

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

CSP NO. 196 OF 2017
AND
CSP NO. 197 OF 2017

Under Sections 230 to 233 of the Companies
Act, 2013

In the matter of the Scheme of Arrangement
between Grant Investrade Limited (Demerged
Company) and IndusInd Media &
Communications Limited (Resulting Company)
and their respective Shareholders and
Creditors.

GRANT INVESTRADE LIMITED

.....Petitioner/ Demerged Company

AND

INDUSIND MEDIA & COMMUNICATIONS LIMITED

.....Petitioner/ Resulting Company

Judgement/order delivered on August 10, 2017

Coram:

Hon'ble B.S.V. Prakash Kumar, Hon'ble Member (J)

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

For the Petitioner(s): Mr. Kunal Mehta i/b M/s Crawford Bayley & Co, Advocate for
Petitioner Companies

Per: Hon'ble B.S.V. Prakash Kumar, Member (J)

ORDER:

1. Heard learned counsel for parties. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petitions to the Scheme of Arrangement between Grant Investrade Limited

(Demerged Company) and IndusInd Media & Communications Limited (Resulting Company).

2. The sanction of this Tribunal is sought under Sections 230 to 233 read with Sections 52 and 66 of the Companies Act, 2013 to a Scheme of Arrangement (“Scheme”) between Grant Investrade Limited (Demerged Company) and IndusInd Media & Communications Limited (Resulting Company) and their respective shareholders and creditors.
3. The Petitioner Companies have approved the said Scheme of Arrangement by passing the Board Resolutions which is annexed to the respective Company Scheme Petitions.
4. The learned Advocate for the Petitioner Companies states that the Demerged Company engaged in the business of transmission and retransmission of Broadcaster Programming services and Broadcasting services in an encrypted form through digital addressable systems to the consumers which consist of local cable operators, independent multi system operators, large commercial organisations, institutions and housing complexes through its HeadendIn The Sky (HITS) technology Platform. The Resulting Company is currently engaged in the business of providing transmission and retransmission of Broadcaster programming services to the subscribers in an encrypted form through Digital Addressable Systems in the areas notified by the government and provides analog signals for other areas.
5. The benefits of the proposed Demerger is as follows:
 - a) The Demerger will enable focused strategies, management, investment and leadership for the Demerged Undertaking and the Remaining Undertaking, respectively. The restructuring through the Demerger will enable management of both the companies to concentrate on their respective businesses and strengthen competencies and provide independent opportunities to increase scale of operations organically, either by way of any collaboration with a third party or expansion or inorganically.
 - b) The Demerger will also streamline the process for fund raising and technology procurement for the Demerged Undertaking and the Remaining

Undertaking, respectively. Also, the last mile connectivity of HITS Business is via the cable of the LCO, which forms the strength of the business undertaken by the Resulting Company with its already existing multitude LCO arrangements. The Demerger would therefore strengthen the business carried on by the Resulting Company benefiting the Demerged Company as well as the Resulting Company.

c) Additionally, the Demerger will allow the shareholders of the Demerged Company to achieve their desire of divestment and encashing the value to the extent it relates to the Demerged Undertaking.

d) Therefore, the Demerger will create long term value for the shareholders of the Demerged Company and the Resulting Company by unlocking respective values of the Demerged Undertaking and the Remaining Undertaking.

6. The Learned Advocate appearing on behalf of the Petitioner Companies state that the Petitions have been filed in consonance with the Order passed in their Company Summons for Directions no. 861 of 2016 and 862 of 2016 of the High Court of Judicature at Bombay.

7. The learned Advocate for the Petitioner Companies states that the Petitioner Companies have complied with all the directions passed by the Hon'ble High Court of Judicature at Bombay by an Order dated November 18, 2016 in each of the Company Summons for Direction and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Company Summons for Direction. The Learned Advocate for the Petitioner Companies states that the Petitioner Companies have also complied with the directions of this Hon'ble Tribunal by an Order dated June 08, 2017 admitting the Petitions. The learned Advocate appearing on behalf of the Petitioner Companies has stated that they have complied with all the requirements as per directions of this Tribunal and they have filed necessary Affidavits of compliance in the Tribunal. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956/2013 and the Rules made thereunder whichever is applicable. The said undertaking is accepted.

8. The Regional Director has filed his Report dated August 09, 2017 before this Tribunal on August 10, 2017, *inter alia*, stating therein that save and except as stated in para IV a) and b) of the said Report, it appears that the Scheme is not prejudicial to the interest of shareholders and public. Para IV of the said Report reads as under :
- a) *As existing practice, the Petitioner Companies are required to serve Notice for Scheme of Arrangements to the Income Tax Department for their comments. It appears that the Company vide letter dated 15th June, 2017 has served a copy of Company Scheme Application No. 196 & 197 of 2017 along with relevant orders et., further the Regional Director has also issued a reminder on 2nd August, 2017*
- b) *The Tax implication if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble Tribunal may not deter the Income Tax Authority to scrutinize the tax returns filed by the transferee company after giving effect to the scheme. The decision of the Income Tax Authority is binding on the Petitioner Company.*
9. As far as the objection of the Regional Director in Para IV a) and b) of his Report is concerned, the Learned Advocate for the Petitioner Companies undertakes to comply with the applicable provisions of the Income Tax Act and tax issues arising out of the Scheme of Arrangement will be met and answered in accordance with law.
10. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 9 above. The clarifications and undertakings given by the Petitioner Companies are accepted by the Tribunal.
11. 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.
12. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 196 of 2017 filed by the Demerged Company is made absolute in terms of prayer clauses (a) and (b) and Company Scheme Petition No.197 of 2017 filed by the Resulting Company is made absolute in terms of prayer clauses (a) to (c).

13. The Petitioner Companies are directed to lodge a copy of this Order alongwith the amended Scheme of Arrangement with the concerned Registrar of Companieselectronically along with E-Form INC-28, in addition to physical copy, as per the relevant provisions of the Companies Act, 1956/2013.
14. The Petitioner Companies to lodge a copy of this Order along with a copy of the Scheme of Arrangement duly authenticated by the Deputy Registrar, National Company Law Tribunal, Mumbai Bench, 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 this order, if any.
15. The Petitioner Companies to pay costs of Rs.25,000/- each to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from the date of the receipt of the Order.
16. All concerned regulatory authorities to act on a copy of this Order along with the amended Scheme duly authenticated by the Deputy Registrar, National Company Law Tribunal, Mumbai.

Sd/-

V. Nallasenapathy, Member (T) B.S.V. Prakash Kumar, Member (J)

Sd/-