

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH

COMPANY APPLICATION NO. 107/2(41)/CB/2016

T.P.NO. 98/2016

(Connected to CA 132/16 of C.L.B. Regional Bench, Chennai.

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

IN THE MATTER OF COMPANIES ACT, 2013 (18 OF 2013)
SECTION 2(41)

AND

IN THE MATTER OF M/S ADVANCED BUSINESS & HEALTH CARE
SOLUTIONS INDIA PRIVATE LIMITED

M/s Advances Business & Healthcare Solutions India Pvt Ltd
No. 46, Byrasandra Main Road,
1st Block East, Jayanagar,
Bangalore 560 011.

..... Applicant

Parties present: Mr. Natesh K, PCS and authorised representative
for the Applicant company

ORDER

This application is filed on behalf of the petitioner company under Sec. 2(41) of Companies Act 2013 with a prayer to allow the petitioner company to continue the period of 12 months i.e. from 1st March to 28th February as its financial year for the purpose of consolidation of its accounts with its holding company.

The averments in the application in brief; The petitioner company is incorporated in India under the name and style M/s Advanced Business and Healthcare solutions India Pvt Ltd and its registered office is presently situated at No. 46, Byrasandra Main Road, 1st Block East, Jayanagar, Bangalore 560 011. The petitioner company is a subsidiary of Advanced Computer Software Group Limited a foreign holding company incorporated outside India having registered office at Munro House Portsmouth Road, Surrey, KT11 1TF.

The petitioner company is following the financial year pattern from 1st March to 28th February since date of its inception. The petitioner companies carrying on business as set out in the Memorandum of Association. The holding company is also following the financial year



from 1st March to 28th February. As per provision of Sec. 2(41) of the Companies Act, 2013, the company was required to follow the financial year pattern 1st April to 31st March. It is also stated in the petition at the instance of the holding company for continuing the current financial year pattern i.e. from 1st March to 28th February for facilitating reporting symmetry and compliance of internationally accepted accounting practices it was thought fit and appropriate to make a petition seeking specific permission to this effect as permitted by the Companies Act, 2013 for consolidation of accounts outside India.

It is stated in the petition that Board of directors of petitioner company passed resolution dated 16.10.2015 to apply to the Tribunal for permission to continue the current financial year pattern from 1st March to 28th February. Thus, petitioner company filed this petition to grant permission to continue its financial year from 1st March to 28th February in alignment with the financial year of the holding company for purpose of consolidation of accounts. We have heard the practicing company secretary appearing for the petitioner company. In support of the contention, the petitioner company has filed certified copy of Memorandum and Articles of Association of the petitioner company. The petitioner company also filed certified copy of the latest Balance sheet of the holding company M/s Advanced Computer Software Group Limited, the petitioner company filed copy of Memorandum and Articles of the holding company. The petitioner also filed copy of the Board resolution. We have gone through the certified copy of the Incorporation and Memorandum and Articles of Association of the holding company. We have gone through the letter from holding company giving consent to follow its financial year. Holding company addressed letter to the Board of directors of the subsidiary company to follow the same financial year ending February. The petitioner company also filed copy of Board resolution with a direction to file a petition before the Tribunal to continue its financial year from 1st March to 28th February to align with the financial year of holding company.



Am:

Am:

As per Sec 2(41) of Companies Act, 2013, existing company having different financial year is required to align its financial year starting from 1st April to 31st March of the same year within a period of two years from the date of commencement. The petitioner company being a subsidiary company cannot align its financial year as required under the Act. Since, holding company was following a different financial year.

Proviso to Sec. 2(41) empowers the Tribunal to allow any period as its financial year where an application is made by a company which is a holding company or a subsidiary company where it is required to follow a different financial year for consolidation of its accounts outside India.

It is the contention of the petitioner company that it has been following financial year commencing from 1st March and ending on 28th February on par with financial year adopted by the Holding Company. Now the petition is filed with a prayer to allow the petitioner company to follow the same financial year to align with the financial year of the holding company.

Report from Registrar of Companies, Karnataka is received. It is stated that the petition may be considered on merits by the Tribunal. After going through the documents filed by the petitioner company it is very clear Petitioner Company has been following financial year commencing from 1st March and ending by 28th February on par with the financial year of its holding company. Therefore, there are grounds to allow the petitioner company to follow the same financial year commencing from 1st March and ending on 28th February for purpose of consolidation of statements.

THIS BENCH DOTH ORDER

In the result, petition is allowed granting permission to the petitioner company to follow the same financial year commencing from 1st March and ending on 28th February in alignment with financial year of holding company for Consolidation of Accounts. A copy of the order be issued to (a) the Applicant company and (b) the Registrar of Companies, Bangalore for the state of Karnataka. With the above directions the application stands disposed of.



3.8.16
(RATAKONDA MURALI)
MEMBER, JUDICIAL

3/8/16
(ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL

DATED THIS THE 3rd DAY OF AUGUST, 2016