

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
C.P. 22/2016

DATED TUESDAY, THE 31st DAY OF JANUARY, 2017
PRESENT: SHRI RATAKONDA MURALI, MEMBER JUDICIAL
SHRI ASHOK KUMAR MISHRA, MEMBER TECHNICAL
IN THE MATTER OF COMPANIES ACT, 2013
UNDER SECTION 2(41) OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF CSE SYSTEMS AND ENGINEERING (INDIA) PRIVATE
LIMITED

CSE Systems and Engineering (India) Private Limited,
No.3, 3rd Floor, 100 ft. Road, 2nd Stage,
1st Phase, BTM Layout,
Bangalore – 560 076.

Petitioner

Present: Shri P.S.M. Chari,
Company Secretary in Practice,
#31, 3rd Floor, Rear Block,
Opp. Karanji Anjaneya Temple,
W.A.T. Street, Basavanagudi,
Bangalore – 560 004.

ORDER

Heard on 11.01.2017, 19.01.2017.

The Petitioner has requested to allow the current financial year of the Company from 1st January, 2016 to 31st March, 2017 and thereafter the financial year to be from 1st of April to 31st March every year.

2. The averments made in the petition are as follows:

(a) That the petitioner company is having CIN: U72900KA1995PTC019364 and the current financial year of the Company is from 1st January to 31st December.

(b) That the Company is involved mainly in the business of development and sale of Computer Software, Automation and Engineering Service.

© That M/s. CSC Global (Asia) Limited is the Foreign Holding Company of the petitioner Company whose current financial year is 1st January to 31st December. The foreign holding of the petitioner company is incorporated under the laws of Singapore and having its Registered Office at No.2, UBI View, 5th Floor, Singapore.

3. During the course of hearing, the Hon'ble Members of the Tribunal enquired the Practising Company Secretary on the followings:

(a) When Section 2 (41) of the Companies Act, 2013 already allowed the Company to align current financial year from 1st January - 31st December to 1st April – 31st March every year, why is the company approaching the Tribunal?

(b) The Tribunal also directed to get confirmation from its Holding Company whether they have any objection to the proposed change of financial year by the petitioner Company.



To the above queries, the Practising Company Secretary clarified that vide E-Mail dated 12th January, 2017, the petitioner company has informed the Holding Company that it has given consent for changing the financial year from 1st January – 31st December to 1st April – 31st March every year.

The Bench advised the Company that the prerogative of keeping the financial year for a period of 12 months or so or less or more due to change in situation is the decision of Company's Board of Directors and its members.

Section 2 (41) of Companies Act, 2013, states as follows:

***"financial year"**, in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st 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 from 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, that, within a period of two years from such commencement, align its financial year as per the provisions of the clause;"

Based on the averments made and in view of the above provisions of law, the Petitioner company is permitted to change its existing financial year from 1st day of January to 31st day of December to 1st day of April to 31st day of March each year.


(RATAKONDA MURALI)
MEMBER, JUDICIAL


(DR. ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL

psp.