

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 714 OF 2014.
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 707 OF 2014.

Times Global Broadcasting Company Limited

...Petitioner /Demerged Company

In the matter of the Companies Act, 1 of
1956 and other relevant provision of
Companies Act, 2013;

AND

In the matter of Scheme of Arrangement
between Times Global Broadcasting
Company Limited, Demerged Company
and Bennett, Coleman And Company
Limited, Resulting Company and their
respective shareholders and creditors

Called for hearing

Mr. Rajesh Shah i/b Rajesh Shah & Co., Advocate for the Petitioner.

Mr. K. R. Choudhari with Poornima Awasthi i/b Dr. H. Chaturvedi for
Regional Director in the Petition.

CORAM: S. J. Kathawalla, J.

DATE : 16th January, 2014

PC:

1. Heard Learned Counsel for the parties. No objector has come before the court to oppose the Scheme and nor has any party controverted any averments made in the Petition.
2. The sanction of the Court is sought to a Scheme of Arrangement between Times Global Broadcasting Company Limited, Demerged Company and Bennett, Coleman And Company Limited, Resulting Company and their respective shareholders and creditors, under Sections 391 to 394 of the Companies Act, 1956.
3. The Learned Counsel for the Petitioners states that the Petition Company is engaged in the business of Broadcasting a television channel viz. Times Now; providing support services to various channels / entities, including but not limited to information technology, technical and broadcasting back-end services, Traffic, finance, human resource, legal, administration and audience research; and distribution and placement of channels.
4. Learned Counsel for the Petitioner further states that the Board of Directors of the Petitioner Company have approved the said Scheme of

Arrangement by passing Board Resolution which are annexed to the Company Scheme Petition.

5. The Learned advocate Petitioner Company states that the Petitioner Company is wholly owned subsidiary Company viz. Bennett, Coleman And Company Limited and no new share are being issued and there will be no change in capital structure of the Transferee Company and the scheme does not affect the right of the members and interest of the Creditors of the Transferee Company and does not involve any reorganization of the paid share capital of the Transferee Company and in view of judgment of this Hon'ble Court in Mahaamba Investment Limited vs. IDI Limited (2001) Company cases 105, filing of separate Company Summons for Direction and Company Scheme Petition by Bennett, Coleman And Company Limited, Transferee Company was dispensed the vide order dated 12th September, 2014 passed in Company Summons for Direction No. 707 of 2014.

6. The Learned Counsel for the Petitioner further states that, Petitioner Company has complied with all the directions passed in the Company Summons for Direction and that the Company Scheme Petition has been filed in consonance with the order passed in the Company Summons for Direction.

7. The Learned Counsel appearing on behalf of the Petitioner has stated that the Petitioner Company has complied with all requirements as per direction of this Court and they have filed necessary affidavit of compliance

in the Court. Moreover, the Petitioner Company undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and rules made there under whichever is applicable. The said undertaking is accepted.

8. The Regional Director has filed an Affidavit on 14th day of January, 2015 stating therein, save and except as stated in paragraph 6 (a) to (c), it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 (a) to (c) of the said Affidavit, the Regional Director has stated that:-

“6. That the Deponent further submits that,

- a) Clause 36.1.1(c) of the Scheme provides for adjustment for differences in Accounting Policies between Demerged Company and Resulting Company. In this regard, it is submitted that in addition to the compliance of Accounting Standard – 14, the Demerged company and 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.*
- b) That the Deponent further submits that the Tax issue if any arising out of this Scheme shall be subject of 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.*
- c) It is observed that the Demerged Company is engaged in the business of Broadcasting Television Channel which is regulated by Ministry of Information and Broadcasting. In this regard it is submitted that approval if any is required from Regulatory Authority may also be obtained by the Petitioner Company.*

9. So far as the observation in paragraph 6 (a) of the Affidavit of Regional Director is concerned, the Learned Counsel for the Petitioner Company submits and undertakes that in addition to the compliance of Accounting Standard – 14, the Demerged and Resulting Company will also pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standard such as AS-5.

10. So far as the observation in paragraph 6 (b) of the Affidavit of Regional Director is concerned, the Learned Counsel for the Petitioner Company submits that the Petitioner Company is bound to comply with all applicable provisions of Income Act and all tax issues arising out of the Scheme will be met and answered in accordance with law.

11. So far as the observation in paragraph 6 (c) of the Affidavit of Regional Director is concerned, the Learned Counsel for the Petitioner Company submits that the Petitioner Company will take necessary approval from Regulatory Authority.

12. The Learned Counsel for Regional Director on instructions of Mr. M. Chandana Muthu, 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 and submissions given by the Petitioner through their Counsel. All above undertakings are 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 No. 714 of 2014 is made absolute in terms of the prayer made under clauses (a) and (c).

15. The Petitioner Company 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 is directed to file a copy of this order along with a copy of the Scheme of Arrangement 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.

17. The Petitioner Company to pay costs of Rs.10,000/- to the Regional Director, Western Region, Mumbai. Cost to be paid within four weeks from the date of the Order.

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

18. 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. J. Kathawalla, J.)