

**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH
AT HYDERABAD**

C.P.No.26/2(41)/HDB/2017

Under Section 2(41) of the Companies Act, 2016

In the matter of

Sitapuram Power Limited
Having its registered office at
Sitapuram, Dondapadu Village,
Mallareddy Gudem Mandal (Chinthala Palem),
District-Suryapet – 508246.
Telangana.

..... Petitioner

and

The Registrar of Companies, Hyderabad
For Andhra Pradesh and Telangana,
2nd Floor, Corporate Bahwan,
Bandla Guda, Nagalore, Hyderabad – 500 068.

**CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL**

.... Respondent

Order Delivered on: 20.04.2017

CORAM:

Hon'ble Mr. Rajeswara Rao Vittanala, Member (Judicial)
Hon'ble Mr. Ravikumar Duraisamy, Member (Technical)

Counsel for the Petitioner : Mr. Srikanth Sangai, Practicing
Company Secretary

Per: Rajeswara Rao Vittanala, Member (Judicial)

ORDER

1. The Company Petition bearing CP.No.26/2(41)/HDB/2017 was filed by Sitapuram Power Limited (hereinafter referred to as 'the Petitioner Company') under Section 2(41) of the Companies Act, 2013 read with Rule 11 & 67 of the National Company Law Tribunal Rules 2016, by praying this Tribunal to allow the Petitioner Company to continue to close its financial year by 31st December so as to adopt the period from 1st January to 31st

December as its financial year and the previous year financial year of the Company be the period from 1st January, 2016 to 31st December, 2016.

2. The above Petition came up for hearing before this Tribunal on 24.03.2017, 11.04.2017 and finally on 20.04.2017.
3. Brief facts of case, which are relevant to the issue in question, are submitted by the Learned PCS as under:

- a) Petitioner Company was initially incorporated as a Public Limited Company on 18.07.2005 under the Companies Act, 1956. The Corporate Identity Number (CIN) U40109AP2005PLC46893 and due to State re-organisation between Andhra Pradesh and Telangana the CIN got changed to U40109TG2005PLC46893. The Registered Office of the Company is situated at Sitapuram, Dondapadu Village, Mallareddy Gudem Mandal (Chinthala Palem), District-Suryapet, Telangana-508246. The Share Capital of the Company is detailed below:-

Authorised Share Capital	Amount (in Rs.)
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000
47,00,000 Preference Shares of Rs.100/- each	47,00,00,000
Total	48,00,00,000
Issued, Subscribed & Paid-up Share Capital	
10,00,000 equity shares of Rs.10/- each	1,00,00,000
27,49,000 – 0.01% Cumulative Redeemable Preference Shares of Rs.100/- each	27,49,00,000
19,51,000 – 18% Cumulative Redeemable Preference Shares of Rs.100/- each	19,51,00,000
Total	48,00,00,000

- b) The Petitioner Company is a joint venture between KSK Group and M/s Zauri Cement Limited. The Petitioner Company is a subsidiary of Zuari Cement Limited (“Holding Company”). In turn the Zuari Cement Limited is a subsidiary of M/s Climents Francais S.A., France

i.e. the Ultimate Holding Company. The Ultimate Holding Company follows the financial year from 1st January to 31st December every year and accordingly, consolidated accounts are required to be prepared for the period from 1st January to 31st December.

- c) As per the provisions of Section 2(41) of 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 Hon'ble National Company Law Tribunal for obtaining prior approval. Accordingly, the Holding Company has approached the then Company Law Board, seeking permission to follow a different financial year i.e. from 1st January to 31st December for the purpose of consolidation of accounts of its Holding Company i.e. Ciments Francais S.A, France, incorporated outside India. The Company Law Board, Chennai by its Order dated 25.08.2015 passed in C.A.No.13/2(41)/CB/2015 allowed the Holding Company to have a different financial year i.e. from 1st January to 31st December.
- d) Since, the Holding Company and its Ultimate Holding Company are following 1st January to 31st December as their financial year and the Petitioner Company is required to maintain accounts and close its financials as on 31st December every year in order to streamline the preparation of the consolidated financial and maintain uniformity in preparation of accounts and consolidate the accounts with the Holding Company and Ultimate Holding Company. Therefore, the Board of Directors of the Petitioner Company passed a resolution in their meeting held on 03.01.2017 to file an application before this Bench seeking approval to follow financial year that end on 31st December every year.

- e) Petitioner Company has also obtained consent from its Ultimate Holding Company vide its letter dated 23.02.2017 to continue the financial year of the Petitioner Company from 1st January to 31st December every year. Hence this petition.
4. The Registrar of Companies, Hyderabad vide its Report dated 18.04.2017 reiterated the averments made in the Petition and request this Bench to pass appropriate orders as deem fit and proper on merits.
 5. We heard, Shri Srikanth Sangai, representative for the Petitioner Company, carefully perused the material papers placed on record, Report of the ROC, Hyderabad and consent given by the Ultimate Holding Company.
 6. The Petitioner Company is currently operating a 43 MW coal based power plant at Dondapudi Village of Suryapet District in the State of Telangana and the plant was commissioned in March, 2008. Major shares of the Petitioner Company are held by M/s Zuari Cement Limited (Holding Company) in turn majority of shares of Zuari Cement Limited is held by Ciments Fracais S.A., France (Ultimate Holding Company). So the Ultimate Holding Company i.e. Ciments Francis S.A. France and its financial year starts from 1st January to 31st December every year.
 7. As per the Companies Act, 2013, all the companies are required to follow uniform financial year i.e. from 1st April to 31st March and any company wants to exempt from this requirement, they have to obtain approval from the NCLT as per Section 2(41) of the Companies Act, 2013. The Holding Company already approached the Company Law Board, Chennai seeking permission to change its financial year from 1st April - 31st March to 1st January - 31st December and obtained approval of CLB vide Order dated 25.08.2015. The Petitioner Company has satisfied all the conditions, as mentioned above for granting permission under Section 2(41) of the

Companies Act, 2013. Hence the Petitioner Company is entitled to grant the permission to continue to close its financial year by 31st December so as to adopt the period from 1st January to 31st December as its financial year.

8. In the result, the Company Petition bearing No.26/2(41)/HDB/2017 is allowed by permitting the Petitioner Company to continue to close its financial year by 31st December so as to adopt the period from 1st January to 31st December as its financial year and the previous year financial year of the Company be the period from 1st January, 2016 to 31st December, 2016, for the purpose of consolidation of accounts of the Ultimate Holding Company incorporated outside India.
9. The Petitioner Company is directed to send a copy of this order to the Registrar of Companies, Hyderabad.

Sd/-
RAVIKUMAR DURAISAMY

Sd/-
RAJESWARA RAO VITTANALA

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OF THE ORIGINAL

Order received by the
Registry on 24-07-2017

V. Annapoorna
V. ANNAPOORNA
Asst. DIRECTOR
NCLT, HYDERABAD.

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER C.P. NO. 26/2(41)/HD
निर्णय का तारीख 2017
DATE OF JUDGEMENT 20-4-2017
प्रति तैयार किया गया तारीख
COPY MADE READY ON 25-7-2017