

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

CA No.275/252/HDB/2017

U/s 252 of the Companies Act, 2013 R/w
Rule 87A of the NCLT (Amendment) Rules, 2017

In the matter of

M/s Sree Gayathri Leisure India Private Limited
94, Minerva Complex, S.D. Road
Secunderabad - 500003

Applicant

Versus

The Registrar of Companies
Andhra Pradesh and Telangana
2nd Floor, Corporate Bhavan
Bandlaguda, Nagole, Hyderabad
Telangana 500068

Respondent

Date of order: 29.12.2017

Coram:

Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)

Parties/counsels present

For the Applicant : Shri D.V.K. Phanindra, CS
For the Respondent : Shri R.C. Mishra, RoC

Per: Rajeswara Rao Vittanala, Member (Judicial)

ORDER

1. The present Company Application bearing CA No.275/252/HDB/2017 is filed by M/s Sree Gayathri Leisure India Private Limited, under Section 252 of the Companies Act, 2013, by inter-alia seeking to direct the Respondent to restore the Company which was struck off, by the Registrar of Companies; and to permit it to carry on the normal business etc.

2. Brief facts, leading to filing of the present Company Application, are as follows:-

- (a) M/s Sree Gayathri Leisure India Private Limited (referred to as "Company") is a private Limited Company and was incorporated on 29.04.2013 in the State of Andhra Pradesh.
- (b) The Authorised share capital of the Applicant Company is Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid up Capital of the Company as on the date of Application is Rs. 1,00,000/- Equity shares of Rs.10/- each fully paid up, and there are no different classes of shares.
- (c) The main objects of the Company in brief, are to act as commission agent for referring and enrolling members into any resorts, clubs, hotels, family parks and other related activities etc.
- (d) The Applicant Company had commenced operations after incorporation and has been generating revenues since incorporation, and has been doing good business ever since, without any break. The details of the Turnover and profit/loss of the Company since incorporation till the FY 2015-16 are as below:

S.No.	Financial Year	Turn Over In Rs	Net Profit in Rs
1.	2013-2014	57,77,920/-	4,38,568/-
2.	2014-2015	87,17,784/-	4,72,361/-
3.	2015-2016	98,35,401/-	7,81,312/-

On account of non-filing of Annual Accounts and Annual Returns for the Financial Years 2013-2014 to 2015-2016, the Respondent was to presume that the Company has not undertaken any business. The Audited Financial Statements for the Financial Years 2013-2014 to 2015-2016.



- (e) The Applicant further states that it has been regular in conducting meetings under the Companies Act, 2013 and accordingly, the Annual General Meetings for all the Financial years 2013-14, 2014-15 and 2015-2016 were duly convened and held, and the Financial statements duly adopted by the members.
- (f) The Board of Directors were under the impression, that all the returns were filed. When the Applicant Company was trying to file the pending Annual Returns, financial statements and other related documents for the financial years 2013-14 to 2015-16 with the RoC, it came to know that MCA system did not permit the same, and then it was realised that the name of the Company was struck off by the Respondent. On enquiry, it is known that the RoC vide notice No. ROC (H)/248(5)/STK-7/2017 dated 21.07.2017 read with the grounds as mentioned in public Notice No. ROC/Hyderabad/STK-1/Revised, dated 05.05.2017, with reference to letter of RoC in Form STK-1, has struck off the Applicant Company, from the Register of Companies. The notices dated 05.05.2017 and 21.07.2017 were placed in the MCA portal and contained list of many companies, and the name of the Applicant Company is also in the said list.



3. Heard Shri D.V.K. Phanindra, Learned PCS, and Shri R.C. Mishra, Registrar of Companies, and also perused the records along with extant provisions of the Companies Act, 2013.
4. Shri D.V.K. Phanindra, Learned PCS for the Applicant Company submitted that the Company is carrying on its normal business and it is diligent in filing all the statutory returns except the impugn returns, which has occurred inadvertently, and it is neither deliberate nor intentional on the part of the Company or any of this officers. However, the impugned action of striking off of the Company would

adversely affect not only the Company but its customers / its stake holders etc. He is ready to comply by filing annual returns in question within the stipulated time as granted by the Tribunal, along with required fees. There is an urgency in this matter as the Company is suffering a lot by virtue of this impugned action of striking off of the Company. He, therefore prayed the Tribunal to direct the Respondent to restore the name of the Company in the Register of Companies maintained by the Registrar of Companies.

5. He has also relied upon the judgment of the Hon'ble Bombay High Court in the matter of Purushottamdass and Anr. (Bulakidas Mohta Co. P Ltd.) Vs. Registrar of Companies, Maharashtra, & Ors., (1986) 60 Comp Cas 154 (Bom), by inter-alia stating that;



“the object of Section 560(6) of the Companies Act is to give a chance to the Company, its members and creditors to revive the company which has been struck off by the Registrar of Companies, within period of 20 years, and given them an opportunity of carrying on the business only after the company judge is satisfied that such restoration is necessary in the interest of justice.”

6. Shri R.C. Mishra, ROC by reiterating the averments made in his report Ref. No. ROCH/LEGAL/SEC 252/087348/SGLPL/STACK/2017 dated 28.12.2017, has further stated that the impugned action was taken strictly in accordance with law, and the allegations made by the applicant are not correct. However, he has submitted that the Tribunal may consider the case of the Company, subject to filing all pending returns namely annual returns, balance sheets with fee and addl. fees as prescribed under the provisions of the Companies Act, 2013. It may also be directed to ensure statutory compliance of applicable

provisions of the Companies Act, 2013 without any delay in future.

7. In order to examine the issue of striking off companies, it is necessary to advert to relevant provisions in Companies Act, 2013. And the relevant provisions are sections 248 and 252 of The Companies Act 2013.

Chapter XVIII deals with Removal of Companies from the Registrar of Companies.

Power of Registrar to remove name of company from register of companies

248 (1) Where the Registrar has reasonable cause to believe that—

- (a) *a company has failed to commence its business within one year of its incorporation;*
- (b) *the subscribers to the memorandum have not paid the subscription which they had undertaken to pay within a period of one hundred and eighty days from the date of incorporation of a company and a declaration under sub-section (1) of section 11 to this effect has not been filed within one hundred and eighty days of its incorporation; or*
- (c) *a company is not carrying on any business or operation for a period of two immediately preceding financial years and has not made any application within such period for obtaining the status of a dormant company under section 455, he shall send a notice to the company and all the directors of the company, of his intention to remove the name of the company from the register of companies and requesting them to send their representations along with copies of the relevant documents, if any, within a period of thirty days from the date of the notice.*



- (5) At the expiry of the time mentioned in the notice, the Registrar may, unless cause to the contrary is shown by the company, strike off its name from the register of companies, and shall Gazette of this notice, the company shall stand dissolved.
- (6) The Registrar, before passing an order under sub-section (5), shall satisfy himself that sufficient provision has been made for the realisation of all amounts due to the company and for the payment or discharge of its liabilities and obligations by the company within a reasonable time and, if necessary, obtain necessary undertakings from the managing director, director or other persons in charge of the management of the company:
- Provided that notwithstanding the undertakings referred to in this sub-section, the assets of the company shall be made available for the payment or discharge of all its liabilities and obligations even after the date of the order removing the name of the company from the register of companies.



Appeal to Tribunal deals with under Section 252 of the companies' act, which reads as follows:

- 252 (1) Any person aggrieved by an order of the registrar, notifying a company is dissolved under section 248 May file an appeal to the Tribunal within a period of three years from the date of the order of the Registrar and if the Tribunal is of the opinion that the removal of the name of the company from the Register of companies is not justified in view of the absence of any of the grounds on which the order was passed by the registrar, it may under restoration of the name of the company in the register of the companies; provided that before passing any order under this section that liberal

shall give a reasonable opportunity of making representations of being heard to the register, the company and all the persons concerned:

Provided further that if the register is satisfied that the name of the company has been struck off from the register of companies either inadvertently or on the basis of incorrect information furnished by the company or its directors, which requires restoration in the register of companies he may within a period of three years from the date of passing of the order of dissolving the companies under section 248, file an application before the tribunal seeking restoration of name of such company

- (2) A copy of the order passed by the Tribunal shall be filed by the company with the registrar within 30 days from the date of the order and on receipt of the order the Registrar shall cause the name of the company to be restored in the register of companies and shall issue a fresh certificate of incorporation
- (3) If a company or any member or creditor or workmen d feels aggrieved by the company having its name struck off from the Register of companies, the Tribunal on an application made by the company, member, creditor or workmen before the expiry of 20 years from the publication in the official Gazette of the notice under subsection (5) of section 248 may if satisfied that the company was, at the time of its name being struck off, carrying on business or in operation or otherwise it is just that the name of the company be restored to the Registrar of companies, order



the name of the company to be restored to the Registrar of companies, the Tribunal may, by the order, give other such directions and make such provisions as deem just for placing the company and all the persons in the same position as merely as may be in the name of the company had not been struck off from the Register of companies.

8. As stated supra, there is a prescribed procedure under the Act as to how the Registrar of Companies to strike off from the Register of companies. By reading of averments made in the application and the submission made by the Learned Registrar of Companies, the impugned notices have been issued in accordance with law as stated supra. However, before taking final action to strike off a Concerned Company U/s 248(5), the Registrar of Companies, is under duty to follow provision 6 of section 248, which mandates the Registrar of Companies to satisfy himself that sufficient provisions has been made for realisation of all amounts due to the Company and for payment or discharge of its liabilities and obligations etc. In the instant case, as stated supra, the Company is having business transactions continuously as per the financial statements filed, it has earned profits amounting to Rs.4,38,568/- (2013-14), Rs. 4,72,361/- (2014-15) and Rs. 7,81,312/- (2015-16). Naturally several people who act as commission agents etc, depend on the Company. Therefore, in the interest of Company and its employees and public employment, the case has to be considered favourably. The people are to be paid their commission for the services rendered. And thus striking off the name of Company would also result in serious repercussions like Debit Freeze accounts of the Company, with its Bankers etc. Therefore, a lenient view is required to be taken by the Tribunal in the interest of justice.



9. As per section 252 (3) as extracted above, a Company, or any member or creditor workman, if they feel aggrieved by striking off its name can approach the Tribunal by way of application, before expiry of 20 years after date of publication. On being filed an application, the Tribunal can order to restore striking off company on its role, if it is satisfied that the company was, at the time of its name being struck off, carrying on business or in operation or otherwise it is just that name of a company be restored to the Registrar of companies.



As narrated supra, it is not in dispute application has been filed by properly authorised person on behalf of Company, it is within limitation and it is carrying on business even by time of impugned action, and it has suitably explained the reasons for not filing required documents with Registrar of Companies, which ultimately leads to impugned action.

10. The Ministry of corporate affairs has issued a notification dated 26 December 2016 framing the rules under section 248 known as companies (Removal of names from the ROC) Rules 2016

Rule 3 (2) and (3) are relevant to the present case, which is extracted below for ready reference:

"3(2): for the purpose of sub rule (1) The Registrar shall give a notice in writing in the form of STK-1 which shall be sent to all the Directors of the company at the addresses available on record by registered post with acknowledgement due or by speed post

3(3): The notice shall contain the reasons on which the name of the company is to be removed from the Register of companies and shall seek representations, if any against the proposed action from the company and its directors along with the copies of the relevant documents if any, within a period of 30 days from the date of notice

Manner of Publication of Notice:

The rule 7 is read as to manner of publication of notice:-
 (1) the notice under subsection (1) or subsection (2) or section 248 shall be in form STK -5 or STK-6 , as the case may be and be-

- (I) placed on the official website of the Ministry of corporate affairs on a separate link established on such other website in this regard
- (II) Published in the official Gazette
- (III) Published in English language in leading newspaper and at least once in vernacular language in leading vernacular language newspaper, both having wide circulation in the state in which the registered office of the company is situated


Rule 9 deals with the Notice of striking off and dissolution of the company.

11. Article 19(g) in the Constitution of India 1950, confers right to all citizens of India to practice any profession or to carry on any occupation, Trade or Business.

In accordance with this Constitutional provision, the Companies Act of 2013 also confer such rights to its citizen by permitting them to incorporate a Company under the Act to carry on any profession, Trade and Business. In the instant case, it is not in dispute that the Company is incorporated in accordance with Act and prima facie to prove that the Applicant Company is following all extant provisions of companies Act in consonance with its Memorandum of Association and Articles of Association of the Company till the impugned violation(s) are noticed. It is not in dispute that Registrar of the Companies is empowered to take the impugned action and only the point here is that he has to strictly comply with provisions as extracted above. A



Court/Tribunal cannot interfere with normal activities of business of a Company being carried on in accordance with law unless any serious violation of law committed by a Company. As stated supra, the impugned violations are not so severe so as to take serious view of it. Moreover, the Company has come forward to file all required documents comply in accordance with law along prescribed/additional fee along with fine. It is also relevant to point out here that there is no bar for a Company, which is struck off, can register new company, in accordance with law.

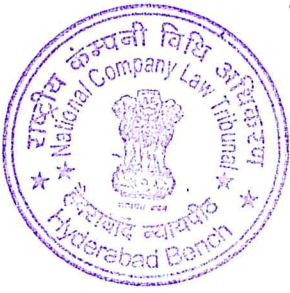
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12. As stated supra, the Company is rendering services as commission agent for referring and enrolling members into any resorts, clubs, hotels, family parks and other related activities etc, and it is running without any interruption. In terms of section 248(6) of Act as extracted supra, the above consequences are required to be looked into while passing final order under 248(5) of the Act. It is no doubt that the Company, on its part, is under statutory obligation to comply with all extant provisions Companies Act, 2013. The Company is now satisfactorily explained to Tribunal the reasons for the delay in non-filing statutory returns in question and expressed its willingness to file them along with payment of prescribed fee.

As stated supra, the Learned ROC also did not oppose the application but it can be considered subject to compliance of statutory provisions and undertaking etc.

13. In light of aforesaid facts and circumstances of case and the extant of provisions of the companies Act 2013 and rules here under, I am satisfied that the applicant Company has filed the present application within prescribed time under law, and also shown sufficient reasons to order Restoration of its name in the Register of companies maintained by the Registrar of Companies. Therefore, the Company application deserves to be allowed, however, subject to filing all pending

returns, Annual returns, Balance sheets, statements etc., along with prescribed and addl. fee under law. And also subject to giving undertaking that they would not resort to such type of violations in future.

14. By exercising the powers conferred on this Tribunal under Section 252 of the Companies Act, 2013, the Company application bearing CA No.275/252/HDB/2017 is disposed of with the following directions:



- 1) The Registrar of Companies, the respondent herein, is ordered to restore the original status of the Applicant Company as if the name of the company has not been struck off from the Register of Companies with resultant and consequential actions like changing status of Company from 'strike off to Active ; to activate DIN Nos of the applicants etc.
- 2) The Applicant company is directed to file all pending statutory document(s) including Annual Accounts and Annual returns for the financial years 2013-14, 2014-2015 and 2015-2016 along with prescribed fees/ additional fee/fine as decided by ROC within 45 days from the date on which its name is restored on the Register of companies by the ROC;
- 3) The Company's representative, who has filed the Company application is directed to personally ensure compliance of this order.
- 4) The restoration of the Company's name is also subject to the payment of cost of Rs 30,000/- (Rupees Thirty thousand only) through online payment in www.mca.gov.in under miscellaneous fee by mentioning particulars as "payment of cost for revival of company pursuant to orders of Hon'ble NCLT in CA No.275/252/HDB/2017".

- 5) The applicant is permitted to deliver a certified copy of this order with ROC within thirty days of the receipt of this order.
- 6) On such delivery and after duly complying with above directions, the Registrar of Companies, Hyderabad is directed to, on his office name and seal, publish the order in the official Gazette;
- 7) This order is confined to the violations, which ultimately leads to the impugned action of striking of the Company, and it will not come in the way of ROC to take appropriate action(s) in accordance with law, for any other violations /offences, if any, committed by the applicant company prior or during the striking off of the company.



Sd/-
RAJESWARA RAO VITTANALA
MEMBER (JUDICIAL)

for *lh*
Dy. Regr./Asst. Regr./Court Officer/
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER... CA No. 275/252/HDB/2017
निर्णय का तारीख
DATE OF JUDGEMENT... 29/12/2017
प्रति तैयार किया गया तारीख
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