

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT MUMBAI

CSA NO. 943 OF 2017

IN THE MATTER OF the Companies Act, 2013;

AND

IN THE MATTER OF Sections 230 to 232 of the
Companies Act, 2013;

AND

IN THE MATTER OF Taj Television (India) Private Limited;

AND

IN THE MATTER OF Scheme of Amalgamation of
Taj Television (India) Private Limited (First Transferor
Company) and Sony Pictures Networks Distribution India
Private Limited (Second Transferor Company) with Sony
Pictures Networks India Private Limited (Transferee
Company) and their respective shareholders.

Taj Television (India) Private Limited Applicant Company

Order delivered on 11th October, 2017.

Coram :

Hon'ble Shri M. K. Shrawat, Member (J)

Hon'ble Shri V. Nallasenapathy, Member, (T)

For the Applicant: Mrs. Alpana Ghone along with Mr. Arvind Talgaonkar
i/b. M/s. Crawford Bayley & Co., Advocates for Applicant.

Per: V. Nallasenapathy, Member, (T)

ORDER

1. The Counsel for the Applicant Company submits that the present Scheme is a Scheme for Amalgamation of Taj Television (India) Private Limited (First Transferor Company) and Sony Pictures Networks Distribution India Private Limited (Second Transferor Company) with Sony Pictures Networks India Private Limited (Transferee Company) and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013. The First Transferor Company and the Second Transferor Company are wholly-owned subsidiaries of the Transferee Company.
2. The Counsel for the Applicant Company further submits that the Transferor Companies under this Scheme of Amalgamation are indirect wholly-owned subsidiaries of Sony Corporation, which is incorporated in Japan ("Sony"). The television channel broadcasting business of Sony in India is mainly carried on

by the Transferee Company. The Transferor Companies are distributing the television channels of the Transferee Company through various technology platforms as agents of the Transferee Company and Aqua Holding Investments [Pvt.] Ltd., a company incorporated in Mauritius ("Aqua"). Aqua is also a wholly-owned subsidiary of the Transferee Company.

The Transferee Company has been consolidating its broadcasting business for some time now. It has already proposed to amalgamate Aqua with itself and a petition to that effect is pending before this Hon'ble Tribunal.

With a view to further consolidate the broadcasting business and take advantage of business consolidation, it is proposed to amalgamate the Transferor Companies with the Transferee Company.

3. The Counsel for the Applicant Company further submits that the management of the Transferor Companies and the Transferee Company are of the opinion that the amalgamation of the Transferor Companies with the Transferee Company will lead to the following benefits:

- i. Enable the Transferee Company to carry on and conduct its business more efficiently and advantageously with better economies of scale, more productive and optimum utilization of various resources, strengthen its financial position, achieve synergies in business activities and further development and growth of the business;
- ii. Increase the long term value for shareholders and investors; and
- iii. Reduction in regulatory and legal compliances/filings including accounting, reporting requirements, statutory and internal audit requirements, tax filings etc. and avoiding duplication in administrative costs.

As the Transferor Companies are engaged in the same line of business as that of the Transferee Company viz. the business *inter-alia* of activities related to broadcasting of television channels, the existing infrastructure and facilities of the Transferor Companies and the Transferee Company will be merged for combined business. The amalgamation would, therefore, enable the Transferee Company to increase the size of its operations and confer a competitive advantage on the entire business.

In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed the amalgamation

of the Transferor Companies with the Transferee Company and have formulated this Scheme of Amalgamation for the transfer and vesting of the entire businesses of the Transferor Companies with and into the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013.

4. That a meeting of the equity shareholders of Taj Television (India) Private Limited, the Applicant Company be convened and held at 5th Floor, Interface, Building No. 7, Off Malad Link Road, Malad (West), Mumbai – 400 064, India, on Thursday, 7th December, 2017, at 2:00 p.m. for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation of Taj Television (India) Private Limited (First Transferor Company) and Sony Pictures Networks Distribution India Private Limited (Second Transferor Company) with Sony Pictures Networks India Private Limited (Transferee Company) and their respective shareholders.
5. That at least 30 clear days before the meeting to be held as aforesaid, a notice convening the said meeting at the place and time aforesaid, together with a copy of the Scheme of Amalgamation, a copy of the statement required to be sent under Section 230 of the Companies Act, 2013 and the prescribed form of proxy, shall be sent by Registered Post to each of the equity shareholders at their respective registered or last known addresses as per records of the Applicant Company.
6. That at least 30 clear days before the meeting to be held as aforesaid, an advertisement convening the said meeting, at the place, date and time aforesaid and stating that copies of the proposed Scheme of Amalgamation and the statement required to be sent pursuant to Section 230 of the Companies Act, 2013 and form of proxy can be obtained free of charge at the registered office of the Applicant Company as aforesaid, shall be published once each in two local news papers viz. "Free Press Journal", in English language and translation thereof in "Navshakti", in Marathi language, both having circulation in Mumbai.
7. That the Applicant Company undertakes to:-
 - i. issue Notice convening meeting of the equity shareholders as per Form No. CAA.2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
 - ii. issue Statement containing all the particulars as per Section 230 of the Companies Act, 2013;

- iii. issue Form of Proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014;
- iv. advertise the Notice convening meeting as per Form No. CAA.2 (Rule 7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

The said undertaking is accepted.

8. That Mr. Ashok Nambissan, Director failing him Mr. Rajkumar Bidawatka, failing him Mr. Nitin Nadkarni, Authorized Representatives of the Applicant Company is appointed as the Chairman for the above meeting of equity shareholders to be held at its registered office at Interface Building No. 7, 5th Floor, Off Malad Link Road, Malad (West), Mumbai – 400 064, India, on Thursday, 7th December, 2017, at 2:00 p.m. or any adjournment or adjournments thereof. The Scrutinizer for the meeting shall be M/s. Sandeep Gandhi & Co., Practicing Company Secretary.
9. The Chairman appointed for the meeting shall issue the advertisement and send out the notices of the meeting referred to above. It is further directed that the Chairman of the meeting shall have all powers as per the Articles of Association and as per provisions of the Companies Act, 2013 and also under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to conduct of the meeting including for deciding any procedural questions that may arise at the meeting or at any adjournment or adjournment(s) or any other matter including an amendment to the proposed Scheme or Resolution, proposed at the meeting by any person(s) and to ascertain the decision of or the sense of the meeting by a poll.
10. That quorum for the aforesaid meeting of the equity shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.
11. That voting by proxy / authorized representative is permitted, provided that a proxy in the prescribed form / authorization duly signed by the person entitled to attend and vote at the meeting, is filed with the Applicant Company at Interface Building No. 7, 5th Floor, Off Malad Link Road, Malad (West), Mumbai – 400 064, India, not later than 48 hours before the meeting, as provided under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
12. That the number and value of the vote of equity shareholders shall be in accordance with the books / register of the Applicant Company and where the

entries in the books are disputed, the Chairman shall determine the value for the purpose of the meeting and his decision in that behalf would be final.

13. That the Chairman to file affidavit not less than seven days before the date fixed for the holding of the meeting and do report to this Tribunal that the direction regarding the issue of notices and advertisement have been complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
14. That the Chairman appointed for the meeting to report to this Tribunal the result of the said meeting within three days of the conclusion of the meeting and the said report shall be verified by his affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
15. That Counsel for the Applicant Company submits that as on date, there are no Secured Creditors in the Applicant Company. Hence, the question of convening and holding of the meeting of Secured Creditors of the Applicant Company does not arise.
16. That Counsel for the Applicant Company submits that since the Scheme is an arrangement between the Applicant Company and their respective shareholders only a meeting of the equity shareholders is proposed to be held in accordance with the provisions of Section 230(1)(b) of the Companies Act, 2013 and so far as unsecured creditors of the Applicant Company are concerned, they will be paid off in the ordinary course of business and will not be affected by the proposed Scheme of Amalgamation in view of the fact that the assets of the Transferee Company after the proposed amalgamation will be far more than its liabilities and the fact that there is no compromise or arrangement with the unsecured creditors of the Applicant Company. This bench hereby directs the Applicant Company to issue notice of the meeting of equity shareholders of the Applicant Company to all unsecured creditors whose outstanding balance is INR.1,00,000/- and above in view of the averment made in paragraph 28 of the Application, as required under Section 230(3) of the Companies Act, 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company.
17. The Applicant Company to serve the notice upon:- (i) concerned Income Tax Authority within whose jurisdiction the Applicant Company's assessments are made; (ii) the Central Government through the office of the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai Maharashtra; (iii) the

concerned Registrar of Companies; (iv) the Reserve Bank of India; (v) Ministry of Information and Broadcasting; and (vi) Telecom Regulatory Authority of India with a direction that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal and the copy of such representation shall simultaneously be served upon the Applicant Company, failing which, it shall be presumed that authorities have no representation to make on the proposal as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

18. The Applicant Company to serve the notice upon the Official Liquidator. M/s. G. D. Bangard & Co., Chartered Accountant is appointed with remuneration of INR. 2,00,000/- to assist the Official Liquidator to scrutinize books of accounts of the Applicant Company. Remuneration of the Chartered Accountant shall be paid by the Applicant Company within period of two weeks from today. If no representation is received by Tribunal from Official Liquidator within 30 days it may be presumed that Official Liquidator, High Court, Bombay has no representation to make on proposed Scheme.
19. The Applicant Company to file an Affidavit of service of notices issued to shareholders, unsecured creditors, publication of notices in newspapers, to the regulatory authorities as stated hereinabove and do report to this Tribunal that the directions regarding the issue of notices have been complied with.

Sd/-

V. Nallasenapathy, Member, (T)

Sd/-

M. K. Shrawat, Member (J)