy of the Board Resolution dated 16<sup>th</sup> November 2013 for filing compounding Application. We have seen the Memorandum of Association marked as Annexure-II and Minutes of Annual General Meeting held on 31<sup>st</sup> October 2013 and after going through the Company Petition under section 621A of the Companies Act, 1956 and further submissions made by the Counsel for Applicant and the observations of the Registrar of Companies, we direct the Applicant to pay the compounding fee as detailed hereunder:-

Sl. No.	Particulars	Violation of Sec.210 of Companies Act, 1956	Grand Total Rs.
1	Applicant-Director	6,000/-	6,000/-

The compounding fee levied as above shall be paid by the Applicant within 15 days from the date of this order and call this matter on 17<sup>th</sup> August 2017 for compliance.

  
(ASHOK KUMAR MISHRA)  
MEMBER, TECHNICAL

  
(RATAKONDA MURALI)  
MEMBER, JUDICIAL