IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 592 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 498 OF 2015

Maiboli Broadcasting Private Limited....Petitioner Company

With

COMPANY SCHEME PETITION NO. 593 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 499 OF 2015

Sri Adhikari Brothers Assets Holding Private Limited....Petitioner Company

With

COMPANY SCHEME PETITION NO. 594 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 396 OF 2015

Sri Adhikari Brothers Television Network Limited....Petitioner Company

With

COMPANY SCHEME PETITION NO. 595 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 500 OF 2015

UBJ Broadcasting Private Limited....Petitioner Company

With

COMPANY SCHEME PETITION NO. 596 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 501 OF 2015

HHP Broadcasting Services Private Limited....Petitioner Company

With

COMPANY SCHEME PETITION NO.597 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 502 OF 2015

MPCR Broadcasting Service Private Limited....Petitioner Company

With

COMPANY SCHEME PETITION NO. 598 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 503 OF 2015

TV Vision Limited……....Petitioner Company

With

COMPANY SCHEME PETITION NO. 599 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 504 OF 2015

Sab Events & Governance Now Media Private Limited....Petitioner Company

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

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 read with Section 78, Sections 100 to 103 of the Companies Act, 1956 and Section 52 and other relevant provision of the Companies Act, 2013

AND

In the matter of Composite Scheme of Amalgamation and Arrangement between Maiboli Broadcasting Private Limited ('Transferor Company') and Sri Adhikari Brothers Assets Holding Private Limited ('First Demerged Company') and Sri Adhikari Brothers Television

Network Limited ('Transferee Company' or 'Second Demerged Company') and UBJ Broadcasting Private Limited ('Third Demerged Company') and HHP Broadcasting Services Private Limited ('Fourth Demerged Company') and MPCR Broadcasting Service Private Limited ('Fifth Demerged Company') and TV Vision Limited ('First Resulting Company') and SAB Events & Governance Now Media Private Limited (Formerly known as 'Marvick Entertainment Private Limited') ('Second Resulting Company') and their Respective Shareholders.

Called for hearing

Mr. Hemant Sethi, i/b M/s Hemant Sethi & Co. Advocate for the Petitioner Company
Mr. M.S Chunwalla i/b Mr. A.A Ansari in all the Petitions.

Mr. S. Ramakantha, Official Liquidator in Company Scheme Petition No. 592 of 2015.

CORAM: K.R. SHRIRAM, J

DATE: 21ST NOVEMBER 2015

PC:

1. Heard counsel for the parties. No objector has come before the court to oppose the Composite Scheme of Amalgamation and Arrangement 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 read with section 78 and 100 to 103 and section 52 of Companies Act for the

Composite Scheme of Amalgamation and Arrangement between Maiboli Broadcasting Private Limited ('Transferor Company') and Sri Adhikari Brothers Assets Holding Private Limited ('First Demerged Company') and Sri Adhikari Brothers Television Network Limited ('Transferee Company' or 'Second Demerged Company') and UBJ Broadcasting Private Limited ('Third Demerged Company') and HHP Broadcasting Services Private Limited ('Fourth Demerged Company') and MPCR Broadcasting Service Private Limited ('Fifth Demerged Company') and TV Vision Limited ('First Resulting Company') and SAB Events & Governance Now Media Private Limited (Formerly known as 'Marvick Entertainment Private Limited') ('Second Resulting Company') and their Respective Shareholders.

3. The Learned Counsel for the Petitioners states that Petitioner Companies in Company Scheme Petition No. 592, 595, 596, 597 and 598 is presently engaged in the business of broadcasting, the Petitioner Company in Company Scheme Petition No. 593 is presently engaged in the business of publication and event management, the Petitioner Company in Company Scheme Petition No. 594 is presently engaged in the business of content production and syndication and the Petitioner Company in Company Scheme Petition No. 599 is incorporated to carry on the business of publication and event management.

4. Learned Counsel for the Petitioners states that the Scheme will result into following benefits:

(i) Unlocking Shareholder Value in Broadcasting Business through listing of growing Broadcasting Business,

(ii) Focusing on core business of content to facilitate a level playing field for the Company in new age media and to focus on creating and developing infrastructure related to the new age Media & Entertainment field of the Group and

(iii) Creating a new vertical and rewarding the shareholders through listing of the niche and growth oriented Publication Business of the Group ('Publication Business').

5. Learned Counsel for the Petitioners further states that the Board of Directors of the Petitioner Companies have approved the said Composite Scheme of Amalgamation and Arrangement by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.

6. The Learned Counsel for the Petitioners further states that the Petitioner Companies have complied with all the directions passed in the respective Company Summons for Direction and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Company Summons for Direction.

7. The learned Advocate for the Petitioners state that Petitioner Companies have complied with all directions passed in Company Summons for Directions and that the Petitions have been filed in consonance with the orders passed in respective Company Summons for Directions.

8. The learned Advocate appearing on behalf of the Petitioner Companies has stated that they 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 / the Companies Act, 2013 and the Rules made there under. The said undertakings given by the Petitioner Companies are accepted.

9. The Regional Director has filed an Affidavit on 29th October 2015 stating therein, save and except as stated in paragraph 6(a) to 6(g), it appears that the scheme is not prejudicial to the interest of shareholders and public. In paragraph 6(a) to 6(g) of the said affidavit, it is stated that:

"6 That the Deponent further submits that:-

(a) *Clause 11(a) of the Scheme states that the Transferee company shall record the assets and liabilities of the Transferor Company transferred to the Transferee Company pursuant to this Scheme at their respective fair values as determined by the Board of Directors of the Transferee Company. In this regard, it is submitted that as the Transferor Company is 100% subsidiary of Transferee Company, the Accounting Standard prescribed in AS-14 viz 'Amalgamation in the nature of merger' following pooling of interest method shall be applied and accordingly the assets and liabilities of the Transferor Company have to be transferred on book value basis only instead of fair value basis.*

(b) *Part V of the Scheme provides for demerging Publication Business Undertaking of Second Demerged Company into Second Resulting Company. The Second Demerged Company is presently a listed company whose shares are listed on Bombay Stock Exchange and National Stock Exchange whereas the Second Resulting Company is a private limited company. Upon coming into effect of this Scheme and post issue of shares by the Second Resulting Company to the shareholders of Second Demerged Company, they would become the* *shareholders of Second Resulting Company. Further, Clause No. 32.7 of the Scheme provides that the new equity shares to be issued to the Shareholders of the Second Demerged Company will be listed and/or admitted to trading in all Stock Exchanges on which shares of the Second Demerged Company is listed on the Effective Date. 'To get the shares listed by a Company, the condition precedent is that the subject company has to be a Public Limited Company. In this regard, it is submitted that the Second Resulting Company may be directed to convert itself into a Public Limited Company before giving effect to the Scheme.*

(c) *Clause 26.1(e) of the Scheme provides for recording the Surplus value, if any, arising out of demerger of Broadcasting Business of Second, Third, Fourth and Fifth Demerged Company into First Resulting Company, to the General Reserve Account of the First Resulting Company. The surplus/ reserve is arising only to transfer of capital assets from Demerged Companies to Resulting Company and no revenue is generated by the Resulting company. In this regard, it is submitted that the Surplus, if any arising out of the scheme shall be credited to Capital Reserve Account of First Resulting Company.*

(d) *Clause no. 24.1 and 32.1 of the Scheme provides for issue of shares upon coming into effect of this Scheme. The authorized share capital of First Resulting Company and Second Resulting Company may not be sufficient to issue shares as provided in aforesaid clauses of the Scheme. The First and Second Resulting Company shall, if and to the extent required, increase their Authorized Share Capital to facilitate issue of New Equity Shares under this Scheme. In this connection, the First and Second Resulting Company may be directed to comply with provisions of section 61/64 of Companies Act, 2013 corresponding to section 94/97 of Companies Act, 1956, in respect of filing of necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty as applicable on the said forms.*

(e) *Clause 11(e), 18.1(e), 26.1(f) and 34.1(f) of the Scheme provides for adjustment differences in Accounting Policies between Transferor/Demerged Company and Transferee/Resulting Company. In this regard, it is submitted that in addition to compliance of Accounting Standard-14, the Transferee/Resulting Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standard such as AS-5, etc.*

(f) *It is respectfully submitted that the tax implication, if any, arising out of the Scheme is subject to final decision of Income Tax Authorities. The approval of the Scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the Petitioner Companies after giving effect to the Scheme. The decision of the Income Tax Authority is binding on the Petitioner Companies.*

(g) *Clause 41 of the Scheme provides for Modification and Amendments to Scheme wherein the Board of Directors of Transferor/Demerged Company and Transferee/Resulting Company have been authorized to make any amendments to Scheme, if necessary, after the Scheme is approved by the Hon'ble High Court. Such liberty shall not be exercised by Board of Directors without obtaining prior approval from the Hon'ble High Court. The Petitioner Companies may be directed to undertake to this effect.*

10. As far as observations made in paragraph 6(a) of Affidavit of the Regional Director is concerned, the Transferee Company through their Counsel undertakes that the assets and liabilities of the Transferor Company shall be transferred at their book value basis only instead of fair value basis.

11. In so far as observations made in paragraph 6(b) of Affidavit of the Regional Director is concerned, the Second Resulting Company through their Counsel undertakes to convert Second Resulting Company into a Public Limited Company before giving effect to the Scheme.

12. As far as observations made in paragraph 6(c) of Affidavit of the Regional Director is concerned, the First Resulting Company through their Counsel undertakes that the Surplus, if any arising out of the scheme will be credited to Capital Reserve Account of First Resulting Company.

13. As far as observations made in paragraph 6(d) of Affidavit of the Regional Director is concerned, the First Resulting Company and Second Resulting Company through their Counsel undertakes to increase its authorized share capital to the extent required and also to comply with the provisions of Companies Act,1956 and Companies Act,2013 in respect of filing of necessary forms with the Registrar of Companies and making payment of necessary filing fee and stamp duty as applicable on the said forms.

14. As far as observations made in paragraph 6(e) of Affidavit of the Regional Director is concerned, the Petitioner Companies through their Counsel undertakes it shall pass such accounting entries which are necessary in connection with the Scheme of Arrangement and to comply with any other applicable accounting standards.

15. In so far as observations made in paragraph 6(f) of the Affidavit of the Regional Director is concerned, the Petitioners clarifies that the approval of the Scheme by this Court will not deter the Income Tax Authority to scrutinize the tax return filed by the Petitioner Companies after giving effect to the Scheme and all issues arising out of the Scheme will be met and answered in accordance with law.

16. In so far as observations made in paragraph 6(g) of the Affidavit of Regional Director is concerned, the Counsel for the Petitioners clarifies that in case if the Petitioners Companies intend to modify the Scheme the same shall be done with the leave of this Court.

17. The Learned Counsel for Regional Director on instructions of Mr. M. 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 Petitioner Companies. The said undertakings given by the Petitioner Companies are accepted.

18. The Official Liquidator has filed his report on 23rd September, 2015 in the Company Scheme Petition No. 592 of 2015 stating therein that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its members or to the public interest and it would be in order for you to same and the Petition, it is noticed that the affairs of the transferor Company have been conducted in a proper manner. Therefore, the transferor Company may kindly be ordered to be dissolved by this Court.

19. 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.

20. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 592 to 599 of 2015 are made absolute in terms of the prayer clause (a) of the respective Company Scheme Petitions.

21. The Petitioner Companies are directed to lodge a copy of this order, the Scheme and form of Minutes duly authenticated by the Company Registrar, High Court, 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 receipt of the order.

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

23. The Petitioners in all the Company Scheme Petitions to pay costs of Rs. 10,000/- each to the Regional Director, Western Region, Mumbai and Petitioner Company in Company Scheme Petition No. 592 of 2015 to pay cost of Rs. 10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.

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

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

(K.R. SHRIRAM, J)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of original signed order**.**

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