

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH

COMPANY APPLICATION NO. /2(41)/CB/2016

T.P.NO. 108/2016

(Connected to CA /16 of C.L.B. Regional Bench, Chennai.

*PRESENT: SHRI RATAKONDA MURALI, MEMBER JUDICIAL
SHRI. ASHOK KUMAR MISHRA, MEMBER TECHNICAL*

IN THE MATTER OF COMPANIES ACT, 2013 (18 OF 2013)
SECTION 2(41)

AND

IN THE MATTER OF M/S ARIS GLOBAL SOFTWARE PRIVATE LIMITED

M/s Aris Global Software Private Ltd
19/2, 15th Cross,
Dollars Colony,
4th Phase, J P Nagar,
Bangalore 560 045

..... Applicant

Parties present: Mr. Manjunath S, Advocate and authorised
representative for the Applicant company

ORDER

This application is filed under Sec 2(41) of Companies Act, 2013 by the petitioner company praying the tribunal to allow the petitioner company to follow calendar year of 2015 commencing from 1st January 2015 and ending with 31st December 2015 as financial year of the company and thereafter every subsequent calendar year commencing from 1st January and ending with 31st December as its financial year.

The contents of the petition are briefly stated hereunder that petitioner company is incorporated under the name and style Aris Global Software Private Limited on 16.4.2004 with Registrar of Companies, Karnataka. The present authorized share capital of the company is Rs. 50,00,000/- divided into 5,00,000 equity shares of Rs. 10/- each. The paid up capital of the company is Rs. 26,68,000/- divided into 2,66,800 equity shares of Rs. 10/- each. The main objects of the company are : "To manufacture, produce, sell, distribute, design, develop, assemble, exchange, convert, service or otherwise deal or handle all types of computers, computer related systems software systems, communications systems and service. To carry on the business of manufacturing, designing, developing, researching, making assembling, purchasing, selling, importing,



exporting, or otherwise dealing or handling all types of computer and computer related systems, software systems, communication systems, as well as component, parts, inspection, servicing, of all types of computer related systems, communication systems, software systems and service manufacturing, designing, developing, improving, marketing, selling and licensing software, firmware and programmes of any and all description. The present business of the company is software service provided in IT Industry.

Petitioner Company is the subsidiary company of the holding company by name Arisglobal Holding LLC, USA registered outside India and is holding 99.96% equity shares in the petitioner company which is its subsidiary.

Arisglobal Holding LLC, USA is incorporated and registered under the laws of United States of America and its head office is at 401 East Las Olas, Suit 4100, Fort Lauderdale, Florida 33301, USA. The financial year of the company commences on 1st January of a calendar year and ends on 31st December of that Calendar year and therefore the closing date for the financial statements of Arisglobal Holdings, LLC is 31st December is also date of closing for its consolidated financial statements.

It is further averred in the petition that Petitioner Company being a wholly owned subsidiary of the holding company which exercises 99.96% shares voting rights in the petitioner company. Therefore, holding company Arisglobal Holding LLC has to present consolidated accounts. The petitioner company has been following the period from 1st January to 31st December as a calendar year as its financial year since incorporation.

Proviso to Sec. 2(41) of Companies Act, 2013 allows subsidiary company to have a different financial year if holding company is required to follow a different financial year for purpose of consolidation of accounts outside India, with the approval of the competent authority. In the present case the applicant company is a subsidiary of a Holding Company Incorporate outside India. Arisglobal Holding LLC, USA. The holding company is required to consolidate the accounts of its subsidiaries. As the financial year of the holding company is from January to December, the consolidation of the accounts of the petitioner company with that of the holding company is facilitated only if the petitioner company also has the calendar year of 2015 commencing from 1st January and ending on 31st December as its financial year and thereafter every subsequent calendar year commencing from 1st January and ending on 31st December as its financial year.



We have heard the counsel for Petitioner Company.

The petitioner company filed its Board Resolution dated 30.11.2015 wherein the petitioner company adopts financial year commencing from 1st January and ending with 31st December of each calendar year as that of its holding company since holding company is required to present consolidated accounts as per laws of U.S.A where it is incorporated.



The petitioner company also filed extract of minutes of Board meeting of the holding company dated 17.11.2015 directing the subsidiary companies to adopt financial year from 1st January to 31st December. Petitioner also filed consent letter issued by its Holding Company.

The petitioner company filed financial statements and auditors report for the financial year ending 31.12.2014.

Petitioner Company also filed 2014 Balance sheet of the Holding company incorporated outside India and Annual Report of the Holding company.

From the documents filed it is clear that the petitioner company is a subsidiary company of the Holding company which is incorporated outside India. Secondly, Petitioner Company has been following calendar year as financial year in consonance with financial year of its holding company which is for the purpose of consolidation of accounts. Proviso to Sec. 2(41) of the Companies Act, 2013 enable subsidiary company to have a different financially year in tune with financial year of its Holding company.

The tribunal is empowered to permit the subsidiary company to have different financial year in tune with holding company for purpose of consolidation of accounts.



THIS BENCH DOTH ORDER

In the result, petition is allowed granting permission to the petitioner company to follow the same financial year commencing from 1st January and ending on 31st December in alignment with financial year of holding company for Consolidation of Accounts. A copy of the order be issued to (a) the Applicant company and (b) the Registrar of Companies, Bangalore for the state of Karnataka. With the above directions the application stands disposed of.


(RATAKONDA MURALI)
MEMBER, JUDICIAL


(ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL

DATED THIS THE 9th DAY OF AUGUST, 2016