

In the National Company Law Tribunal  
Single Bench, Chennai

CP/48/CB/2(41)/2017

Under Section 2(41) of the Companies Act, 1956

In the matter of

Yamaha Motor Electronics India Private Limited

Order delivered on: 30.06.2017

For the Petitioner: Shri V. Mahesh, Advocate

**Per: ANANTHA PADMANABHA SWAMY, MEMBER (J)**

**ORDER**

1. Under consideration is a Company Application filed under Section 2(41) of the Companies Act, 2013 with a prayer to allow the Applicant Company to continue with its existing financial year i.e. a period of 12 months starting from 1<sup>st</sup> day of January to 31<sup>st</sup> December each year, as its financial year in terms of the provisions of section 2(41) of the Companies Act, 2013.
2. This application has been filed by the Applicant Company, Yamaha Motor Electronics India Private Limited which was incorporated on 29/06/2012 having the Corporate Identity Number U35990TN2012FTC086567. The main objects of the Applicant Company as set out in sub-clause A of Clause III of the Memorandum of Association are to carry on the business of manufacture, production, fabrication, assembly, engineering, development and designing of electronic parts for two-wheelers of all kinds and descriptions and such other activities as are required for carrying on the business of Company.

3. The registered office of the Applicant Company is situated at Plot No.VV-2, SIPCOT Industrial Park, Vallam-Vadagal village, Sriperumpudur, Kanchipuram- 602105. The Applicant Company is a subsidiary of a foreign company M/s. Yamaha Motor Electronics Company Limited (In short, 'Holding Company') incorporated and registered under the laws of Japan having Company Registration No. 4896951. The Registered office of the Holding Company is situated at 1450-6, Mori-Machi, Shuchi-gun, Shizuoka, Japan- 4370292. The Holding company holds 99% of the total share capital of the Applicant Company and predominantly controls the management of the applicant Company and follows the calendar year from 01<sup>st</sup> January to 31<sup>st</sup> December as financial year. Also, the holding company in total has seven subsidiary companies throughout the world including the petitioner company.
4. The applicant company has placed on record the resolution dated 8<sup>th</sup> February 2017 annexed as Annexure- A9, passed by the Board of Directors of the applicant company wherein it was resolved to make an application to this Bench to allow the company to follow the Financial Year starting from 01<sup>st</sup> January to 31<sup>st</sup> December under 1st Proviso to Section 2(41) of the Companies Act, 2013. The Applicant Company has also produced a certified copy of resolution annexed as Annexure- A10 passed by its shareholders in the extra-Ordinary General meeting dated 8<sup>th</sup> February 2017 thereby consenting to adoption of the existing financial year of the Company.

5. The Holding Company gave a duly notarised Letter of Consent annexed as Annexure- A11, dated 16<sup>th</sup> March 2016 to the Applicant Company to follow the calendar year from 01<sup>st</sup> January to 31<sup>st</sup> December for applying for approval to continue to follow the Calendar Financial year from 1<sup>st</sup> January to 31<sup>st</sup> December for consolidation of accounts outside India. As per the Balance Sheet and Financial Statement of Holding Company and Applicant Company, it is evident that both the companies are following financial year from 1<sup>st</sup> January and ending 31<sup>st</sup> December every year.
6. Heard counsel for Applicant Company. It is submitted that the Applicant Company has been adopting the said financial year since its incorporation and for the current financial year ending 31<sup>st</sup> December 2016, the applicant company has to convene its Annual General Meeting on or before 30<sup>th</sup> June 2017, therefore seeking approval of this Bench to adopt the existing financial year. It is further submitted that the Applicant Company being a subsidiary of the Holding company, has to mandatorily adopt the financial year from 1<sup>st</sup> January to 31<sup>st</sup> December to align its financial statements with that of its Holding Company which is incorporated outside India. It is further submitted that in furtherance of Article 444 of the Japan Companies Act, 2005, the Holding Company has to consolidate its financial statements with that of its subsidiaries. Thus to comply with the aforesaid provisions, the Holding Company has been consolidating its financial statements with its subsidiaries every year to present true and fair financial state of affairs to the shareholders of the company.

7. In view of the above observations, this Bench is satisfied that it is just and reasonable to permit the applicant company to retain the financial year commencing from 1<sup>st</sup> January and ending on 31<sup>st</sup> December each year, for consolidation of its accounts in line with the accounts of its holding company which is registered outside India. Thus, in exercise of the powers conferred under 1<sup>st</sup> proviso to Section 2(41) of the Companies Act, 2013, this company application is allowed. The applicant company is directed to furnish a copy of this order to the ROC concerned, as per the procedure prescribed for the purpose of information and record.



**ANANTHA PADMANABHA SWAMY, MEMBER (J)**