IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO 205 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 186 OF 2016

PRISM TV PRIVATE LIMITED

………… Petitioner / the Transferor Company

AND

COMPANY SCHEME PETITION NO 206 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO 187 OF 2016

VIACOM 18 MEDIA PRIVATE LIMITED

………… Petitioner / the Transferee Company

In the matter of the Companies Act, 1956 (1 of 1956) (or any re-enactment thereof upon effectiveness of Companies Act, 2013);

AND

In the matter of Scheme of Amalgamation and Arrangement Between Prism TV Private Limited with Viacom 18 Media Private Limited and their respective shareholders and creditors

Called for Hearing

Mr. Hemant Sethi and Mr. Ajit Singh Tawar i/b Hemant Sethi & Co., Advocates for the Petitioners.

Mr. Vinod Sharma, Official Liquidator, present in the Company Scheme Petition No. 205 of 2016.

Mr. Arun Kumar Roy, i/b Mr. A.K. Chaturvedi, Regional Director in both the Company Scheme Petitions.

CORAM: B. P. Colabawala, J.

DATE: 12th August, 2016

1. Heard Counsel for the parties. No objector has come before the Court to oppose the Scheme and nor has any party contravened any averments made in the Petition.
2. The sanction of the Court is sought under Sections 391 to 394 read along with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 and Section 52 and other applicable provisions of the Companies Act, 2013 to the Scheme of Amalgamation and Arrangement between Prism TV Private Limited and Viacom 18 Media Private Limited and their respective shareholders and creditors (the 'Scheme').
3. Learned Counsel for the Petitioner states that the Transferee Company is engaged in the business of broadcasting Hindi and English general entertainment television channels. Further, it is engaged in the film business and produces, acquires and distributes films. It has a live event division, which is engaged in organizing music events across the country. It also runs a consumer products division. The Transferor Company, is engaged in the business of broadcasting regional television channels.
4. That the rational of the Scheme is to consolidate the general entertainment channel businesses in a single entity. The Amalgamation and Arrangement would inter alia result in harnessing synergies, simplification of the management structure, increase in long-term value for shareholders, creation of a single company brand image, simplification of shareholding structure, and in value unlocking of the business.
5. Both the Petitioner Companies have approved the said Scheme by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.
6. The learned Counsel for the Petitioners further states that, Petitioner companies have complied with all the directions passed in Company Summons for Direction and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Summons for Directions.
7. The learned Counsel appearing on behalf of the Petitioners has stated that the Petitioners has complied with all requirements as per directions

of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Company 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 is accepted.

8. The Regional Director has filed an affidavit on 10th August, 2016 stating therein that save and except as stated in para 6 (a) to 6 (d) it appears that the Scheme is not prejudicial to the interest of shareholders and public. In para 6 (a) to 6 (d) of the said Affidavit, it is stated as under:

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 10.3 of the Scheme states that the excess value of the net assets determined as per clause 10.1 of the scheme over the value of the equity shares issued by the Transferee Company pursuant to clause 6 of the scheme would be credited to the Capital Reserve Account of the Transferee Company. In case where the consideration (i.e. equity shares) issued by the Transferee Company is in excess of the value of the net assets determined as per clause 10.1 of the scheme, then such excess consideration paid would be regarded as Goodwill in the books of the Transferee Company.

(c) Both the companies are into broadcasting business, are governed by their regulatory viz Ministry of Information and Broadcasting. In this regard petitioner Company has made application for transfer of permission of Television Channel vide their letter dated 22/06/2016 is annexed hereto and marked as Exhibit 'D'.

(d) The shares of the Transferor Company and Transferee Company are held by foreign body corporate as its shareholders. Hence for allotment of new shares to the shareholder of Transferor Company, the Transferee Company may be directed to comply with FEMA/RBI

regulations as applicable in this regard.

9. So far as the observation in paragraph 6(a) of the Affidavit of the Regional Director is concerned, the Transferee Company through its Counsel undertakes that it is bound to comply with all applicable provisions of the Income-tax Act, 1961 and all issues arising out of the Scheme will be met and answered in accordance with law

10. So far as the observation in paragraph 6(b) of the Affidavit of the Regional Director is concerned, the Transferee Company through its Counsel undertakes that it shall pass shall pass necessary accounting entries in connection with the Scheme to comply with the applicable Accounting Standards including 'Accounting Standard 14'.

11. So far as the observation in paragraph 6(c) of the Affidavit of the Regional Director is concerned, the Transferor Company has filed an application in respect of transfer of permission of Television Channels to the Ministry of Information and Broadcasting and the Transferee Company through its Counsel undertakes that it shall comply with any directions issued by the Ministry in pursuance of the same.

12. So far as the observation in paragraph 6(d) of the Affidavit of the Regional Director is concerned, the Transferee Company through its Counsel undertakes that it shall comply with the applicable FEMA/RBI regulations for issue of shares to the non-resident shareholders pursuant to the Scheme.

13. The Counsel for the Regional Director on instructions from Joint Director Legal in the office of Regional Director stated that they are satisfied with the undertakings given by the Petitioner Companies. The said undertaking given by the Petitioner Companies are accepted.

14. The Official Liquidator has filed his report on 12th July, 2016 in the Company Scheme Petition No. 205 of 2016 stating therein that the affairs of the Transferor Company has been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved by this Court.

15. 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.

16. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 205 of 2016 filed by the Petitioner Company are made absolute in terms of prayer (a) and the Company Scheme Petition No. 206 of 2016 filed by the Petitioner Company are made absolute in terms of prayer (a).

17. The Petitioner Companies to lodge 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 receipt of the Order.

18. The Petitioner Companies are 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 Registrar of Companies, electronically, along with I.N.C. – 28 in addition to physical copy as per the relevant provisions of the Companies Act, 2013/1956.

19. The Petitioner Companies in both the Company Scheme Petitions to pay costs of INR 10,000/- to the Regional Director, Western Region, Mumbai and the Petitioner Company in Company Scheme Petition No. 205 of 2016 to pay cost of INR 10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.

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

21. 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.

(B. P. Colabawala, J.)

CERTIFICATE

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

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