

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/VC Mode (Hybrid)]

ITEM No.05
C.P. No. 74/BB/2025

IN THE MATTER OF:

Smt. Kamalapuri Narasimaih Jayalakshmi

... Petitioner

Vs.

Vistara Media Pvt. Ltd.

... Respondent

Petition under Section 58 of CA, 2013

Order delivered on: 19.05.2026

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Petitioner : Shri Chethan Kumar
For the R1 to R4 : Shri Shiv M. V

ORDER

1. C.P is **allowed** vide separate order.
2. File be consigned to Record Room.

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

BL

IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU
(through web-based video conferencing platform)

C.P. No.74/BB/2025
U/s. 58 of the Companies Act, 2013

IN THE MATTER OF:

Smt. Kamalapuri Narasimaih Jayalakshimi

W/O, Shri.Kamalapura Guligowda Krishna,
Aged about 49 years
residing at No.1680, 6th Cross,
10th Main Road, 2nd Block
BSK 1st Street,
Bengaluru South, Bengaluru 560050

...Petitioner No. 1

Shri. Krishna Karthik Darshan

S/O.Shri.Kamalapura Guligowda Krishna
Aged about 23 years
Residing at No.1680, 6th Cross,
10th Main Road, 2nd Block
BSK 1st Street,
Bengaluru South, Bengaluru 560050

...Petitioner No. 2

AND

1. M/s. Vistara Media private Limited

Having its registered office at
No.1 2nd floor and 4th floor,
Indian express Building,
Queens Road, Bengaluru-560001

Represented by its Managing Director

Mr.Harti Venkataravanappa Dharmesh

...Respondent No. 1

2. Mr.Harti Venkataravanappa Dharmesh

Managing Director and Erstwhile Shareholder and Promoter of
M/s. Vistara Media Private Limited
Residing at No.13, 3rd Floor, 4th Main,
4th Cross, Sankranthi Layout, JP Nagar 7th Phase,
Bengaluru South, Karnataka 560 076,

...Respondent No.2

3. Mr.Srinivasa Seetaram Hebbar

Director and Erstwhile Shareholder and Promoter of
M/s. Vistara Media Private Limited
Residing at 71/1, Subhadra Vidya Nagar,
5th Cross Maratikoppa Sirsi,

Karnataka 581402.

...Respondent No. 3

4. Mr. Hariprakash Konemane

Director and Erstwhile Shareholder and Promoter of
M/s. Vistara Media Private Limited
Residing at F.NO.008,
Pyramid Platina Apartment,
D.K.Sandra, Karnataka 560 062.

...Respondent No. 4

5. M/s. Mysore Mercantile Co. Ltd

Having its office at Mysore Mercantile House,
No.46, III & IV floor, 36th Cross,
Jayanagar 4th T Block, Bengaluru
Karnataka — 560 041

Represented by its Managing Director

Mr.Halady Srinivasa Shetty
Managing Director of MMCL
Aged about 65 years,
S/o. Sri. Halady Rajiv Shetty
Residing at #571,21st Main, 4th Block, Bengaluru
Karnataka-560041

...Respondent No. 5

6. Mr. Varadahalli Thimmappa Sridhara

S/o.Thimmappa Varadahalli
Aged 44 years
Residing at no. 1623, 1st Floor,
1st Block, Sir MV Layout,
Vishwavidhyalaya, Banaglore — 560 056

...Respondent No. 6

7. Divya Niteen Malu

The Company Secretary

Vistara Media Private Limited,

Having its registered office at
No.1, 2nd and 4th Floor, Indian Express Building,
Queens Road, Bangalore-560001,
Also at H-No. 8-315, Kirana Bazaar,
Kalburagi, 585101

...Respondent No. 7

Order delivered on: 19.05.2026

Coram:

Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

O R D E R

Per RADHAKRISHNA SREEPADA, Member (Technical):

1. This Petition is filed by Smt. Kamalapuri Narasimaih Jayalakshimi & Shri. Krishna Karthik Darshan (hereinafter referred to as 'Petitioners') on 16.06.2025 under Section 58 of the Companies Act, 2013 for seeking the following reliefs:

- i) Direct Respondent No. 1 to 7 to enter the names of the Petitioner No.1 and 2 in the register of members of the Respondent No.1 Company.
- ii) Direct the Respondent No. 2 to 6 to make the Petitioner No.1 and 2 to be joint signatories to the bank account.
- iii) Pass such other or further reliefs as this Hon'ble Tribunal deems fit in the circumstances of this case in the interest of justice and equity.

2. **Submissions made by the Petitioners:** The facts of the case as mentioned in the petition are as under:

1. The Respondent No.1 Company was duly incorporated under the provisions of the Companies Act, 2013, bearing Corporate Identification Number (CIN) **U92419KA2021PTC154253**, in the name and style of **M/s Vistara Media Private Limited**, having its registered office at **No. 1, 2nd Floor and 4th Floor, Indian Express Building, Queens Road, Bengaluru – 560001**, and is engaged in the business of media and news broadcasting. The present authorised share capital of the Respondent No.1 Company is **Rs. 55,00,00,000/-**, comprising **Rs. 34,60,00,000/-** towards equity share capital and **Rs. 20,40,00,000/-** towards preference share capital.
2. The Respondent Nos.1 to 6 represented to and persuaded the Petitioners and Mr. K. G. Krishna (husband of Petitioner No.1 and father of Petitioner No.2) that the Respondent No.1 Company had gained substantial popularity over the past three years since its

incorporation and assured them of promising returns in the near future. The Respondent Nos.1 to 6 further represented that an investment of approximately **Rs. 15 Crores** was required to render the Respondent No.1 Company profitable and, on the basis of such representations and assurances, induced the Petitioners to make investments in the Respondent No.1 Company.

3. The Respondent Nos.1 to 6, with the intention to induce the Petitioners, represented that the Respondent No.1 Company was in urgent need of funds to meet its immediate operational requirements, including payment of salaries of approximately 300 employees, up-linking charges, DTH/Cable operator fees, rent, and other recurring expenses. It is submitted that the Respondent Nos.1 to 6, both through personal meetings and telephonic communications, persuaded and convinced the Petitioners to invest in the Respondent No.1 Company.
4. Respondent Nos.2 to 6 were Directors and/or Shareholders of the Respondent No.1 Company. Respondent No.5 Company, namely **Mysore Mercantile Company Limited**, holds approximately **34.54%** shareholding in the Respondent No.1 Company. It is submitted that **Dr. Halady Srinivasa Shetty**, Managing Director of Respondent No.5 Company, through telephonic calls and personal meetings, induced and persuaded Mr. K. G. Krishna (husband of Petitioner No.1 and father of Petitioner No.2), as well as the Petitioners, to invest in the Respondent No.1 Company. The Directors and Shareholders of the Respondent No.1 Company, i.e., Respondent Nos.2 to 6, collectively induced and persuaded the Petitioners to make investments in the Respondent No.1 Company.
5. In order to further inspire the confidence of the Petitioners, the Respondent Nos.1 to 6 convened an urgent meeting of the Board of Directors on **24.08.2024**, pursuant to which **Smt. Kampalapura Narasimhaiah Jayalakshmi (Petitioner No.1)** was appointed as

an **Additional Director** of the Respondent No.1 Company and **Sri. Kampalapura Guligowda Krishna** (husband of Petitioner No.1 and father of Petitioner No.2) was appointed as the **Chief Executive Officer** of the Respondent No.1 Company.

6. Pursuant to repeated telephonic conversations, personal meetings, and specific requests made by Respondent Nos.1 to 6, including the Managing Director of Respondent No.5 Company, **Mr. Halady Srinivasa Shetty**, the Petitioners, relying upon such representations and assurances, invested a sum of **Rs. 1.68 Crores** in the Respondent No.1 Company, namely **M/s Vistara Media Private Limited**, towards meeting its immediate financial and operational requirements. The Respondent Nos.2 to 6 approached Mr. K. G. Krishna (husband of Petitioner No.1 and father of Petitioner No.2), as well as Petitioner Nos.1 and 2, and induced them to make such investment for the purpose of purchasing shares of the Respondent No.1 Company.
7. Thereafter, Respondent No.5 filed a frivolous Commercial Suit bearing **Com. O.S. No. 1248/2024** on **18.09.2024** and obtained a stay order restraining the holding of the Board Meeting scheduled on **20.09.2024**. The said suit was subsequently withdrawn by Respondent No.5. Respondent No.5 also filed **C.P. No. 89/2024** before this Hon'ble Tribunal seeking reliefs on the ground of oppression and mismanagement and obtained interim orders in collusion with Respondent Nos.2 to 4. Upon perusal of the documents filed in **C.P. No. 89/2024**, it became evident to the Petitioners that Respondent Nos.1 to 6 were acting in collusion with each other and in a manner prejudicial to the interests of the Petitioners. The Petitioners have also lodged an official complaint before the Commissioner of Police, Bengaluru, vide complaint dated **10.02.2025**.

8. The Petitioners thereafter came to know that the Respondents had illegally and without convening any meeting removed the name of Petitioner No.1 and Sri. K. G. Krishna (husband of Petitioner No.1 and father of Petitioner No.2) from the records of the Ministry of Corporate Affairs (MCA) as Additional Director and Chief Executive Officer respectively, despite the matter being sub-judice before this Hon'ble Tribunal in **C.P. No. 89/2024**.
9. The Petitioners, vide their letter dated **17.02.2025**, called upon the Respondents to enter their names in the Register of Members of the Respondent No.1 Company in accordance with law. However, the Respondents have illegally failed and refused to enter the names of the Petitioners in the Register of Members and have issued an untenable reply through email. The Petitioners, having lawfully purchased Equity Shares and Optionally Convertible Preference Shares, are entitled to have their names entered as members of the Respondent No.1 Company.
10. The Petitioners invested a total sum of **Rs. 1.68 Crores** in the Respondent No.1 Company in the following manner:
- i) A sum of **Rs. 9,00,000/-** was transferred by way of RTGS on **30.08.2024** to Respondent No.1 Company by Petitioner No.2, Sri. Krishna Karthik Darshan;
 - ii) A sum of **Rs. 59,00,000/-** was paid on **29.08.2024** through **J.K. Power Company Pvt. Ltd.**, a company owned by Petitioner No.1 and her husband, to Respondent No.1 Company;
 - iii) A sum of **Rs. 1,00,00,000/-** was paid by way of RTGS on **13.09.2024** to Respondent No.1 Company.
11. The Petitioners also transferred the entire consideration amount towards purchase of shares as under:

- i) A sum of **Rs. 1,13,25,000/-** from the bank account of Petitioner No.1 to the bank account of Respondent No.2, Mr. H. V. Dharamesha, by way of RTGS on **10.09.2024**;
- ii) A sum of **Rs. 12,79,000/-** and a further sum of **Rs. 1,03,93,652/-** from the bank account of Petitioner No.2 to the bank account of Respondent No.2 by way of RTGS on **10.09.2024** and **11.09.2024** respectively;
- iii) A sum of **Rs. 60,44,000/-** from the bank account of Petitioner No.2 to the bank account of Respondent No.4, Mr. Hariprakash Konemane, by way of RTGS on **10.09.2024**;
- iv) A sum of **Rs. 40,02,000/-** from the bank account of Petitioner No.2 to the bank account of Respondent No.3, Mr. Srinivas Seetharam Hebbar, by way of RTGS on **10.09.2024**.

12. The Respondents have duly acknowledged receipt of the consideration amounts for sale of their respective shares and have executed **Form SH-4** and handed over the original share certificates of Respondent No.1 Company to the Petitioners.

13. To the shock and surprise of the Petitioners, Respondent Nos.1 to 6, in collusion with each other, prompted the Managing Director of Respondent No.5 Company, namely **Dr. Halady Srinivasa Shetty**, to file a frivolous Commercial Suit bearing **Com. O.S. No. 1248/2024** and obtain an ex-parte interim order staying the holding of the Board Meeting dated **20.09.2024**. Copies of the plaint and interim order are annexed hereto as **Annexure-K**. It is submitted that Respondent No.4 herein was arrayed as Defendant No.1 in the said suit and has filed a written statement specifically admitting that he has sold his equity shares in Respondent No.1 Company to the Petitioners.

14. The Petitioners have purchased substantial shareholding in Respondent No.1 Company, including **1,16,04,000 Equity Shares**

from Respondent No.2 by paying valuable consideration. Petitioner No.2 has purchased **1,13,25,000 Equity Shares** from Respondent Nos.2, 3 and 4 and has also purchased **1,03,93,652 Optionally Convertible Preference Shares** from Respondent No.2. However, when the Petitioners approached the Respondents for entering their names in the Register of Members of Respondent No.1 Company, the Respondents have illegally refused to do so on untenable and false grounds.

- 2.1 **Submissions of the Respondents:** The counsels for the Respondents have argued orally that the petition is not maintainable and is liable to be dismissed. The respondent No. 6 has filed a memo which consists of Memorandum of Association of Respondent No. 1 Company, Copy of Broadcasting License of Respondent No. 1 Company, Copy of Notification of Ministry of Information and Broadcasting and Copy of Interim Orders on 10.03.2026.
3. We have heard the Ld Counsels for the Petitioners and the Respondents and have gone through the Written submissions filed. We have also gone through the Case law cited by both parties.
4. **ANALYSIS:** In order to arrive at a conclusion upon consideration of the written and oral submissions, it is necessary to note the following facts as available from the Written submissions filed by both the Parties.
- A.** A meeting of the Board was held on 24.08.2024 and the Petitioner 1 was appointed as an Additional Director and Shri Kamalapura Guligowda Krishna was appointed as the CEO. The appointments were communicated to the ROC and are reflected in the Master data of the Company which is filed at Pages 54-55 as **Annexure-D** to the Petition.
 - B.** From the Documents available on record it is seen that on the payment of Consideration for the Shares, a total of **five (5)**

share transfers were effected by the Respondents in favour of the Petitioners on **06.09.2024** and **10.09.2024**, as detailed hereunder

- 4.B.1 Petitioner No.1 purchased shares from Respondent No.2 and, on **06.09.2024**, **Form SH-4 (Securities Transfer Form)** was duly executed in favour of Petitioner No.1 for transfer of **1,13,25,000 Equity Shares of Rs. 1/- each**;
- 4.B.2 Petitioner No.2 purchased shares from Respondent No.2 and, on **06.09.2024**, **Form SH-4** was executed in favour of Petitioner No.2 for transfer of **12,79,000 Equity Shares of Rs. 1/- each**
- 4.B.3 Petitioner No.2 further purchased shares from Respondent No.2 and, on **10.09.2024**, **Form SH-4** was executed in favour of Petitioner No.2 for transfer of **1,03,93,652 Optionally Convertible Preference Shares of Rs. 1/- each**;
- 4.B.4 Petitioner No.2 purchased shares from Respondent No.4 and, on **06.09.2024**, **Form SH-4** was executed in favour of Petitioner no.2 for transfer of **60,44,000 Equity Shares of Rs. 1/- each**;
- 4.B.5 Petitioner No.2 purchased shares from Respondent No.3 and, on **06.09.2024**, **Form SH-4** was executed in favour of Petitioner No.2 for transfer of **40,02,000 Equity Shares of Rs. 1/- each**.

The details of these SH-4 are available at pages 61-103 of the Application at Annexures **F, F1,G,G1G2,H, H1,H2,H3 and H4**.

- C.** The Meeting of the Board of Directors was convened on 20.09.2024 to consider the Share transfer as per the SH-4 forms executed. However, the Respondent 6 moved a petition before the CITY CIVIL COURT on 18.09.2024 and obtained an Interim Injunction on Holding of the Board meeting.

Consequently, the Meeting Could not be convened. The R-5 subsequently withdrew his petition on 10.12.2024.

- D.** The petitioners No. 1 & 2 sent separate letters to Respondent No.1- Company requesting them to enter their names in the register of members of the company on 17.02.2025. The same was also sent in email dated 13.03.2025 to the Respondents.
- E.** The respondents have replied by letter dated 15.03.2025 refusing to register their names in the register of members.

5 In the Present application, the Basic Issue to be determined is Whether the plea raised by the Petitioners for Recording their names in the Register of Shareholders can be entertained. For this purpose, the following issues need to be examined.

- A.** Whether the Petitioners have acquired the Shares for Valid consideration.
- B.** Whether the Petitioners have received the SH-4 forms and the Original Share certificates.
- C.** Whether they have sent them to the Company for effecting the Change of names in time as per Section 56.
- D.** Whether the Respondents have repaid the amounts received by them to the Petitioners or to their associates on instructions of petitioners.
- E.** Whether there are any Statutory or Governmental restrictions on transfer of Shares
- F.** Whether the Refusal to transfer the Shares by Respondents is valid.

The above issues are examined in the light of the documents filed by both the parties and available on record.

5.1. Whether the Petitioners have acquired the Shares for Valid consideration:

From the Documents available on record of the Petition filed, it is clear that the petitioners have acquired the Shares for a valid

Consideration. The amounts paid by them are through banking Channels and are as below

- i) A sum of **Rs. 1,13,25,000/-** from the bank account of Petitioner No.1 to the bank account of Respondent No.2, Mr. H. V. Dharamesha, by way of RTGS on **10.09.2024**;
- ii) A sum of **Rs. 12,79,000/-** and a further sum of **Rs. 1,03,93,652/-** from the bank account of Petitioner No.2 to the bank account of Respondent No.2 by way of RTGS on **10.09.2024** and **11.09.2024** respectively;
- iii) A sum of **Rs. 60,44,000/-** from the bank account of Petitioner No.2 to the bank account of Respondent No.4, Mr. Hariprakash Konemane, by way of RTGS on **10.09.2024**;
- iv) A sum of **Rs. 40,02,000/-** from the bank account of Petitioner No.2 to the bank account of Respondent No.3, Mr. Srinivas Seetharam Hebbar, by way of RTGS on **10.09.2024**.

5.2. Whether the Petitioners have received the SH-4 forms and the Original Share certificates:

From the Documents available on record of the Petition filed at pages 61 to 103, it is clear that the petitioners have received the SH-4 forms as under.

- i) Petitioner No.1 purchased shares from Respondent No.2 and, on **06.09.2024, Form SH-4 (Securities Transfer Form)** was duly executed in favour of Petitioner No.1 for transfer of **1,13,25,000 Equity Shares of Rs. 1/- each**;
- ii) Petitioner No.2 purchased shares from Respondent No.2 and, on **06.09.2024, Form SH-4** was executed in favour of Petitioner No.2 for transfer of **12,79,000 Equity Shares of Rs. 1/- each**;
- iii) Petitioner No.2 further purchased shares from Respondent No.2 and, on **10.09.2024, Form SH-4** was executed in favour of

Petitioner No.2 for transfer of **1,03,93,652 Optionally Convertible Preference Shares of Rs. 1/- each;**

- iv) Petitioner No.2 purchased shares from Respondent No.4 and, on **06.09.2024, Form SH-4** was executed in favour of Petitioner No.2 for transfer of **60,44,000 Equity Shares of Rs. 1/- each;**
- v) Petitioner No.2 purchased shares from Respondent No.3 and, on **06.09.2024, Form SH-4** was executed in favour of Petitioner No.2 for transfer of **40,02,000 Equity Shares of Rs. 1/- each.**

The details of these SH-4 are available at pages 61-103 of the Application at Annexures **F, F1,G,G1G2,H, H1,H2,H3 and H4.**

5.3. Whether they have sent them to the Company for effecting the Change of names in time as per Section 56:

It is on record that the Meeting of the Board of Directors was convened on 20.09.2024 to consider the Share transfer as per the SH-4 forms executed. If no request was received for such an action, then the Board meeting would not have been called for.

Meanwhile, Respondent No 6 obtained a stay on the holding of the Board meeting from the City Civil Court on 18.09.2024 and this stay continued until the petition was withdrawn by the Respondent no 6 on 10.12.2024.

After this, the petitioners made a request for entering their names in the register of members of the company on 17.02.2025. Therefore, it cannot be said that there was any lapse on part of the Petitioners in pursuing the matter.

5.4. Whether the Respondents have repaid the amounts received by them to the Petitioners or to their associates on instructions of petitioners:

The Respondents have contended that they have returned the money paid for the Purchase of shares to the petitioners and their associates as per instructions of the Petitioners. It is contended that this submission is made by them before the Hon'ble NCLT Kolkata Bench has been taken on record.

The Petitioners have refuted the claim of repayments made. IT was submitted that some amount of money which is paid for dealing with certain legal matters alone was repaid and that has nothing to do with the Share purchase price paid.

We have also gone through the Order of NCLT Kolkata Bench dated 13.02.2026. In that Order at para 8, the Respondents 2,3 and 5 of that petition who are the Respondents in the present petition are directed to show proof that the payments made by them are made to Respondent 6 and 7 (Who are petitioners in the present petition) and their associates on instructions of Respondents 6 and 7 Only.

During the proceedings before us **no evidence of any nature** to this effect is brought on record to substantiate the claim made before the Hon'ble Kolkata Bench of NCLT.

In the absence of any appreciable evidence coupled with strong denial by the Petitioners We have no option but to disbelieve that claim made.

5.4. **Whether there are any Statutory or Governmental restrictions on transfer of Shares:**

It is contended that the Shares of Respondent no 1 Company cannot be transferred in view of the Notification issued by the Ministry of Information and Broadcasting. The same is filed by Respondent no 6 vide Dy no 6126 on 28.04.2026. The Circular is reproduced below.

ANNEXURE C

15

GOVERNMENT OF INDIA
Ministry of Information & Broadcasting

'A' Wing, Shastri Bhawan, New Delhi-110 115

No. 104/1/2007-FM

Dated: 24th September 2008

ORDER

In pursuance of the Cabinet decision taken on 11th September, 2008 regarding modification of policy guidelines on 'expansion of FM Radio Broadcasting services through Private Agencies (Phase-II)', the existing Para 8.3 of the FM Phase-II Policy has been amended as under:-

"8.3 No permission holder, whether with or without foreign investment, shall be permitted to change the ownership pattern of the company through transfer of shares of the majority shareholders/promoters to any new shareholders without the written permission of the Ministry of Information & Broadcasting, which shall not be granted for a period of five years from the date of operationalization of the permission, subject to the condition that the new shareholders conform to all the prescribed eligibility criteria. However, requests for transfer of shares for the purpose of creation of a subsidiary company, amalgamation of companies of the same group, de-merger of company etc. may be allowed within the period of five years also subject to the fulfillment of the following conditions :-

- (a) The majority shareholders/promoters would continue to remain as majority shareholders/promoters and together should hold at least 51% of the total shares.
- (b) The new corporate entities would maintain their FDI component within the prescribed limit and would not violate the terms and conditions of the Tender Document and Grant of Permission Agreement.
- (c) The new corporate entities should have minimum prescribed net worth and adhere to all the terms and conditions of the Tender Document and the provisions of the agreement.
- (d) The new company shall sign a fresh agreement with Government on identical terms and conditions (except for transferability of shares as provided herein) for the remaining period of licence of the original company.
- (e) Such transfer of shares would be permitted only once during the first five years period from the date of operationalization.

Sidhu V R

- 2 -

- (f) No new tax regime will be designed to provide any incentive to encourage creation of subsidiaries, merger/demerger, amalgamation of FM Broadcasting companies.
- (g) Any tax implication arising out of such mergers/demergers or amalgamation would be governed by the provisions of the Income Tax Act, 1961 as applicable from time to time.
- (h) The processes/action taken by the licensee companies including for formation of new companies/subsidiaries/mergers/amalgamations and/or disinvestment of undertakings, or part thereof, of existing companies etc., need to be compliant with the Companies Act, 1956. The applicant shall not dilute such requirement through its Articles of Association or any Agreement.”
2. The FM Policy on expansion of FM Radio Broadcasting Services through Private Agencies (Phase-II), as amended, is available on the Ministry's website (www.mib.nic.in) for general information.

(ZOHRA CHATTERJI)

Joint Secretary to the Government of India
Tel # 23382597

Copy to:

1. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhawan, New Delhi
2. Secretary, Ministry of Finance, Department of Economic Affairs, North Block, New Delhi.
3. Secretary, Ministry of Finance, Department of Revenue, North Block, New Delhi.
4. Secretary, Ministry of Home Affairs, North Block, New Delhi
5. Secretary, Ministry of Corporate Affairs, Shastri Bhawan, New Delhi
6. Secretary, Ministry of Law & Justice, Department of Legal Affairs, Shastri Bhawan, New Delhi.

Sidhwa V.T.

GOVERNMENT OF INDIA
Ministry of Information & Broadcasting
'A' Wing, Shastri Bhawan, New Delhi-110 115

No. 104/1/2007-FM

Dated: 24th September 2008

Subject:- Modification of Policy Guidelines on Expansion of FM Broadcasting Services through Private Agencies (Phase II)

As NIC is aware, the policy guidelines for expansion of FM Radio Broadcasting Services through Private Agencies (Phase-II) have already been placed on the Ministry's website. Now, the Government has decided to modify the guidelines to enable the private FM broadcasters to demerge their radio business.

2. Accordingly, the existing clause 8.3 of the policy guidelines is required to be replaced with the amended clause as given under:

"8.3 No permission holder, whether with or without foreign investment, shall be permitted to change the ownership pattern of the company through transfer of shares of the majority shareholders/promoters to any new shareholders without the written permission of the Ministry of Information & Broadcasting, which shall not be granted for a period of five years from the date of operationalization of the permission, subject to the condition that the new shareholders conform to all the prescribed eligibility criteria. However, requests for transfer of shares for the purpose of creation of a subsidiary company, amalgamation of companies of the same group, de-merger of company etc. may be allowed within the period of five years also subject to the fulfillment of the following conditions : -

- (a) The majority shareholders/promoters would continue to remain as majority shareholders/promoters and together should hold at least 51% of the total shares.
- (b) The new corporate entities would maintain their FDI component within the prescribed limit and would not violate the terms and conditions of the Tender Document and Grant of Permission Agreement.
- (c) The new corporate entities should have minimum prescribed net worth and adhere to all the terms and conditions of the Tender Document and the provisions of the agreement.

(Contd.)

Sidhu V.T.

- 2 -

- (d) The new company shall sign a fresh agreement with Government on identical terms and conditions (except for transferability of shares as provided herein) for the remaining period of licence of the original company.
- (e) Such transfer of shares would be permitted only once during the first five years period from the date of operationalization.
- (f) No new tax regime will be designed to provide any incentive to encourage creation of subsidiaries, merger/demerger, amalgamation of FM Broadcasting companies.
- (g) Any tax implication arising out of such mergers/demergers or amalgamation would be governed by the provisions of the Income Tax Act, 1961 as applicable from time to time.
- (h) The processes/action taken by the licensee companies including for formation of new companies/subsidiaries/mergers/amalgamations and/or disinvestment of undertakings, or part thereof, of existing companies etc., need to be compliant with the Companies Act, 1956. The applicant shall not dilute such requirement through its Articles of Association or any Agreement."

3. NIC is requested to replace the existing clause 8.3 of the policy guidelines for expansion of FM Radio Broadcasting Services through Private Agencies (Phase-II) with the above mentioned amended clause.

(S.P. VEER)
Under Secretary (FM)

NIC

Sidhanta V

From the Record, the following factual position is noted.

- a. The Respondent No 1 Company was incorporated on 05.11.21 with the following Shareholding pattern.

Shri Hari Prakash Konamane	33333 Shares
Shri Venkataravanappa Dharmesh	33334 Shares
Shri Srinivasa Seetaram Hebbal	33333 Shares

- b. Approval of the Ministry of Information and Broadcasting was received on 11.08.2022.

- c. Subsequently, as on 31.07.2024 the Shareholding pattern changed to

Mysore Mercantile Company	1.19.50.000 Shares
Shri Hari Prakash Konamane	60,44,000 Shares
Shri Venkataravanappa Dharmesh	1,26,04,000 Shares
Shri Srinivasa Seetaram Hebbal	40,02,000 Shares

Thus indicating that Shares were given to other than those who were shareholders at the time of incorporating the Company.

If the claim that the Shares cannot be transferred is to be accepted, then how the shares to Mysore Mercantile Company were allotted has not been brought on Record.

Hence, the plea made that there are restrictions on Share transfer appears to be without any sound basis.

5.5. Whether the Refusal to transfer the Shares by Respondents is valid :

Considering the above in totality, We are of the considered Opinion that the refusal of the RESPONDENTS to enter the names of the Petitioners in the REGISTER OF Shareholders IS NOT JUSTIFIABLE.

6. **DECISION:** From the above discussion, it is observed that

- a. The Petitioners have paid valid Consideration for the Shares.

- b. The duly executed SH-4 forms and the Share Certificates were delivered to them.
- c. The Board of directors of the Respondent no1 Company called for a Board meeting to consider change in the Ownership of Shares.
- d. There are no Restrictions on Share transfer

6.1. In the light of the above factual scenario, the refusal of Respondents to register the Share transfer is not proper. Hence, this authority directs that

- a. the Change in the Ownership of the Shares must be recognised by the Respondent No 1 Company and the necessary steps to record the names of the petitioners in the Register of Shareholders should be done expeditiously within a period of 4 weeks from the date of this Order.
- b. Necessary Forms regarding the above changes must be filed before the Concerned ROC.

In the result the Company Petition in **CP No.74/BB/2025** is **Allowed. No order as to Costs.**

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)