IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 128 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 52 OF 2016

In the matter of application under Section 391 – 394 of the Companies Act, 1956 (1 of 1956);

AND

In the matter of ABP News Network Private Limited, CIN No. U92132MH2002PTC136072; a company incorporated under the Companies Act, 1956, having its registered office at 301, 3rd Floor, Boston House, Suren Road, Western Express Highway, Andheri East, Mumbai – 400 093, Maharashtra, India.

AND

In the matter of Composite Scheme of Amalgamation (pursuant to the Sections 391 to 394 and other applicable provisions of the Companies Act, 1956) Between (i) Goldvision Entertainment Private Limited, (ii) Satellite Holdings Private Limited and (iii) ABP TV Private Limited (collectively referred to as the "Transferor Companies")

AND

ABP News Network Private Limited ("Transferee Company/Petitioner") And their respective Shareholders.

ABP News Network Private Limited,)
a company registered under the)
provisions of the Companies Act,)
1956 and having its registered office)
at ABP News Center, 301, Boston)
House, 3rd Floor, Suren Road,)
Andheri - East, Mumbai- 400093.)... Transferee Company/)Petitioner

Called for final hearing

Mr. Iqbal Chagla, Senior Counsel, with Mr. Fredun De vitre, Senior Counsel and Mr. Riyaz Chagla, Counsel i/b. M / s . Bachubhai Munim & Co. Advocates for the Transferee Company/ Petitioner.

D. R. Shah i/b Pankaj Kapoor, Government Pleader for Regional Director Official Liquidator, present in CSP No. 128 of 2016

CORAM: S. C. Gupte, J
DATE: 5th May, 2016

MINUTES OF THE ORDER

1. Heard Counsel for the parties. No objectors have come before the Court to oppose the Scheme nor has any party controverted any averments made in the Petition.

2. Learned Counsel for the Transferee Company/ Petitioner states that the Company Scheme Petition has been filed to seek sanction to the Scheme of Amalgamation between (i) Goldvision

Entertainment Private Limited; (ii) Satellite Holdings Private Limited and (iii) ABP TV Private Limited (Transferor Companies) with ABP News Network Private Limited (Transferee Company).

3. The Transferor Companies are engaged, inter alia, in the business of electronic media. The Transferee Company is also engaged in the business of electronic media.

4. The Learned Counsel for the Transferee Company/ Petitioner says that the rationale and significant benefits of the Scheme are to consolidate the group structure and provide for overall business efficiency by combining their managerial and marketing strength, to streamline administration, to build a wider capital and financial base and to promote and secure overall interest and growth and economics of all Companies concerned; reduction in overheads and other expenses, reduction in administrative and procedural work and better and more efficient utilization of resources to enable the business of the amalgamated entity to be run, controlled and managed more economically, conveniently and effectively; to strengthen, consolidate and stabilize the business of the companies and the resulting amalgamated company will be able to participate more vigorously in a competitive market to increase profitability; and to create two principal companies in the group, one in the print media and the other in the electronic media.

5. The Board of Directors of the Transferee Company/Petitioner has approved the Scheme by passing a board resolution which is annexed to the Company Scheme Petition.

6. The Learned Counsel for the Transferee Company/Petitioner states that the Transferee Company /Petitioner 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 orders passed in the Company Summons for Direction.

7. The Learned Counsel appearing on behalf of the Transferee Company/Petitioner has stated that the Transferee Company/Petitioner has complied with all requirements as per directions of this Hon'ble Court and the necessary Affidavit of compliance has been filed in this Hon'ble Court. Moreover, the Transferee Company/Petitioner undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and Companies Act, 2013 and the Rules made thereunder, which may be applicable. The said undertaking is accepted.

8. The Official Liquidator served a letter dated 7th April, 2016 stating only that Transferor Companies are beyond the jurisdiction of the Hon'ble High Court, Bombay, overlooking the fact that the present Company Scheme Petition has been filed by the Transferee Company/ Petitioner which is within the jurisdiction of this Hon'ble Court.

9. The Regional Director has filed an Affidavit on 27th April, 2016, stating therein that save and except as stated in paragraph 6(a) and (b) of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of the shareholders and public. In paragraph 6 of the said Affidavit it is stated that:

"*6. That the Deponent further submits that,*

(a) 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.

(b) Clause no. 15.3 of the Scheme states that the consideration paid over and above the networth of the Transferor company will be adjusted against Capital Reserve of Transferee Company. In this regard, it is observed that the Transferee company is issuing shares on par and no additional capital is issued by Transferee Company and hence the reference made to "Capital Reserve" in that clause is redundant. However, it is suggested that, in the event of any surplus is arising due to transfer of capital assets of Transferor Company to Transferee company, that part of Surplus be credited to Capital and deficit, if any, arising be debited to Goodwill Account of Transferee company."

10. As far as observation in paragraph 6(a) of the said Affidavit is concerned, the Transferee Company/Petitioner submits that the Transferee Company/ Petitioner is bound to comply with all applicable provisions of the Income Tax Act, and all tax issues arising out of the Scheme will be answered in accordance with law.

11. As far as observation in paragraph 6(b) of the said Affidavit is concerned, the Transferee Company/ Petitioner undertakes that surplus, if any, arising out of transfer of capital assets shall be credited to Capital Reserve Account, or in the event of any debit balance arising from such transfer, the same shall be debited to Goodwill Account of the Transferee Company.

12. The Learned Counsel for the 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 undertaking given hereinabove by the Transferee Company / Petitioner through its

Advocate. The undertaking given by the Transferee Company / Petitioner is accepted.

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

14. Since all requisite compliance has been fulfilled, Company Scheme Petition No. 128 of 2016 filed by the Transferee Company / Petitioner is made absolute in terms of prayer clause (a).

15. The Transferee Company / Petitioner to lodge a copy of this order alongwith a copy 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, within 60 days from the date of the order.

16. The Transferee Company/Petitioner are directed to file a copy of this order alongwith a copy of the Scheme duly authenticated by the Company Registrar High Court [O.S.], Bombay, with the concerned Registrar of Companies, electronically, alongwith e-form 21/INC 28 in addition to physical copy as per the provisions of the Companies Act1956/2013, whichever is applicable.

17. The Transferee Company/Petitioner in respect of the Company Scheme Petition to pay costs of Rs. 10,000/- to Regional Director, Western Region, Mumbai, and Rs. 10,000/- to the Official Liquidator, High Court.

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

19. All concerned authorities to act on a copy of this order alongwith the Scheme, duly authenticated by the Company Registrar, High Court [O.S.], Bombay.

(S. C. Gupte, J)

CERTIFICATE

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

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