

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH AT HYDERABAD

C.A.NO. 72/2(41)/CB OF 2016

Date of Order: 21.02.2017

In the matter of:

ITP Externals India Private Limited
60/A, IDA,
Gandhi Nagar, Balanagar
Hyderabad – 500037

.....Applicant

Counsel for the Applicant:

Mr. Sanjay Mehta, Chartered Accountant

CORAM

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

Hon'ble Mr. Ravikumar Duraisamy, Member (Technical)



ORDER

(As per Ravikumar Duraisamy, Member (Tech))

1. The present Company Application is filed before the National Company Law Tribunal, Hyderabad (NCLT), by ITP Externals India Private Limited (hereinafter referred as Applicant Company) represented by Mr. Ganeshula Vamsi Vikar, Director, under Section 2(41) of the Companies Act, 2013, by praying to allow the Applicant

Company to change its financial year from 1st April, 2016 to December, 2016 and thereafter to Calendar year, which is in line with the financial year followed by its Holding Company, ITP Externals S.L U, Spain.

2. The brief facts of the case as stated in the Application are as follows:
 - a. The Applicant Company is a Company incorporated on 20th April, 2010 under the Companies Act, 1956 bearing CIN: U29112TG2010PTC085641 and the main objects of the Applicant Company are to carry on the business of manufacturing and supplying rigid and flexible pipes and ducts and components designed to be assembled into rigid and flexible pipes or ducts, for aerospace applications and to perform all services ancillary thereto, etc. The name of the Applicant was also changed from REGINSON ENGINEERING PRIVATE LIMITED to ITP EXTERNAL INDIA PRIVATE LIMITED with effect from 6th February, 2016 to reflect reconfigured ownership.
 - b. The present financial year of the Applicant Company is from April 1 to March 31 each year. Pursuant to the Share Purchase Agreement dated 3rd December, 2015, the ownership of the company has been restructured and also the management of Company has been reconfigured as a Wholly Owned Subsidiary of ITP Externals S.L.U, a member of ITP Group, Spain.



As per the Code of Commerce assented by the Royal Decree dated 12nd August, 1885 (Spanish Corporate Regulations) under Section

3 – Presentation of the Accounts of the Corporate Groups, Article

42.1 **“All controlling companies of a corporate group shall be obliged to draw up consolidated annual accounts and management reports in the manner foreseen in this section.”**

The Applicant being an Indian subsidiary of Spanish Holding Company is therefore required to prepare Consolidated Financial statements with its Parent Company and hence, it is necessary to follow a uniform Financial Year with that of the Parent Company

for consolidation of its accounts outside India in the home country of the Holding Company.

The Applicant Company further state that, it shall help the Company to even out the workload and improve their management and operational efficiency, by changing its Financial Year to same period used by its Parent Company, ITP Externals S.L.U Spain, facilitating the integration of its globalized operations. The Applicant Company will also be able to disclose their management information intra group in timely manner.

- d. The Board of Directors of the Applicant Company have passed the following resolutions at their meeting held on 14th July, 2016, approving the decision to change the Financial Year from April-March to Calendar Year ending on 31st December every year.
- e. The present Application is made to this Tribunal as the jurisdiction of the Applicant Company falls under NCLT, Hyderabad and as per Section 2(41) of the Companies Act, 2013, an application may be made by a company or body corporate, which is a holding company or a subsidiary of a company incorporated outside India that it is required to follow a different financial year for consolidation of its accounts outside India, with the NCLT.
- f. In view of the above averments, the Applicant Company has prayed before this Tribunal to allow the change in its Financial Year from 1st April, 2016 to December, 2016 and thereafter to Calendar Year to streamline the same with that of its Holding Company, ITP Externals S.L.U, Spain



3. We have heard Mr. Sanjay Mehta, Chartered Accountant, and have perused the contents of the petition and documents filed in support of it.
4. The RoC, in its report vide RAP & TG/Legal/Sec 2(41)/ITPE/STA/2016 dated 17.11.2016, stated that the Applicant Company has failed to file and pay requisite fees fixed for E-Form GNL-1 along with

application for change of financial year before RoC. In addition, the Applicant Company has not submitted a copy of balance sheet of Holding Company. Hence, the RoC requested the Tribunal to put the Applicant to strict proof and pass orders on merit.

5. The present application was listed before the Bench on 3.11.2016 and subsequently, on 22.11.2016. The Bench directed the Applicant Company to comply with the filing of e-form GNL-1 along with requisite fee with the RoC as stated in the RoC report dated 17.11.2016.
6. The Applicant Company has filed a letter dated 6th December, 2016 addressed to this Tribunal, enclosing a copy of e-form GNL-1 along with duly paid challan filed online to RoC, Hyderabad, but the Balance sheet of the Holding Company is yet to be submitted to the RoC. Accordingly, we direct the Applicant Company to submit the Balance Sheet of Holding Company, as required by the RoC, immediately.
7. In the aforesaid circumstances, we permit the Applicant Company to adopt its current Financial Year from 01.04.2016 to 31.12.2016 and also change its financial year to its Calendar Year, i.e., 1st January to 31st December of every year, which is in line with the Holding Company, i.e., ITP Externals S.L.C, Spain



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

In terms of above, the CA No. 72/2(41)/HDB/2016 is disposed of.

Sd/-

RAVIKUMAR DURASAMY

MEMBER (TECH)

Sd/-

RAJESWARA RAO VITTANALA

MEMBER (JUDL)

V. Annapoorna
V. ANNA POORNA
Asst. DIRECTOR
NCLT, HYDERABAD - 68