IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 255 OF 2015
AND
COMPANY SCHEME PETITION NO. 45 OF 2015.
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 848 OF 2014

Satyam Properties & Finance Limited .... Petitioner/ Applicant.

In the matter of the Companies Act of 1956 (or re-enactment thereof upon effectiveness of the Companies Act, 2013);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956(or re-enactment thereof upon effectiveness of the Companies Act, 2013);

AND

In the matter of Satyam Properties & Finance Limited;

AND

IN THE MATTER of Scheme of Amalgamation of Satyam Properties & Finance Limited (Transferor Company) with Bennett, Coleman & Company Limited (Transferee Company) And Their Respective Shareholders and Creditors.

Called for hearing:
Mr. Arvind Talgaonkar i/b. M/s. Crawford Bayley & Co., Advocate for the Petitioner.
Mr. S. Ramakantha, Official Liquidator, present.
Mr. G. Hariharan i/b. Mr. H. P. Chaturvedi for Regional Director, present.

CORAM: S. J. Kathawalla J.

DATE: 10th April, 2015

PC:

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

2. The sanction of the Court is sought to a Scheme of Amalgamation of Satyam Properties & Finance Limited (Transferor Company) with Bennett, Coleman & Company Limited (Transferee Company) And Their Respective Shareholders and Creditors, under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956(or re-enactment thereof upon effectiveness of the Companies Act, 2013).

3. The Learned Counsel for the Petitioner states that though the Transferor Company does not have any significant business activity at present, however it was carrying on business as dealers, owners and investors in properties to undertake and carry on the office or offices and duties of trustees custodian Trustee, executors, administrator, liquidator, receiver, attorney or nominee of, or for, any person, company, scheme, trust fund, Government, State Municipal or other body and the Transferee Company is presently carrying on business of publishing of newspapers, journals, magazines, books and other literary works, broadcasting on television.

4. The Learned Counsel for the Petitioner states that the amalgamation will enable the Transferee Company to achieve synergistic integration and consolidation of group companies which shall be beneficial to the shareholders, creditors and employees of the companies and to the interests of the public at large and to increase the managerial, financial and operational efficiencies by consolidating the two entities and their operations to a common platform, thereby enhancing the ability to raise

funds as and when required, cost savings in terms of economies of scale, more focused operational efforts, improved organizational capability, rationalisation, standardisation and simplification of business processes and productivity improvements. Also avoiding duplication in the administrative work in all back-end functions and consequential reduction in costs, thus contributing to the profitability of the Transferee Company and to reduce the regulatory and legal compliance/filings including accounting, reporting requirements, statutory and internal audit requirement, tax filings etc. and consequential reduction in costs of both companies; and to reduce the shareholding layers and direct control of assets of the Transferor Company in the hands of the Transferee Company being a Wholly Own Subsidiary of the Transferee Company.

5. The Board of Directors of the Transferor Company and Transferee Company have approved the said Scheme of Amalgamation by passing resolutions which are annexed to the Company Scheme Petition.

6. The Learned Counsel for the Petitioner further states that the Petitioner Company is a wholly owned subsidiary of the Transferee Company and as per clause 8 of the Scheme no new shares are required to be issued to the members of the Petitioner Company by the Transferee Company and in view of the averments made in paragraphs 21 and 22 of the Company Scheme Petition, inter alia stating that there is no any compromise and arrangement and the creditors of the Transferee Company are not likely to be affected by the Scheme and also in view of the observation of this Court in Mahaamba Investments Limited V/s. IDI Limited (2001) Company Cases 105, filing of a separate Company Summons for Direction and Company Scheme Petition in relation of the said Scheme by the Transferee Company was dispensed with pursuant to the order dated 28th November, 2014 passed in the Company Summons For Direction No. 848 of 2014.

7. The Learned Counsel for the Petitioner 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 order passed in Summons for Direction.

8. The Learned Counsel for the Petitioner further states that, Company Application No. 255 of 2015 has been taken out by the Petitioner / Applicant Company for seeking amendment in Clause 18.4 of the Scheme in respect of the date on or before which the Scheme will finally take effect mentioned as "31st March, 2015" and the same is required to be amended as "30th June, 2015" and the Board of Directors of Transferor and Transferee Company has passed board resolutions in respect of the same which are annexed to the Company Application. The Learned Counsel for the Petitioner seeks leave to amend the Scheme being Exhibit – G to the Company Scheme Petition as prayed in prayer (a) of the Company Application.

   Perused Affidavit in Support of the Company Application, Company Application is made absolute in terms of prayer Clause (a). Amendment to be carried out within three weeks from the date of order. The Company Application is disposed off accordingly.

9. The Learned Counsel appearing on behalf of the Petitioner states that the Petitioner have complied with all requirements as per directions of this Hon'ble Court and that the Petitioner have filed necessary Affidavit of compliance in this Hon'ble Court. Moreover, the Petitioner Company undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956/2013 and the Rules made thereunder whichever is applicable. The said Undertaking is accepted.

10. The Regional Director has filed an Affidavit on 18th March, 2015 stating therein that save and except as stated in paragraphs 6 it appears that the Scheme is not prejudicial to the interest of shareholders and public.

In paragraph 6 of the affidavit, the Regional Director has stated as under:

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 the approval of the scheme by this Hon'ble High Court may not deter the Income Tax Authority to scrutinise the returns filed by the petitioner company after giving effect to the amalgamation the decision of the Income Tax Act Authority is binding on the petitioner company.

11. In so far as observation made in paragraph 6 of the Affidavit of the Regional Director is concerned, the Petitioner Company through their Counsel submit that the Petitioner Company is bound to comply with all applicable provisions of the Income-tax Act and all tax issues arising out of the scheme and/or from the scrutiny of the returns filed by the Petitioner Company will be met and answered in accordance with law.

12. The Learned Counsel for Regional Director on instructions of Mr. Chandanamuthu, Joint Director-Legal in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the undertakings given by the Petitioners hereinabove. The above undertaking is accepted.

13. The Official Liquidator has filed his report on 7thApril, 2015 in Company Scheme Petition stating that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved without winding up.

14. 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.

15. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition is made absolute in terms of prayer clauses (a), (b) and (d).

16. The Petitioner Company to lodge a copy of this order and 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 issuance of the order by the Registry.

17. Petitioner Company is directed to file a copy of this order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically, along with E-form INC-28, in addition to physical copy as per the provisions of the Act.

18. The Petitioner in the Petitions to pay costs of INRs.10,000/- each to the Regional Director, Western Region, Mumbai, and the Official Liquidator, High Court, Bombay respectively. Costs to be paid within four weeks from the date of the order.

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

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

(S. J. Kathawalla J.)