

**In the National Company Law Tribunal
Single Bench, Chennai**

TCA/44/2(41)/CB/2017

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

In the matter of

M/s. Savio India Limited

Order delivered on: 07.09.2017

For the Petitioner: Shri G. Vasudevan, PCS

Per: K. 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 1st January to 31st 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, Savio India Limited which was incorporated on 21st March 1996 having the Corporate Identity Number U02926TZ1996FLC007062 and having its registered office at Factory Premises, Tamaraikulam Post, Pollachi- 642109. The main objects of the Applicant Company as set out in sub-clause A of Clause III of the Memorandum of Association are to manufacture and deal in textile machinery such as ginning machinery, spinning machinery etc. and all such other machinery necessary as are required for carrying on the business of the company.

3. The Applicant Company is a subsidiary of a foreign Savio Macchine Tessil S.p.A (In short, '**Holding Company**') incorporated and registered under the laws of Italy having Foreign Registration No. 07477880962 and its registered office at Via Udine, 105- 33170, Pordenone (PN), Italy, Casella Postale: 223. The Holding company holds 99.99% equity shares of the Applicant Company and predominantly controls the management of the Applicant Company and follows the calendar year from 1st January to 31st December as financial year.
4. The applicant company has placed on record the resolution dated 1st October 2016 annexed as **Annexure- 4**, 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 1st January to 31st December under 1st Proviso to Section 2(41) of the Companies Act, 2013.
5. The Holding Company conveyed its consent by a Letter of Consent dated 30th November 2015 annexed as **Annexure- 5** to the Applicant Company to follow the calendar year from 1st January to 31st December and for applying for approval to continue to follow the Calendar Financial year from 1st January to 31st December for consolidation of accounts outside India.

6. The Registrar Of companies, Coimbatore, in its report dated 08.02.2017 submitted it has no objection to the instant application and this tribunal may decide on merits.
7. Heard the learned PCS for Applicant Company. It is submitted that the Applicant Company being a subsidiary of the Holding company, has to mandatorily adopt the financial year from 1st January to 31st December to align its financial statements with that of its Holding Company which is incorporated outside India. Thus to comply with the aforesaid requirement, 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 and also to the statutory authorities. Also 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 1st January and ending 31st December every year.
8. 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 1st January to 31st 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 1st 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.

A handwritten signature in green ink, appearing to be 'K. Anantha Padmanabha Swamy', written over a diagonal line.

K.ANANTHA PADMANABHA SWAMY, MEMBER (J)

RLS