IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 635 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.559 OF 2016

ADZ EDGE COMMUNICATIONS PRIVATE LIMITED... ...Petitioner /Transferor Company

AND

COMPANY SCHEME PETITION NO. 636 OF 2016

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.560 OF 2016

OUTDOOR ADVERTISING PROFESSIONALS (INDIA) PRIVATE LIMITED ...Petitioner /Transferee Company

IN THE MATTER OF COMPANIES ACT, 1956

AND

IN THE MATTER OF SECTIONS 391 AND 394 OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN ADZ EDGE COMMUNICATIONS PRIVATE LIMITED WITH OUTDOOR ADVERTISING PROFESSIONALS (INDIA) P. LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

CALLED FOR HEARING

MR.NIMISH G. PANDYA i/b PANDYA & CO, ADVOCATE FOR PETITIONERS.

MR.SHIVAJI PATIL i/b. MR. PANKAJ KAPOOR FOR REGIONAL DIRECTOR IN BOTH PETITIONS

CORAM: S.C. GUPTE, J.

DATE: 14^{TH} DECEMBER , 2016

PC:

1. Heard Learned Counsel for the parties. No objector has come before the Court to oppose the Scheme, nor has any party controverted any averments made in the captioned Petition.

2. The sanction of the Court has been sought under Sections 391 and 394 of the Companies Act, 1956, to the Scheme of Arrangement between ADZ EDGE COMMUNICATIONS PRIVATE LIMITED (Transferor Company) WITH OUTDOOR ADVERTISING PROFESSIONALS (INDIA) P. LIMITED (Transferee Company) and their respective shareholders and creditors.

3. The Learned Advocate for the Transferor Company, being the Petitioner in CSP No 635 of 2016 submits that the Transferor Company is primarily engaged in the business of advertising and the Transferee Company, being the Petitioner in CSP No 636 of 2016 is engaged in the business of providing outdoor advertising services which includes media planning and buying, execution and monitoring of campaigns and media research.

4. The purpose of the Scheme of Arrangement is more particularly set out in paragraph 1 of the Scheme of Arrangement with the primary objective of transferring the OUT OF HOME ADVERTISING DIVISION to the Transferee company in order to achieve better and efficient management & operation and to focus on their core business and with a view to improve overall profitability.

5. The Petitioner Companies have approved the Scheme of Arrangement in their respective Boards Meetings and extracts of the resolution passed in this regard are annexed to the respective Company Scheme Petitions.

6. The Learned Counsel on behalf of the Petitioners has stated that they have complied with all requirements as per direction of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made thereunder. The said undertaking is accepted.

7. The Regional Director has filed his affidavit dated 5th December , 2016 stating therein that save and except as stated in paragraph 6 of the affidavit, the Scheme is not prejudicial to the interest of shareholders and public. The paragraph No. 6 of the said affidavit reads as under:

6) " That the Deponent further submits that

i) The tax implication , if any arising out of the Scheme is subject to the 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 Transferee company after giving effect to the amalgamation . The decision of the Income Tax Authority is binding on the petitioner companies.

ii) In addition to compliance of AS-14, the Transferee Company shall pass such accounting Entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 etc.

8. As regards the observations at paragraph 6(i) of the Regional Director's Affidavit is concerned, the Advocate of the Transferee Company undertakes that the Tax issue ,if any, arising out of this Scheme shall be subject to the 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 Transferee company after giving effect to the amalgamation . The decision of the Income Tax Authority is binding on the Petitioner Companies. The said undertaking is accepted.

9. As regards the observations at paragraph 6(ii) of the Regional Director's Affidavit is concerned, the Advocate of the Transferee Company undertakes that in addition to compliance of AS-14, the Transferee Company shall pass such accounting Entries which are necessary in connection with the Scheme to comply with other applicable Accounting

Standards such as AS-5 etc. The said undertaking is accepted .

10. The Learned Counsel for Regional Director, on the instructions of Mr.Kamal Harjani, Deputy 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 . The above undertakings are accepted.

11. From the material on record, the Scheme of Arrangement appears to be fair and reasonable and is not violating to any provisions of law and is not contrary to public policy. None of the parties concerned has come forward to oppose the said Scheme.

12. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 635 of 2016 filed by the Transferor Company and Company Scheme Petition No.636 of 2016 filed by the Transferee Company, are made absolute in terms of prayer clauses (a) to (d) of the respective petitions.

13. The Petitioner Companies are further directed to lodge an authenticated copy of this Order and the Scheme of Arrangement with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 (sixty) days from date of the order.

14. The Petitioner Companies are further directed to file a copy of this Order and the Scheme of Arrangement with the concerned Registrar of Companies, Mumbai along with E-form INC 28 in addition to physical copies as per the relevant provisions of the Companies Act, 1956 /2013.

15. The Petitioner companies in both petitions to pay costs of Rs.10,000/-each to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from the date of the order.

16. Filing and issuance of the Drawn up Order is dispensed with.

17. All authorities concerned to act on an authenticated copy of this Order along with the Scheme of Arrangement.

(S.C. GUPTE J.)

CERTIFICATE

“I certify that the Order uploaded is a true and correct copy of original signed Order “
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