



NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT III

22. C.P.(CAA)/86/MB/2023

IN

C.A.(CAA)/33/MB/2023

CORAM: SHRI H. V. SUBBA RAO, MEMBER (J)
MS. MADHU SINHA, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL
COMPANY LAW TRIBUNAL ON **22.06.2023**

NAME OF THE PARTIES: Signpost India Limited

SECTION 230(I) OF COMPANIES ACT, 2013

ORDER

C.P.(CAA)/86/MB/2023

Mr. Hemant Sethi appearing for the petitioner and Ms. Rupa Sutar appearing for the Regional Director are present.

Ms. Rupa Sutar, representative of RD submits that most of the objections raised by the RD are routine in nature and RD has no objection for approving the scheme.

Heard the counsel appearing for the petitioner. The above company petition is **allowed**. Detailed order would follow:

Sd/-
MADHU SINHA
Member (Technical)
//RKS//

Sd/-
H. V. SUBBA RAO
Member (Judicial)

Certified True Copy
Copy Issued "free of cost"
On 13/7/2023


Deputy Registrar 13/7/2023
National Company Law Tribunal Mumbai Bench



IN THE NATIONAL COMPANY LAW TRIBUNAL,
COURT -III, MUMBAI BENCH

CP (CAA)/86/MB/2023

IN

CA (CAA)/33/MB/ 2023

*In the matter of the Companies Act,
2013*

And

*In the matter of Sections 230 to 232,
Section 66 and other applicable
provisions of the Companies Act,
2013 with Section 2(IB) and other
applicable provisions of the Income
Tax Act, 1961*

and

*In the matter of Scheme Arrangement
between*

Pressman Advertising Limited

*(Transferor Company or Non-
Petitioner Company)*

and

Signpost India Limited

*(Transferee Company or Petitioner
Company) and their respective
Shareholders.*

Signpost India Limited

CIN : U74110MH2008PLC179120

... Petitioner Company

/ **Transferee Company**

Pressman Advertising Limited

CIN: L74140WB1983PLC036495
Company

... Non- Petitioner

/ **Transferor Company**



Order delivered on: 22.06.2023

Coram: Hon'ble Shri. H.V. Subba Rao, Member (Judicial)

Hon'ble Ms. Madhu Sinha, Member (Technical)

For the Petitioner Companies: M/s Hemant Sethi & Co., Ms. Devanshi Sethi
i/b Hemant Sethi & Co., Advocates.

For the Regional Director: Ms. Rupa Sutar, Authorized representative of
Regional Director, MCA (WR), Mumbai.

ORDER

1. Heard the learned counsel for the Petitioner Companies.
2. The sanction of this Tribunal is sought under Sections 230-232 read with Section 66 other applicable provisions of the Companies Act, 2013 ('Act') in matter of Scheme of Arrangement between Pressman Advertising Limited (Transferor or Non-Petitioner Company) and Signpost India Limited (Transferee or Petitioner Company) and their respective shareholders.
3. The Petitioner Company is an independent AdTech enterprise majorly focusing on design, technology, data analytics and content improvisation of the concept of "hyperlocal programmatic advertising" to evolve individualistic character to media assets to bring about the demographic creativity unmatched even by print, smart phone or radio and set OOH in a parallel league. The Non-Petitioner Company is a well-



known independent advertising agency engaged largely in print advertising, public relations and digital advertising

4. The rationale of the scheme is stated as follows:-
- i. *The present share capital of Transferee Company is large in amount in relation to the size of the company. It will be beneficial to create a company with Share Capital in consonance with the size of its operations, so that, the capital is serviced efficiently.*
 - ii. *Merger will create a larger and stronger entity by combining the experience, expertise, resources and client base of the two companies and offer a larger bouquet of services in the area of advertising and promotion with focus on digital media and emerging technologies. The proposed merger shall result in streamlining of operations and cost efficiency and together with the combined clientele of both the companies, is likely to result in accelerated business growth.*
 - iii. *The Merger would result in optimum utilisation of the facilities, reserves, financials, managerial, technological, manpower and other resources which will be conducive to enhance the operational efficiencies in the Amalgamated Company.*
 - iv. *The Merged Company would benefit from the complementary skills of the combined management team, which in turn would enhance the overall corporate - capability, provide focused strategic leadership and facilitate better supervision of the*



business.

- v. *The Merger will further result in various benefits including:*
- a. *Achieving economies of scale.*
 - b. *Lesser Regulatory/ Procedural Compliances.*
 - c. *Cost saving in fees/ duties payable on statutory and procedural compliances.*
 - d. *Elimination of duplication of administrative functions and multiple record keeping resulting in reduced expenditure.*

The amalgamation is in the interest of both the companies, their shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

5. The Petitioner Company has approved the Scheme by passing Board Resolution in their Board Meeting held on 24th June 2022, The Appointed Date for the scheme is 1st April 2022.
6. The Regional Director has filed his Report dated 12th May, 2023 making certain observations. In response to the observation made by the Regional Director, the Petitioner has also given necessary undertakings and clarification vide their rejoinder affidavit dated 8th June, 2023. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Company are



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summarized in the table below:-

Sr. No	RD Report/Observation	Response of the Petitioner Company
1.	<p>2 (a) That on examination of the report of the Registrar of Companies, Mumbai dated 21/03/2023 for Petitioner Companies (Annexed as Annexure A-1) that the Petitioner Companies falls within the jurisdiction of ROC, Mumbai. It is submitted that no complaint and /or representation regarding the proposed scheme of Amalgamation has been received against the Petitioner Companies. Further, the Petitioner Companies has filed Financial Statements up to 31/03/2022. The ROC has further submitted that in his report dated 21/03/2023 which are as under :-</p> <p>i. That the ROC Mumbai in his report dated 21/03/2023 has also stated that No Inquiry, Inspection, Investigations, Prosecutions under CA, 2013 have been pending against the Petitioner Companies.</p>	<p>In so far as the observation made in Paragraph 2(a)(i) of the said Report is concerned, it is submitted that the observation made by the ROC is merely factual in nature and no further response in required to that extent.</p>





<p>ii. <i>Further ROC has mentioned as follows:-</i></p> <p>a. <i>Transferor Company is registered with ROC, Kolkata.</i></p> <p>b. <i>Notice should be served to the unsecured creditors of the Applicant Company</i></p> <p>c. <i>8 open charges are there on the Applicant Company</i></p> <p>d. <i>A Complain is pending against the Applicant Company.</i></p> <p>e. <i>As per provisions of section 232(3)(i) of CA, 2013 where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorized capital shall be set off against any fees</i></p>	<p>Paragraph 2(a)(ii)(a) of the said Report is concerned, the same is factual and merits no reply.</p> <p>Paragraph 2(a)(ii)(b) of the said Report is concerned, notices have been given to all the Creditors.</p> <p>Paragraph 2(a)(ii)(c) of the said Report is concerned, the charges have been created in the ordinary course of business. The Petitioner in any event is the surviving entity.</p> <p>Paragraph 2(a)(ii)(d) of the said Report is concerned, the complaint if any pending will be decided in accordance with law. The Petitioner Company in any event is surviving entity.</p> <p>Paragraph 2(a)(ii)(e) of the said Report is concerned, is submitted that Petitioner Company hereby undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 regarding set-off of fees paid by the Transferor Company against any fees payable by the Petitioner</p>
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	<p><i>payable by the transferee company on its authorized capital shall be set off against any fees payable by the transferee company on its authorized capital subsequent to amalgamation. Therefore, remaining fee, if any after setting off the fees already paid by the transferor company on its authorized capital, must be paid by the transferee company on the increased authorized capital subsequent to amalgamation</i></p> <p><i>f. Interest of creditors should be protected.</i></p>	<p>Company i.e., Transferee Company on its authorized capital subsequent to the Scheme. Further, the Petitioner clarify that remaining fee, if any after setting off the fees already paid by the Transferor company on its authorized capital, must be paid by the Transferee company on the increased authorized capital subsequent to amalgamation.</p> <p>Paragraph 2(a)(ii)(f) is concerned, the Petitioner Company hereby undertake that the interest of the creditors has been duly protected under scheme. There is no compromise of arrangement with any of the Creditors. Further notices have been issued to all the creditors .</p>
<p>2.</p>	<p><i>2(b) Transferee company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 through appropriate affirmation in respect of</i></p>	<p>In so far as the observation made in Paragraph 2(b) of the said Report is concerned, is submitted that Petitioner Company hereby undertake to comply with the</p>



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	<p><i>fees payable by Transferee Company for increase of share capital on account of merger of transfer of companies.</i></p>	<p>provisions of section 232(3)(i) of the Companies Act, 2013 regarding set-off of fees paid by the Transferor Company against any fees payable by the Petitioner Company i.e., Transferee Company on its authorized capital subsequent to the Scheme.</p>
3.	<p><i>2 (c) In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the transferee company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards including AS-5 or IND AS-8 etc.</i></p>	<p>As regards the observation made in Paragraph 2(c) of the said Report is concerned, Petitioner Company undertake that in addition to compliance of AS-14 (IND AS-103), the Petitioner Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with all applicable Accounting Standards such as AS-5 (IND AS-8), to the extent applicable.</p>
4.	<p><i>2 (d) The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</i></p>	<p>In so far as the observation made in Paragraph 2(d) of the said Report is concerned, the Petitioner Company submit and confirm that the Scheme enclosed in the Company Application and Company Petition are one and the</p>



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		same and there is no discrepancy, or no change is made.
5.	<i>2 (e) The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with airy of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i>	In so far as the observation made in Paragraph 2(e) of this Report is concerned, the Petitioner Company confirms that as per the provisions of section 230(5) of the Companies Act, 2013, the Petitioner Company has served notices to all the concerned authorities; Regional Director, Registrar of Companies, the Income Tax Department and GST and the observations made by the concerned authorities have been duly responded and dealt with by the Petitioner Company, wherever required. Further, the approval of the Scheme by this Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the Scheme. Such issues will be addressed in accordance with the law and the Petitioner Company shall be bound by any decision of such authorities that is made in accordance with law. Further the jurisdictional Income Tax Department has given its 'No





		Objection' to the proposed scheme.
6.	<p>2 (f) <i>As per Definition of the Scheme</i></p> <p>'Appointed Date' For the purpose of this Scheme and for Income Tax Act, 1961, the "Appointed Date" means 1st April, 2022;</p> <p>'Effective Date' means the last of the following dates, namely:</p> <p>a. <i>That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 3 shall be obtained or passed;</i></p> <p>or</p> <p>b. <i>That on which all necessary certified copies of orders under the applicable section(s) of the Act shall be duly filed with the concerned Registrar of Companies, Maharashtra at Mumbai and Registrar of Companies, Kolkata, West Bengal.</i></p> <p><i>It is submitted that the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the</i></p>	<p>In so far as the observation made in Paragraph 2 (f) of the said Report is concerned, the Petitioner Company clarifies that the Appointed Date is 1st April, 2022 as mentioned in the Scheme which is in compliance with the Companies Act, 2013 and that the Scheme shall take effect from such Appointed Date. Further, the Petitioner Company undertakes to comply with the requirements clarified vide circular No.7/12/2019/CL-I dated 21st August, 2019 issued by the Ministry of Corporate Affairs to the extent applicable.</p>



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	<i>Ministry of Corporate Affairs.</i>	
7.	<i>2(g) Petitioner Companies shall undertake to comply with the directions of Income tax department, if any.</i>	In so far as the observation made in Paragraph 2(g) of the said Report is concerned, it is submitted that the Petitioner Company hereby undertakes to ensure compliance of all the provisions of the Income tax Act and Rules pursuant to the Scheme. Further, the approval of the Scheme by this Tribunal may not deter Income-tax authorities to deal with Income-tax related issues arising after giving effect to the Scheme and the Petitioner Company submit that any Income-tax related issues arising out of the Scheme will be met and answered during the course of regular Income-tax assessment in accordance with the provisions of the Income-tax Act, 1961. As stated above the Income Tax department have already given their NOC by letter dated 16 th March 2023 which is annexed as Annexure-A to the Affidavit in rejoinder.





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8.	<p><i>2(h) Petitioner Companies shall undertake to comply with the directions of the concerned sectoral Regulatory including advertisement Regulatory as Petitioner Transferor Company is a well-known independent advertising agency engaged largely in print advertising, public relations and digital advertising, if any.</i></p>	<p>In so far as the observation made in Paragraph 2(h) of the said Report is concerned, the Petitioner Company submits that it has duly submitted notices on all relevant Regulatory Authorities such as Registrar of Companies, Regional Director and the Income Tax Authority and GST Department and undertake to comply with any other sectorial authority as may be applicable.</p>
9.	<p><i>2 (i) The Transferor company is listed with BSE Limited (BSE), The Calcutta Stock Exchange Limited (CSE) and National Stock Exchange of India Limited (NSE), hence Petitioner Transferor Company shall under do compliance of observations pointed out of stock exchanges in their respective observation letters, if any also do compliance of SEBI (LODR) Regulations.</i></p>	<p>In so far as the observation made in Paragraph 2(i) of the said Report is concerned, the Petitioner Company states that the Transferor Company has filed a Company Application 18/KB/2023 before the Hon'ble National Company Law Tribunal at Kolkata. The Petitioner Company has also annexed "no objection/no adverse observation" letters issued by National Stock Exchange ("NSE"), and Bombay Stock Exchange</p>





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		("BSE") dated 29th December 2022 and letter dated 13th January 2023 issued by the Calcutta Stock Exchange Limited. All compliances in terms of the NOC granted by the Stock Exchange(s). will be done post sanctioning of Scheme.
10.	<i>2 (j) Petitioner Transferor Company is having its registered office at 147 Block G, New Alipore, Kolkata 700053, hence approval from Hon'ble NCLT, Kolkata shall be obtained.</i>	In so far as the observation made in Paragraph 2 (j) of the said Report is concerned, the Petitioner Company states that the Transferor Company has filed a Company Application 18/KB/2023 before the Hon'ble National Company Law Tribunal at Kolkata and the same has been disposed off vide an order dated 13 th April, 2013. The meeting of Equity shareholders was held and scheme was approved by requisite majority. Further the meeting of the Unsecured Creditors of the Transferor Company was dispensed with. The Transferor Company has filed Petition before the Kolkata Bench which is pending.
11.	<i>2(k) It is observed from MCA21 record SIGNPOST INDIA LIMITED, Transferee Company in financial</i>	In so far as the observation made in Paragraph 2(k) the issue of Securities at Premium has been



statements as on 31.03.2022 has issued shares at Securities Premium and collected total premium amounting to Rs. 995.732 lakhs/-. Hence, the Petitioner Companies shall also satisfy the Hon'ble Bench about assessment of share capital u/s. 68 of the Income Tax Act, 1961, for issue of shares at fair value in order to consider the scheme on its merit and payment of applicable income tax, if any to satisfy the Hon'ble NCLT that shares were issued at fair price and in compliance of provisions of Income Tax Act

done after following due procedures and compliances. Also, the said Securities Premium has been appropriately considered and disclosed in the Audited Financial Statements and Income Tax Returns of the relevant Assessment Years as required under the Income Tax Act, 1961 and rules made thereunder and also in compliance with all relevant laws.

Copy of Assessment orders for the period AY 2017-18; 2018-19; 2019-20; and 2021-22 are hereto annexed as **Annexure- B** to the Affidavit in Rejoinder. Furthermore, as the Petitioner Company will continue to exist, all the matters / proceedings pending under Income Tax Act or otherwise will continue and it undertakes that the approval of the Scheme by this Tribunal will not deter any such Authorities to deal with any of the issues arising after giving effect to the scheme and the decision of such Authorities shall be binding on the Petitioner Company



7. Ms. Rupa Sutar, Deputy Director in the office of Regional Director (WR), Mumbai appeared on the date of hearing and submits that above explanations and clarifications given by the Petitioner Company in rejoinder are satisfactory and they have no further objection to the Scheme.
8. Upon the coming into effect of this Scheme and in consideration of the merger of the Transferor Company with the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the **“New Equity Shares”**) at par on a proportionate basis to each member of Transferor Company, whose name is recorded in the register of members of Transferor Company as holding shares on the Record Date, in the ratio of 1 (one) equity share of ₹ 2/- each fully paid up of Transferee Company for every 1 (one) equity share of ₹ 2/- each fully paid up held in Transferor Company.
9. 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 considering that no objection has so far been received from any authority or creditors or members or any other stakeholders.



10. Since all the requisite statutory compliances have been fulfilled, CP (CAA)/86/MB/2023 filed by the Petitioner Company is made absolute in terms of prayer clauses of the said Company Scheme Petition.
11. The Scheme is sanctioned hereby, and the Appointed Date of the scheme is 1st April 2022.
12. The Petitioner Company is directed to file a certified copy of this Order along with the copy of Scheme with the concerned Registrar of Companies, electronically in e-form INC-28 within 30 days from the date of receipt of the Order duly certified by the designated Registrar of this Tribunal or after the date of receipt of order passed in the Transferor Company along with additional fees, if any.
13. The Petitioner Company shall lodge a copy of this Order along with the Scheme duly certified by the Designated Registrar of this Tribunal, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within a period of 60 working days from the date of the receipt of the certified Order by the Transferor Company.
14. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Designated



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Registrar of this Tribunal.

15. Any concerned authorities are at liberty to approach this Tribunal for any further clarification, as may be necessary.
16. Ordered accordingly. CP (CAA)/86/MB/2023 is allowed and disposed off.

SD/-
MADHU SINHA
MEMBER (TECHNICAL)

SD/-
H.V. SUBBA RAO
MEMBER (JUDICIAL)

Certified True Copy
Copy Issued "free of cost"
On 13/7/2023

[Signature]
Deputy Registrar 13/7/2023
National Company Law Tribunal Mumbai Bench

