

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
T.P.NO. 105/2016**

IN

C.A. NO. 135/2(41)/CB/2016

DATED: WEDNESDAY THE 31ST DAY OF MAY 2017

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

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

**IN THE MATTER OF
M/S VERIMATRIX VIDEO SECURITY SOLUTIONS
INDIA PRIVATE LIMITED**

T.P.NO. 105/2016 IN C.A. NO. 135/2(41)/CB/2016

**M/S Verimatrix Video Security Solutions India Private Limited
Level 14 & 15, Concorde Towers,
UB City, 1 Vittal Mallya Road,
Bangalore-560001.**

PETITIONER

PARTIES PRESENTED:

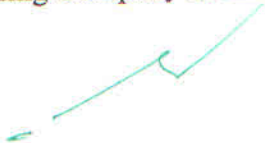
Mr. Sudhir V.Hulyalkar, 16/8, Ground Floor, 2nd
Cross, Gupta Layout, South End Road,
Basavangudi, Banagalore-560004
Practicing Company Secretary
and Authorised representative for the Applicant.

Heard on: 24/01/2017, 02/02/2017, 04/04/2017 and 27/04/2017.

ORDER

The Petition was originally filed before the Company Law Board, Southern Region, Chennai by the Petitioner under Section 2(41) of the Companies Act 2013. The Petition was numbered as C.A. 135/2(41)/CB/2016. Consequent upon the establishment of National Company Law Tribunal Bench at Bengaluru, the said case was transferred to this Tribunal on abolition of Company Law Board, Southern Region, Chennai Bench and renumbered as TP No. 105/2016.

This petition is filed by the Petitioner under section 2(41) of the Companies Act, 2013 with a prayer to permit the company which is a subsidiary of body corporate registered outside India to follow calendar year (1st January to 31st December) as its financial year for the purpose of aligning of its accounts with its Holding Company in line with global practice.




The averments made in the Company Application are briefed hereunder:-

The Petitioner Company is a Private Limited Company, incorporated under the Companies Act, 1956 on 10th May 2013 under the name and style of **“Verimatrix Video Security Solutions India Private Limited”** vide Corporate Identification No. **U72900KA2013FTC069049**. The Registered Office of the company is situated at Level 14 & 15, Concorde Towers, UB City, 1 Vittal Mallya Road, Bangalore-560001.



The main objects of the Company is to carry on the business of providing, selling, distributing, importing, exporting, providing after sales technical support and dealing in software based content security solutions that can support all platforms such as cable, satellite, terrestrial and IPTV operators, and multi network/multiscreen applications and mobile devices etc., Details of the objects of the Company are mentioned in the Memorandum and Articles of Association of the Petitioner Company.

It is further averred that, the Petitioner Company is a wholly owned subsidiary company of Verimatrix International, Inc., incorporated under laws of United States of America. The financial year of Holding Company i.e., Verimatrix International, Inc., is from 1st January to 31st December.

It is further averred that, the Petitioner Company being a subsidiary of a Company incorporated outside India is required to follow 1st January to 31st December as financial year in line with its Holding Company which follows the calendar year from 1st January to 31st December as financial year for easier consolidation of accounts and in order to enhance the effectiveness of the functioning of the accounting department and for effective coordination with the holding company.

The copy of the latest audited financials of the Holding Company is enclosed with the Petition.

As per provision of section 2(41) of the Companies Act, 2013, every company is required to have its financial year from April to March and any company which is the subsidiary company of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India has to make an application to the Tribunal for obtaining the prior



approval. As the Petitioner Company being the Subsidiary Company of Verimatrix International, Inc., a body corporate incorporated under the laws of USA which follow the calendar year i.e., from 1st January to 31st December as its financial year pattern. Hence this petition.

We have heard the Practicing Company Secretary for the Petitioner Company. He filed the consolidated Annual Accounts as at 31st December 2014. He has also filed certified true copy of the Resolution passed by the Board of Directors of the Petitioner Company dated 2nd March 2017. He has also filed extract of the Minutes of the Board Resolution dated 14th January 2016 of the Holding Company and also filed true copy of the consent given by the Holding Company for following the calendar year as its financial year i.e., from 1st January to 31st December every year.

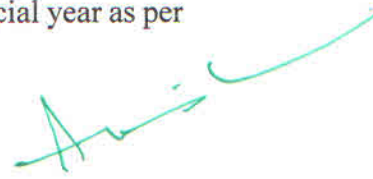

We have also seen the Memorandum of Association, copy of the Financial Statement of the Holding Company and also the Board Resolution of the Petitioner Company. We have seen the financial statement and consent given by the Holding Company.

Section 2(41) of the Companies Act, 2013 which reads as follows:-

“financial year”, in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up;

Provided that on an application made by a company or body corporate, which is a holding company or a subsidiary of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Tribunal may, if it is satisfied, allow any period as its financial year, whether or not that period is a year.”

Provided further that a company or body corporate, existing on the commencement of this Act, shall, within a period of two years from such commencement, align its financial year as per the provisions of this clause;”



We have perused the report of the Registrar of Companies, Karnataka, Bangalore vide letter No. ROCB/AHN/SEC 2(41)/69049/2017 dated 30th March 2017, who reported that request of the petitioner company for following the financial year may be considered and made an observation that the case may be decided on merits.

After hearing the Practicing Company Secretary for the Petitioner Company and after going through the documents filed and the report of the Registrar of Companies, Karnataka, Bangalore, we are of the opinion that, the Petitioner Company can be permitted to follow its financial year from 1st January to 31st December.

In the result petition is allowed, Petitioner Company "**Verimatrix Video Security Solutions India Private Limited**" is permitted to follow its financial year as 1st January to 31st December to match with the financial year adopted by the Holding Company.


(RATAKONDA MURALI)
MEMBER, JUDICIAL


(ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL

DATED THIS THE 31st DAY OF MAY 2017.