

**THE NATIONAL COMPANY LAW TRIBUNAL**

**PRINCIPAL BENCH AT NEW DELHI**

**(CAA) – 21 (PB)/ 2021**

**CONNECTED WITH**

**CA (CAA) – 117 (PB)/2020**

**In the matter of:**

*Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with the Companies, (Compromises, Arrangements and Amalgamations) Rules, 2016*

**AND**

**IN THE MATTER OF SCHEME OF AMALGAMATION OF**

**INDIA WEBPORTAL** Non- Petitioner Company 1/

**PRIVATE LIMITED** Transferor Company 1

**AND**

**ZEE DIGITAL** Non- Petitioner Company 2/

**CONVERGENCE LIMITED** Transferor Company-2

**AND**

**ZEE NETWORK** Petitioner Company/

**DISTRIBUTION LIMITED** Transferor Company 3

**WITH**

**ZEE STUDIOS LIMITED** Non- Petitioner Company 3/

Transferee Company

(CAA) – 21 (PB)/ 2021



**Order Pronounced on: 01.11.2021**

**CORAM:**

**SHRI BHASKARA PANTULA MOHAN**

**HON'BLE ACTG. PRESIDENT**

**SHRI HEMANT KUMAR SARANGI**

**HON'BLE MEMBER (TECHNICAL)**

For the Petitioners: Mr. Mahesh Agarwal & Mr. Rajeev  
Kumar, Advocates  
For the RD & OL: Ms. Shankari Mishra, Adv. for RD  
Ms. Hemlata Rawat, Adv. for OL

**ORDER**

**PER: SH. BHASKARA PANTULA MOHAN, ACTG. PRESIDENT**

1) Under consideration is Company Petition (CAA)- 21 (PB)/2021 filed under Sections 230 to 232 of the Companies Act, 2013 ("The Act") read with the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016. The purpose of the Company Petition is to obtain sanction of the Scheme of Amalgamation (in short, "**Scheme**") by virtue of **Zee Network Distribution Limited** (hereinafter referred to "**Transferor/Petitioner Company 3**") is proposed to be merged with **Zee Studios Limited** (hereinafter referred to

(CAA) - 21 (PB)/ 2021



**'Transferee Company'**). Further, a joint petition was separately filed by the Transferor Company No. 1, Transferor Company 2 and Transferee Company (collectively referred to as 'Non- Petitioner Companies') before National Company Law Tribunal, Mumbai Bench ('NCLT Mumbai') since their registered office is situated in the state of Maharashtra. It is represented that NCLT Mumbai has also reserved the final order on August 10, 2021 (pronouncement awaited) in the matter of above said joint petition.

**2) Zee Network Distribution Limited (Petitioner Company/ Transferor Company 3) having CIN: U74899DL2001PLC113501 is a company incorporated under the provisions of the Companies Act, 1956 in the year 2001 having its registered office at B - 10, Essel House, Lawrence Road, Industrial Area New Delhi - 110035. The Board of Directors of the Petitioner Company approved the Scheme of Amalgamation in its meeting held on 23.10.2020.**

**3) The rationale for the proposed Scheme as stated therein is:**

*(1) Simplify group's corporate structure;*

*(2) Pooling of resources, knowledge and expertise of the Companies;*

(CAA) - 21 (PB)/ 2021



*(3) Reduction in general and administrative including statutory, regulatory compliances; and*

*(4) Achieving operational and management efficiency.*

- 4) This Tribunal vide its order dated 19.01.2021 in CA (CAA) – 117 (PB)/2020, had dispensed with the requirement of convening and holding the meeting of the Equity Shareholders of the Petitioner Company (since the entire issued, subscribed and paid up equity share capital of the Petitioner Company is held by the Transferee Company and its joint holders and consents affidavits have been received from equity shareholders of the Petitioner Company constituting 100% in value and 100% in number). Further, there was no need for the meeting of Secured Creditors and Unsecured Creditors since the Petitioner Company has no Secured Creditors as well as Unsecured Creditors.
- 5) This Tribunal had further directed the Petitioner Company to issue notices to the statutory authorities and the notices were accordingly issued. **Further, the Petitioner Company was directed to effect paper publication in “Business Standard” (English, Delhi Edition) and “Business Standard” (Hindi, Delhi Edition).** The aforesaid

(CAA) – 21 (PB)/ 2021



direction given by this Bench in the vide order dated **19.01.2019 in CAA-21(PB)/2019 and the same were effected on 08.04.2019 and proof of the same has been placed on** record. The Petitioner Company has complied with all directions passed in the above order of this Tribunal.

- 6) The Counsel appearing on behalf of the Petitioner Companies submitted that the proposed amalgamation of the Transferor Company into the Transferee Company would enable pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity and would result in optimum utilization of the manpower of the concerned companies. It will open better avenues for the employees of the concerned companies. The employees will have a better choice of skill up gradation, development and carrier growth. The Counsel further submitted that the proposed scheme of amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work,



reduction in overheads, better and more productive utilization of human and other resource and enhancement of overall business efficiency. It will enable these companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth of their businesses.

7) The Regional Director, Northern Region (MCA) has filed a report/representation dated 07.04.2021 (“Report”), along with the report of the Registrar of Companies, New Delhi. The Regional Director has made the following observations in the report/representation:

*“11. That as per Para 31 of the report of ROC, NCT of Delhi & Haryana, dated 22.03.2021, and the following observations has been made:*

*a. Refer to Clause 13 of the Scheme, the Transferee Company shall comply with Section 232(3)(i) of the Companies Act, 2013 and pay the difference fee on consolidated authorized share capital of Transferee Company, after setting off the fee already paid by the*



*Transferor Companies on their respective authorized share capital.*

*b. As per petition, the Transferor Company No.-3 stated in the petition that there is no secured creditors in the company, however it is observed from MCA-21 portal that an active charge of Rs. 4, 70,000 is reflecting against the Transferor Company No.-3”.*

**8)** The Official Liquidator has filed a report/representation dated 24.03.2021 (“Report”), in its report the Official Liquidator has made certain observations in the report/representation:

*“12. That the Official Liquidator has not received any complaint against the proposed Scheme of Merger from any person/party interested in the Scheme in any manner till the date of filing of this Report.”*

*“14. That the official Liquidator on the basis of information submitted by the Petitioner Company is of the view that the affairs of the aforesaid Transferor Company No. 1 does not appear to have been conducted in a manner prejudicial to the interest of its members or to public interest as per*




*the provisions of the Companies Act, 1956/ the Companies Act, 2013 whichever is applicable.”*

**9)** The Income Tax department has not filed its report despite of opportunities given.

**10)** The Authorized Signatory of Transferor Company No. 3 had filed an affidavit dated May 20, 2021 in response to the report of Regional Director before this Tribunal giving an undertaking that it shall comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and shall pay applicable fee, if any, post the consolidation of the authorized share capital with that of the Transferee Company. After filing of the above affidavit, the Authorized Signatory of the Transferor Company No. 3 had filed an additional affidavit stating that the Petitioner Company has received a no-objection certificate from the bank from whom the said loan was obtained and has filed Form CHG-4 with Registrar of Companies, Delhi & Haryana on July 5, 2021 and that the charge has been successfully removed from MCA-21 Portal.

**11)** The Certificates of the respective Statutory Auditors of the Petitioner Company as well as the Transferee Company have been placed on record to the effect that Accounting Treatment

(CAA) – 21 (PB)/ 2021





proposed in the Scheme of Amalgamation is in conformity with the Accounting Standard notified by the Central Government as specified under the provisions of Section 133 of the Companies Act, 2013. The Appointed date of the said Scheme is 30.09.2020.

**12)** There is no requirement for any modification and the said Scheme of Amalgamation appears to be fair and reasonable and is not contrary to public policy and not violative of any provisions of law. All the statutory requirements of sections 230 to 232 of the Companies Act, 2013 are complied with and no authority have raised any objection to that effect. Taking into consideration of the above facts, the Company Petition is **allowed**, and the Scheme of Amalgamation annexed with the Petition is hereby sanctioned which shall be binding on the members, creditors and shareholders of the Transferor Company.

**13)** While approving the scheme as above, we further clarify that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be

(CAA) - 21 (PB)/ 2021



obtained or, even compliances that may have to be made as per the mandate of law.

**14)** The Companies to the said Scheme or other person interested shall be at liberty to apply to this Bench for any direction that may be necessary with regard to the working of the said Scheme.

**15)** The Transferor Companies shall be dissolved without winding up from the date of the filing of the certified copy of this order with the Registrar of Companies.

**16)** The Transferor Companies are directed to file the certified copy of this order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically along with E-Form INC-28, in addition to physical copy, as per the relevant provisions of the Companies Act, 2013 within 30 days of receipt of the order.

**17)** Accordingly, the Scheme Stands **Sanctioned**, and (CAA)-21(PB)/2021 stands disposed of.

— sd —

**BHASKARA PANTULA MOHAN**  
A (ACTG. PRESIDENT)

— sd —

**HEMANT KUMAR SARANGI**  
MEMBER (TECHNICAL)