

HIGH COURT OF MADHYA PRADESH AT JABALPUR

Company Petition No : 3 Of 2013

**Synergy Media Entertainment Limited
("SMEL" or "Amalgamating Company")**

Vs.

**In the matter of scheme of arrangement and
amalgamation between IMCL and SMEL**

with

Company Petition No : 4 Of 2013

**I Media Corporation Limited
("IMCL" or "Petitioner Company")**

Vs.

**In the matter of scheme of arrangement and
amalgamation between IMCL and SMEL**

Present : **Hon'ble Shri Justice Rajendra Menon.**

Shri Rahul Diwakar, learned counsel for the petitioner.

Shri H.K. Upadhyaya, learned counsel appears for the Official Liquidator.

Shri R.S. Siddiqui, learned Assistant Solicitor General for the Registrar of Companies and the Ministry of Corporate Affairs, Western Region, Ahmadabad.

ORDER
30.4.2013

By this petition under Section 391 to 394 of the Companies Act, 1956 sanction of this Court is sought for with regard to a composite scheme for amalgamation of the companies in question.

2. Prayer made is that the composite scheme for arrangement in the nature of amalgamation pertaining to the companies in question be granted. The scheme for arrangement of amalgamation (hereinabove referred to as 'the scheme') is an arrangement entered into between the 'I Media Corporation Limited' (the amalgamated company) and the 'Synergy Media Entertainment Limited Company' (the amalgamating company). The Registered Offices of the companies are situated within the territorial jurisdiction of this Court and, therefore, this Court has jurisdiction to deal with the matter.

3. Copies of the memorandum and articles of association of both the amalgamated and amalgamating companies have been filed, audited balance sheet along with report of the auditors are also available on record. A copy of the composite scheme for arrangement for amalgamation is also being filed and the silent features of the scheme have been incorporated in the application filed under Section 391 to 394 read with Sections 78, 100 to 104 of the Act and the affidavit available on record. The Board of Directors of the amalgamated company and the amalgamating company in their separate meetings have unanimously resolved and approved the proposed scheme for arrangement, so also for reconstructing of the share capital, all these documents are available on record. The copy of the scheme of arrangement and amalgamation is Annexure-A from page 32 to 47, the memorandum and article of association are Annexure-B, the audited annual accounts and unaudited financial statements of the amalgamated company is Annexure C & D and that of amalgamated company is Annexure E, F & G, the resolution of the Board of Directors are annexure H, the list of share-holders is Annexure-I and the consent of the equity share holders and the scheme of arrangement and amalgamation is Annexure-J, the list of unsecured creditors are Annexure-K and their consent is Annexure-L. Taking note of all these factors this Court vide order Annexure-M dated 1.2.2013 granted liberty to the petitioners to file this petition after the requirement of conveying a meeting was dispensed with in a proceeding held under Section 391(1) of the Companies Act. A copy of the order passed by this Court under Section

391(1) of the Company Act on 1.2.2013 in company petition No.1/2013 is also available on record.

4. On perusal of the material available on record and after taking note of the statement made by learned counsel it is seen that all the requirement as per the directions of this Court have been complied with. The requisite affidavit of the competent authority and the officers of both the companies have been filed and the same are available on record. The company further undertaken to comply with all the other statutory requirement as is required under Companies Act and the rules framed thereunder, the consent of equity share holders, the consent of secured creditors and unsecured creditors are available on record, as is indicated hereinabove. Proceedings of the composite scheme and arrangement in the nature of amalgamation of the business of the company and reconstructions of the share are also available on record. The financial position of the company, as on 31.3.2012, are indicated in the affidavit available on record. The Official Liquidator of this Court has submitted his report vide O.L.R. No.2/2013 dated 11.4.2013 and the Regional Director, Western Region has also submitted his consent along with affidavit which are available on record. The report of the Regional Director by way of common affidavit of Shri Kashmir Lal Kamboj is available on record. The Regional Director in his affidavit has clearly stated that the requirement of statutory provisions has been complied with and the affidavit filed by the Regional Director reads as under :

2. That, the observations of the Central Government on the Scheme are as under:-

(a) That, this is a Scheme of arrangement and amalgamation between M/s I Medica Corp Limited and M/s Synergy Media Entertainment Limited. The deponent respectfully submits that both the companies are wholly owned subsidiary of the listed company namely M/s D.B. Corp Limited having registered office in the State of Gujrat. As per the Scheme, it would result in overall reduction of legal compliance and obligations, including accounting

requirements, reporting requirements, statutory and internal audit requirements etc. resulting in the overall reduction of administrative costs.

(b) That, in support of ratio of Exchange of Shares proposed in the Scheme, the Petitioner Company has submitted a copy of the Valuation report dated 19/12/2012 submitted by SSPA & Company, Mumbai, However, method adopted for valuation of Shares of the respective Companies & detailed calculations, in support thereof have not been stated by the Valuer. Further, at Para 501 of the valuation report, the valuer has stated as under:-

“The management of IMCL has recommended the flooowing consideration for the purpose of proposed amalgamation of IMCL and SEML:

72,914 equity shares of IMCL of Rs. 10/- each fully paid up.”

Therefore, the ratio of Exchange of Shares is based on recommendation of the management of the company, & not on the basis of valuation of shares of the respective companies.

(c) That, the business of both Companies is relating to Media and Communication. The Deponent is however, not aware as to whether both the companies have obtained any licenses, approvals and other permissions from the regulatory authority/ concerned Ministry to carry on the activities of media and communication. It is further respectfully submitted that such licenses, approvals, NOC and other permissions as may be required shall be obtained by the petitioner companies. The Hon'ble Court may therefore, be pleased to direct the Petitioner companies to follow all the procedures as may be required by the appropriate authorities on payment of fees, if any, for effecting transfer of such licenses, approvals and

permissions in the name of transferee company, on sanctioning of the scheme by this Hon'ble Court.

(d) That, the report of the Registrar of Companies of the State Madhya Pradesh & Chhattisgarh at Gwalior has been received vide his letter No. ROC-G/391-394/STA dated 05-04-2013 and as per the said report, no complaints have been received against any of the Petitioner companies including any complaint/representation against the scheme of arrangements and amalgamation of the petitioner companies.

(e) That, the Deponent further submits that, there appears no other objection, to the proposed scheme of arrangement and amalgamation of the Petitioner companies and that the scheme does not, prima facie appear to be prejudicial to the interest of the shareholders of the Petitioner companies and public at large.

5. Having gone through the totality of facts and circumstance and material that has come on record and on going through the scheme for amalgamation, the same appears to be fair and reasonable and as there is nothing to show that it is in violation of any statutory provisions, rules, resolution or public policy, there is no reason for accepting the same.

6. Since all the statutory requirement as contemplated under law have been fulfilled the scheme for amalgamation formulating part of the company petition in question, bearing company petition No.3/2013, along with the accompanying company petition i.e. Co. Pet. No.1/2013 (the application under Section 391(1) of the companies Act) are made absolute and prayer made in Company Petition No.3/2013 is allowed and the petition for amalgamation and the scheme in question is approved by this Court.

7. In view of the approval accorded by this Court the proposed scheme for arrangement in the nature of amalgamation and the business of the companies is granted sanction. The companies in question are directed to comply with all the statutory requirement in accordance with law.

8. Certified copy of this order be filed with the Registrar of Companies within 30 days. The sanction shall become effective from the appointed date in accordance to the scheme for agreement.
9. The petitioner company shall file a copy of this order and the scheme duly authenticated by the Registrar of this Court at Jabalpur, Madhya Pradesh with the concerned competent authority of stamps, for the purpose of adjudication of stamp duty, if any, payable on the same within a period of 60 days from the date of this order. A copy of this order shall be placed before the Registrar of Companies, Ahmadabad for taking necessary action in the matter in accordance to Rules.
10. Both the applications i.e. Company Petition No.3/2013 and Company Petition No.4/2013, stand allowed and disposed of in terms of the above.

(Rajendra Menon)
Judge

ss/-