

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SINGLE BENCH, CHENNAI**

CA/86/2(41)/CB/2017

Under Section 2(41) of the Companies Act, 2013

In the matter of

M/s. Bonfiglioli Transmissions Private Limited

Order delivered on: 13.11.2017

For the Petitioner: Shri Mahesh M. Darji, 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 follow a different 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, Bonfiglioli Transmissions Private Limited which was incorporated on 23.06.1998 having the Corporate Identity Number U29309TN1998PTC040717 and having its registered office at plot No. AC7-AC 11, Sidco Industrial Estate, Thirumudivakkam, Chennai TN-600044. 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 business of designing, manufacturing, developing, hiring, repairing, importing, exporting, buying, selling and dealing in gears of all types eluding in particular, spiral bevel, straight bevel, spur and helical and worm gears, gear boxes, motor controllers, electrochemical and electronic devices, accessories and transmission devices etc.

3. The Applicant Company is a Wholly Owned Subsidiary of Bonfiglioli Riduttori S.P.A (In short, '**Holding Company**') incorporated in Italy and registered under the laws of Italy, having registered office at Calderara Di Reno (Bo), Vi A Giovanni XXIII 7/A Cap, Bolagana, Italy. 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 06th April, 2017 annexed as **Annexure- 3**, 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 16th June, 2017 annexed as **Annexure- 4** to the Applicant Company to follow the calendar year from 1st January to 31st

December and for applying for approval to follow the Calendar Financial year from 1st January to 31st December for consolidation of accounts outside India.

6. The Registrar of Companies, Chennai, in its report dated 18.09.2017, opined that the first proviso to section 2(41) of the Companies Act, 2013, permit the Applicant Company to follow different financial year for consolidation of accounts outside India and any period may be allowed as its financial year provided the Bench is satisfied.
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, it is evident that the Holding Company is financial year from 1st January and ending 31st December every year.
8. In the light of the above observations, this Bench is satisfied that it is just and reasonable to permit the applicant company to follow 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.



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

TJS