

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH**

C.P. (CAA) 2019/MB/2018  
IN  
CSA NO. 123 OF 2018

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 read with Section 234 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

AND

In the matter of Scheme of Merger by Absorption of Digital18 Media Limited ("**First Transferor Company**") and Capital 18 Fincap Private Limited ("**Second Transferor Company**") and RVT Finhold Private Limited ("**Third Transferor Company**") and RRK Finhold Private Limited ("**Fourth Transferor Company**") and RRB Investments Private Limited ("**Fifth Transferor Company**") and Setpro 18 Distribution Limited ("**Sixth Transferor Company**") and REED Infomedia India Private Limited ("**Seventh Transferor Company**") and Web18 Software Services Limited ("**Eighth Transferor Company**") and Television Eighteen Media and Investments Limited ("**Ninth Transferor Company**") and Television Eighteen Mauritius Limited ("**Tenth Transferor Company**") and Web18 Holdings Limited ("**Eleventh Transferor Company**") and E-18 Limited ("**Twelfth Transferor Company**") and Network18 Holdings Limited ("**Thirteenth Transferor Company**") by Network18 Media & Investments Limited ("**Transferee**

**Company")** and their respective  
Shareholders and Creditors ("**Scheme**").

Digital18 Media Limited

**....First Transferor Company/  
First Petitioner Company**

AND

Capital18 Fincap Private Limited

**..Second Transferor Company/  
Second Petitioner Company**

AND

RVT Finhold Private Limited

**Third Transferor Company/  
Third Petitioner Company**

AND

RRK Finhold Private Limited.

**..Fourth Transferor Company/  
Fourth Petitioner Company**

AND

RRB Investments Private Limited

**..Fifth Transferor Company/  
Fifth Petitioner Company**

AND

Setpro18 Distribution Limited

**.... Sixth Transferor Company/  
Sixth Petitioner Company**

AND

REED Infomedia India Private Limited

**...Seventh Transferor Company/  
Seventh Petitioner Company**

AND

Web18 Software Services Limited

**....Eighth Transferor Company/  
Eighth Petitioner Company**

AND

Network18 Media & Investments Limited

**...Transferee Company/  
Ninth Petitioner Company**

Order delivered on: 30<sup>th</sup> August, 2018

Coram:

Hon'ble Bhaskara Pantula Mohan, Member (J),

Hon'ble V. Nallasenapathy, Member (T)

For the Petitioner(s): Mr. Hemant Sethi a/w Mr. Suvaankoor Das i/b Krishnamurthy  
& Co, Advocates for the Petitioners.

For Regional Director: Mr. S Ramakantha, Joint Director representing the office of  
the Regional Director.

*Per: Bhaskara Pantula Mohan, Member (J)*

**ORDER**

1. Heard learned counsel for the parties. No objector has come before this Hon'ble Tribunal to oppose the Scheme nor has any party controverted any averments made in the Petition.
2. The sanction of the Tribunal is sought under Sections 230 to 232 read with Section 234 and other applicable provisions of the Companies Act, 2013 to the Scheme of Merger by Absorption of Digital18 Media Limited and Capital18 Fincap Private Limited and RVT Finhold Private Limited and RRK Finhold Private Limited and RRB Investments Private Limited and Setpro18 Distribution Limited and REED Infomedia India Private Limited and Web18 Software Services Limited and Television Eighteen Media and Investments Limited and Television Eighteen Mauritius Limited and Web18 Holdings Limited and E-18 Limited and Network18 Holdings Limited by Network18 Media & Investments Limited and their respective Shareholders and Creditors.
3. Learned Counsel for the Petitioners states that the First Transferor Company is currently engaged in the business of printing and publishing business magazine, the Second Transferor Company is engaged in the business of investment and to carry on financial operations, trading business and commercial services, the Third Transferor Company is engaged in the business of investment, trading and commercial services, the Fourth, Fifth and Sixth Transferor Companies are engaged in the business of investment, trading and commercial services, the Seventh Transferor Company was incorporated to carry on the business of printers and publishers of journals, magazines, etc., the Eighth Transferor Company was incorporated to carry on the business of providing/ operating Internet services, web based electronic commerce and other allied services and the Ninth, Tenth, Eleventh, Twelfth and Thirteenth Transferor Companies are engaged in the business of investing in media and digital business. Learned Counsel for the Petitioners further states that the Transferee Company has its presence in several media and entertainment businesses directly and through its subsidiaries like general new channels in Hindi, English and other regional languages, business news channel in Hindi, English and Gujarati, general entertainment channels in Hindi, English and other regional languages, factual entertainment

channels, printing and publishing magazines, digital business, content creation and production business and digital commerce business.

4. Learned Counsel for the Petitioners further states that the Scheme envisages merger by Absorption of the Transferor Companies with the Transferee Company and the merger by Absorption shall have the following benefits: a) The Transferor Companies are direct or indirect wholly owned subsidiaries of the Transferee Company. In order to effectively manage all the companies of the group it was decided to consolidate all the Transferor Companies and the Transferee Company into a single legal entity; b) Consolidation would result in several benefits including effective management of business, benefitting in synergy, economies of scale, attainment of efficiencies and cost competitiveness; c) rationalizing the group structure by reducing the number of legal entities so as to obtain significant cost savings and / or simplification benefits; and d) rationalization of multiple foreign subsidiaries in the group and ensure optimized legal entity structure more aligned with business.
5. The Petitioners have approved the said Scheme by passing respective Board Resolutions which are annexed to the Company Petitions.
6. The Learned Counsel appearing on behalf of the Petitioners states that the Petition has been filed in consonance with the order passed in Company Scheme Application No. 123 of 2018 of the Hon'ble Tribunal.
7. The Learned Counsel appearing on behalf of the Petitioners states that the Petitioners have complied with all requirements as per directions of the Hon'ble Tribunal and they have filed necessary Affidavits of compliance with Hon'ble Tribunal. Moreover, Petitioners undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the Rules made there under. The said undertaking is accepted.
8. The Regional Director, Western Region, Mumbai has filed his Report dated June 21, 2018, stating therein that save and except as stated in paragraph IV of the said Report, it appears that the Scheme is not prejudicial to the interest of shareholders and public:-
  - (a) In addition to compliance of AS-14 (IND AS-103) the Transferee shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.;
  - (b) (b) Part-A Definitions & Share Capital Clause - 1.9 of the scheme. "Effective Date" means the date on which the last of the orders,

sanctions, approvals, consents, conditions, matters or filings referred to in Clause 22.2 of this Scheme is complied with or obtained or waived, as the case may be. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date. In this regard, it is submitted that the "Effective Date" shall be as per provisions of section 232(6) of the Companies Act, 2013 and not as mentored in the above said clause of the Scheme.

- (c) As regards Part-B, Clause 17 of the Scheme (Amendment to the Memorandum), and fee payable by the Transferee Company shall be in accordance with the provisions of Section 232(3)(i) of the Companies Act, 2013;
- (d) Television Eighteen Media and Investments Limited (Ninth), Television Eighteen Mauritius Limited (Tenth), Web18 Holdings Limited (Eleventh), E-18 Limited (Twelfth) and Network18 Holdings Limited (Thirteenth) Transferor Companies, the transferor companies are situated in Mauritius, the FEMA Regulations/ RBI Guidelines if any applicable is to be complied with by the transferee/ transferor companies.
- (e) Television Eighteen Media and Investments Limited (Ninth), Television Eighteen Mauritius Limited (Tenth), Web18 Holdings Limited (Eleventh), E-18 Limited (Twelfth) and Network18 Holdings Limited (Thirteenth) Transferor Companies are foreign companies incorporated in Mauritius. Further, the Registered Office of all the above-mentioned companies is situated in Ebene Esplanade, 24 Cybercity, Ebene, Mauritius and does not fall within the jurisdiction of this Hon'ble Tribunal. Accordingly, similar approvals be obtained by the above said Transferor Companies in accordance with the laws of Mauritius.
- (f) Further, as per Part-B clause 6.1 The Mauritius Transferor Companies (except Eleventh Transferor Company) which are incorporated under the Mauritius Companies Act as a Category 1 Global Business Licensed company in Mauritius pursuant to the Financial Services Act, 2007 as amended need to be converted to a Category 2 Global Business Licensed company. Eleventh Transferor Company is incorporated under the Mauritius Companies Act and holds a Category 2 Global Business License issued by the Financial Services Commission pursuant to the Financial Services Act, 2007.

Accordingly, as per laws of Mauritius, other transferor companies are to be converted in to Category 2 Global Business Licensed company is a condition precedent.

9. Apropos observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (a) of his report is concerned, Transferee Company through their Counsel undertakes that in addition to compliance of AS-14 (IND AS-103), 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 (IND AS-8) etc., to the extent applicable.
10. Apropos observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (b) of his report are concerned, Petitioners through its Counsel submit that the Scheme shall become effective on the date when the certified copy of the Order is filed with the Registrar of Companies and shall be deemed to be effective from the Appointed Date, i.e. April 1, 2016.
11. Apropos observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (c) of his report is concerned, the Transferee Company through their Counsel undertakes that Clause 17 of the Scheme (Amendment to the Memorandum), and fee payable by the Transferee Company shall be in accordance with the provisions of Section 232(3)(i) of the Companies Act, 2013.
12. Apropos observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (d) of the report is concerned, the Petitioners through their Counsel submit that all the FEMA Regulations/ RBI Guidelines, if any applicable has been complied with by the Transferee/ Transferor Companies.
13. Apropos observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (e) the Transferee Company through its Counsel undertakes that the Ninth to Thirteenth Transferor Companies will obtain requisite approvals, if any, under the laws of Mauritius.
14. Apropos observation of the Regional Director, Western Region, Mumbai, as stated in paragraph IV (f) of his report is concerned, Petitioners through its Counsel states that the Ninth to Thirteenth Transferor Companies have obtained Category 2 Global Business License pursuant to the amendment to the Financial Services Act, 2007 and has filed an Additional Affidavit dated August 23, 2018 bringing on record the same.

15. The observations made by the Regional Director have been explained by the Petitioners in Para 9 to 14 above. The clarifications and undertakings given by the Petitioners are accepted.
16. The Official Liquidator has filed his report July 26, 2018 *inter alia*, stating therein that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Companies may be ordered to be dissolved without being wound up.
17. From the material on record, the Scheme appears to be fair, reasonable and is not violative to any provisions of law nor is contrary to public interest.
18. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 2019 of 2018 is made absolute in terms of prayer clause (a) for the Transferee Company and prayer clause (b) for the First to Eighth Transferor Companies.
19. Petitioners are directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with e-Form INC-28, in addition to physical copy, within 30 days from the date of receipt of the order from the Registry.
20. The Transferee Company to lodge a copy of this order and the Scheme duly certified by the Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, within a period of 60 days from the date of receipt of the order.
21. Petitioners to pay costs of Rs. 25,000/- each to the Regional Director, Western Region, Mumbai. The First to Eighth Petitioner Companies to pay costs of Rs.25,000/- each to the Official Liquidator, High Court, Bombay.
22. Costs to be paid within four weeks from the date of the receipt of the order.
23. All authorities concerned to act on a copy of this order along with the Scheme duly certified by the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.

SD/-

V. Nallasenapathy

Member (T)

SD/-

Bhaskara Pantula Mohan

Member (J)