

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH-VI**  
**Appeal No.362/252/ND/2020**

**IN THE MATTER OF:**

**Ethics Exports Private Limited**  
**Registered Office:**  
**At 21-A, Krishan Kunj Extn, Part-II**  
**Laxmi Nagar, Delhi- 110092**

...Appellant / Appellant Company

**VERSUS**

**THE REGISTRAR OF COMPANIES**  
**4<sup>th</sup> Floor, IFCI Towers,**  
**Nehru Place, New Delhi - 110019**

...Respondent

**Order Delivered on: 23.12.2020**

**CORAM:**

**SHRI. P.S.N PRASAD, MEMBER(JUDICIAL)**

**DR. V. K. SUBBURAJ, MEMBER (TECHNICAL)**

**ORDER**

**Per Dr. V. K. Subburaj (Member Technical)**

1. This is an appeal which has been preferred u/s 252 of the Companies Act, 2013 by the Appellant Company in relation to an order of striking off the name of the Appellant Company passed by the Respondent with effect from 29.10.2019 under the provisions of Section 248 of the Companies Act, 2013. Learned authorized representative for the



Appellant represents that the Appellant Company was incorporated on 07.06.2005 under the provisions of Companies Act, 1956 and has its registered office at 21-A, Krishan Kunj Extn, Part-II, Laxmi Nagar, Delhi-110092. Learned authorized representative for the Appellant represents that the Appellant company has been active since incorporation and has also been maintaining all the requisite documentation, as per the provisions of the Companies Act, 1956/2013. However, compliance in relation to the provisions of Companies Act, 2013 with the Respondent RoC by filing annual returns and financial statements has been omitted to be complied with but the said omission is not mala fide.

2. Upon notice to the Registrar of Companies ("RoC"), the RoC has filed its affidavit in which he pleads that the company may kindly be directed to prove that it was carrying on business or was in operation and that it is just that the name of the company be restored to the register. However, the Ld. AROC for the RoC appeared and conveyed RoC's no objections to restoration of the Appellant Company subject to terms.

Despite opportunities given, there was no response from the Income Tax Department and it was decided to proceed further.

3. We have considered the plea of the Appellant and the representations of RoC. It is evident from the plea of the Appellant that it admits the default and questions the due process undertaken by the RoC in striking off the name of the Appellant Company as envisaged under



Section 248 of the Companies Act, 2013. However, the Appellant is seeking restoration of its name in the register as maintained by RoC relying on the ground that the Appellant as of date is in business and has revenue from operations and in the circumstances, it is just that the name of the Company should be restored on the register of RoC as maintained by the Respondent. In order to sustain the said plea, the Appellant has placed before us the following documents:

- i. True Copies of Financial Statements and Balance Sheet for the Financial Years 2016-17 to 2018-19 with details of revenue from operations as Rs. 91,73,794 for 2018 and Rs 1,09,26,470 for 2019 respectively.
- ii. Acknowledgement for filing Income Tax Returns for the years 2017-18 & 2019-20 on record.
- iii. Copy of the Rent Agreement dated 15<sup>th</sup> June, 2016 in the name of the applicant company placed on record.
- iv. GST Registration Certificate dated 20.09.2019 and GST Returns filed on record.
- v. Bank Statement details given by the Corporation Bank for the period from 1<sup>st</sup> October, 2017 to 28<sup>th</sup> April, 2020 with substantial day today transactions.

4. A perusal of the documents referred to in the paragraph above, reflects that the appellant has business operations



which necessitate restoration of its name in the Register of Companies. The assumption of RoC that the company was not in operation was merely on grounds of non-filing of the Statutory Returns. The Act itself provides for redressal of these defaults. A step as stringent as what has been taken at least requires an opportunity to the appellant to take remedial measures. Merely to disallow restoration on grounds of its failure to file annual returns would neither be just nor equitable. As per several decisions of various Courts it should only be in exceptional circumstances that Courts should refuse restoration where the company has been struck off for its failure to file annual return as that would be excessive or inappropriate penalty for that oversight.

5. Accordingly, the appeal is allowed subject to payment of costs of Rs. 50,000/- to the Prime Minister Care Fund. The restoration of the Appellant Company's name in the Register will be subject to their filing all outstanding documents for the defaulting years as required by law and completion of all formalities, including payment of any late fee or other charges which are leviable by the Respondent for the late filing of statutory returns. The name of the Appellant Company shall then stand restored in the Register of the RoC, as if the name of the company had not been struck off.



6. The direction for freezing the bank account(s) of the Appellant Company, if on this ground, shall consequently be also set aside immediately to enable the company to carry out its business operation. Compliance of this order for restoration shall be made by the Respondent with all its consequential effects within one week of compliance by the Appellant.
7. Let the copy of the order be served to the parties.

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**(DR. V.K.SUBBURAJ)**  
**MEMBER (TECHNICAL)**

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**(P.S.N PRASAD)**  
**MEMBER (JUDICIAL)**