

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH  
C.P.NO. 23/2016**

**DATED: TUESDAY THE 31<sup>ST</sup> DAY OF JANUARY 2017**

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

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

**AND**

**IN THE MATTER OF BILL FORGE PRIVATE LIMITED**

**C.P.NO. 23/2016**

**1. Bill Forge Private Limited  
No. 9C, Bommasandra-Industrial Area,  
Bangalore-560099.**

**PETITIONER**

**PARTIES PRESENT:-**

Ms. Anuradha C Shanbhag & Mr. Somy Jacob  
Practicing Company Secretary, 3<sup>rd</sup> Floor, Sheik  
Ali Complex, 3/6-6 3<sup>rd</sup> Cross, Koramangala,  
2<sup>nd</sup> Block, Bangalore-560068 and Authorised  
representatives for the Petitioner.

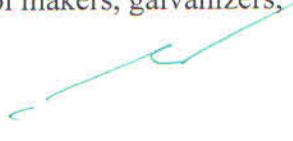
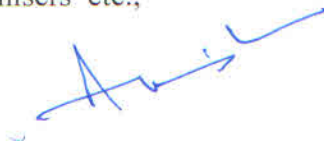
Heard on 10/01/2017, 11/01/2017 and 25/01/2017.

**ORDER**

This petition is filed by the Petitioner under section 2(41) of the Companies Act, 2013 with a prayer to permit the company which is a subsidiary of body corporate registered outside India to follow the financial year 1<sup>st</sup> January to 31<sup>st</sup> December as its financial year for the purpose of consolidation of its accounts with its Holding Company in line with global practice. The existing financial year of the Petitioner Company is from 1<sup>st</sup> April to 31<sup>st</sup> March.

The Petitioner Company is a Private Limited Company, incorporated under the Companies Act, 1956 on 23<sup>rd</sup> December 1982 under the name and style of "Bill Forge Private Limited" vide Corporate Identity No. U51392KA1982PTC005086. The Registered Office of the company is situated at No. 9C, Bommasandra Industrial Area, Bangalore-560099.

The main objects of the Company is to carry on all or any of the business of manufacturers, processors, fabricators, forgers, dealers, importers, exporters, traders and / or otherwise deal in any other capacity in pipes, machinery components; to carry on all or any of the business of welders, fitters, wire-drawers, tool makers, galvanizers, workshop keepers and vulcanisers etc.,



The averments in the Company petition are briefly described hereunder:-

That, M/s Mahindra CIE Automotive Limited a Company incorporated under the Companies Act, 1956 having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai-400018 acquired the entire share capital of the Petitioner Company by way of Acquisition Agreement. Thus the petitioner company became a wholly owned subsidiary of M/s Mahindra CIE Automotive Limited. It is further averred that, major shares of the Holding Company M/s Mahindra CIE Automotive Limited is held by CIE Automotive SA, a Company incorporated under the laws of Country of Spain, having its Registered Office at Alameda Mazarredo, 69 – 8 48009 Bilbao Vizcaya Spain which is a Ultimate Holding Company. It is further stated that, the Ultimate Holding Company is following 1<sup>st</sup> January to 31<sup>st</sup> December as its financial year, according to the laws of home country. The Ultimate Holding Company has to consolidate its financials with the financials of all its subsidiary companies. It is further averred that the Holding Company M/s Mahindra CIE Automotive Limited which is subsidiary of Ultimate Holding Company CIE Automotive SA, is following 1<sup>st</sup> January to 31<sup>st</sup> December as its financial year for purpose of consolidation requirement of the Ultimate Holding Company.

It is further averred that, M/s Mahindra CIE Automotive Limited is following 1<sup>st</sup> January to 31<sup>st</sup> December as its financial year for the purpose of consolidation requirement of the Ultimate Holding Company.

It is further averred that the Petitioner Company is presently following financial year from 1<sup>st</sup> April to 31<sup>st</sup> March of the following year. Since Petitioner Company became subsidiary of M/s Mahindra CIE Automotive Limited which is following financial year from 1<sup>st</sup> January to 31<sup>st</sup> December, the Petitioner Company is also required to follow the same financial year for purpose of consolidation of accounts.

As per provision of section 2(41) of the Companies Act, 2013, every company is required to have its financial year from April to March and any company which is the subsidiary company of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India has to make an application to the Tribunal for obtaining the prior approval. As the Petitioner Company being the Subsidiary Company of M/s





Mahindra CIE Automotive Limited (Holding Company), a company incorporated under the Companies Act, 1956, therefore it proposes to follow the calendar year i.e., from 1<sup>st</sup> January to 31<sup>st</sup> December as its financial year pattern. Hence this petition.

We have heard the Practicing Company Secretary for the petitioner company. He filed the consolidated Annual Accounts as at 31<sup>st</sup> December 2015. He has also filed certified true copy of the Resolution passed by the Board of Directors of the Petitioner Company dated 26<sup>th</sup> October 2016. He has also filed Board Resolution dated 20<sup>th</sup> October 2016 and 18<sup>th</sup> October 2016. He has also filed true copy of the consent given by the Ultimate Holding Company for change of financial year.



We have also seen the Memorandum of Association which is marked as Annexure-A. Copy of the Financial Statement of the Holding Company marked as Annexure-B and also the Board Resolution of the Petitioner Company marked as Annexure-C. We have seen the financial statement marked as Annexure-D and consent letter of the Holding Company is Annexure-E.

Section 2(41) of the Companies Act, 2013 which reads as follows:-

“financial year”, in relation to any company or body corporate, means the period ending on the 31<sup>st</sup> day of March every year, and where it has been incorporated on or after the 1<sup>st</sup> day of January of a year, the period ending on the 31<sup>st</sup> day of March of the following year, in respect whereof financial statement of the company or body corporate is made up;

Provided that on an application made by a company or body corporate, which is a holding company or a subsidiary of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Tribunal may, if it is satisfied, allow any period as its financial year, whether or not that period is a year.”

Provided further that a company or body corporate, existing on the commencement of this Act, shall, within a period of two years from such commencement, align its financial year as per the provisions of this clause;”



We have seen the report of the Registrar of Companies, Karnataka, Bangalore vide letter No. ROCB/SVK/2(41)/5086/2016 dated 19<sup>th</sup> December 2016, who reported that request of the petitioner company for change of financial year may be considered and he has no objection for change of financial year.

After hearing the Practicing Company Secretary for the petitioner company and after going through the documents filed and the report of the Registrar of Companies, Karnataka, Bangalore, we are of the opinion that, the petitioner company can be permitted to change its financial year from 1<sup>st</sup> April to 31<sup>st</sup> March to that of 1<sup>st</sup> January to 31<sup>st</sup> December.

In the result petition is allowed, Petitioner Company "**BILL FORGE PRIVATE LIMITED**" is permitted to follow its financial year as 1<sup>st</sup> January to 31<sup>st</sup> December to match with the financial year adopted by the Holding Company and Ultimate Holding Company.

  
(RATAKONDA MURALI)  
MEMBER, JUDICIAL

  
(ASHOK KUMAR MISHRA)  
MEMBER, TECHNICAL

DATED THIS THE 31<sup>st</sup> DAY OF JANUARY 2017.