IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION 200 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 160 OF 2015

IPFONLINE LIMITED ……. Petitioner Company

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation of IPFonline Limited with ASAPP Media Private Limited and their Respective Shareholders

Called for Hearing

Mr. Hemant Sethi i/b Hemant Sethi & Co., Advocates for the Petitioner.

Mr. S. Ramakantha, Official Liquidator present.

Mr. D. R. Shah i/b Mr. A. A. Ansari for Regional Director.

CORAM: S. C. Gupte, J.

DATE: 10th July, 2015

1. Heard counsel for the parties. No objector has come before the court to oppose the Scheme of Amalgamation and nor any party has controverted any averments made in the Petition.

2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Scheme of Amalgamation of IPFonline Limited with ASAPP Media Private Limited and their Respective Shareholders.

3. Learned Advocate for the Petitioner states that the Petitioner Company is carrying on its business in the media industry with specific focus on digital media. The company carries on the business of developers of website, software development and development of Multimedia application and database services and the Transferee Company is carrying on its business in the media industry, including but not limited to, media representations, media rights Distributor, consultants for Publicity in various media outlets, media promotion and advertising services for its clients across the globe.

4. Learned Advocate for the Petitioner states that Being in the same line of business focusing on different areas, the amalgamation of IPF with AMPL would, have the following benefits namely Cost savings in terms of administrative costs, forward and backward integration, economies of scale, sourcing benefits, simplification of business processes and reduction of managerial overlaps which are necessarily involved in running multiple entities in the Same line of business, The synergies that exist between the two entities can be put to the best advantage of all stakeholders; Greater size, greater financial strength and flexibility for the restructured entity; will support further expansion and consolidation and more efficient utilization of capital, superior deployment of brand promotion, and create a consolidated and diversified base for future growth of the amalgamated entity with a wider presence in the Media and allied

services industry, The consolidated entity will benefit from improved organizational capability and leadership, arising from the combination of people from IPF and AMPL who have the diverse skills, talent and vast experience to compete successfully in increasingly competitive environment which will help achieve operational and management efficiency; The consolidated entity will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations will be more cost-efficient with the achievement of greater economies of scale, reduction in overheads and improvement in various other operating parameters.

5. The Petitioner Company and the Transferee Company have approved the said Scheme by passing the Board Resolutions which are annexed to the Company Scheme Petition filed by the Petitioner Company.

6. Learned Advocate for the Petitioner further states that since the Transferor Company is wholly owned subsidiary of the Transferee Company and all the shares of the Transferor Company are presently held by the Transferee Company, ASAPP Media Private Limited and after the Scheme being sanctioned, no new shares are required to be issued to the members of the Transferor Company by the Transferee Company and there would be no reorganization of the Share Capital in the Transferee Company and also in view of the judgment of this Court in Mahaamba Investments Limited Versus IDI Limited (2001) 105 Company Cases, filing of a separate Company Summons for Direction and Company Scheme Petition by ASAPP Media Private Limited, the Transferee Company was dispensed with, by an order dated 27th February, 2015 passed in CSD NO. 160 of 2015.

7. The learned Advocate for the Petitioners further states that, Petitioner company have complied with all the directions passed in

Company Summons for Direction and that the Company Scheme Petition have been filed in consonance with the orders passed in Summons for Direction.

8. The learned counsel appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956/2013 and the Rules made there under. The said undertaking given by the Petitioner Company is accepted.

9. The Official Liquidator has filed his report on 21st May, 2015 stating therein that the affairs of the Petitioner Company / Transferor Company have been conducted in a proper manner and that the Petitioner Company may be ordered to be dissolved by this Court.

10. The Regional Director has filed an Affidavit on 2nd July, 2015 stating therein, save and except as stated in paragraph 6 of the said affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public.

> *6. That the Deponent further submits that, the Tax issue if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the petitioner company after giving effect to the amalgamation. The decision of the Income Tax Authority is binding on the petitioner company.*

11. As far as the observations in paragraph 6 (b) of the affidavit of the Regional Director is concerned, the petitioner through their counsel submits that the petitioners is bound to comply with all applicable provisions of Income Tax Act, and all tax issues arising

out of Scheme of amalgamation will be met and answered in accordance with law.

12. The Learned Counsel for Regional Director on the instructions of Mr. M Chandanamuthu, Joint Director (Legal) in the office of Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertaking given by the counsel on behalf of the Petitioner Company. The said undertaking given by the Petitioner Company is accepted

13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

14. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition is made absolute in terms of prayer clause (a) of the Petition.

15. The Petitioner Company is directed to file a copy of this order and the Scheme, duly authenticated by the Company Registrar, High Court (O.S.), Bombay with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.

16. Petitioner Company is directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with concerned E-Form INC 28 in addition to physical copy as per the provisions of the Companies Act 1956 / 2013 whichever is applicable.

17. The Petitioner Company to pay cost of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.

18. Filing and issuance of the drawn up order is dispensed with.

19. All concerned regulatory authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S. C. Gupte, J)