

**THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH,
AT NEW DELHI
COMPANY PETITION NO. CA (CAA)-141 (PB) 2018**

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

In the matter of:

Scheme of Amalgamation

OF

Times Content Limited

Transferor Company / Applicant No.1

WITH

Times Internet Limited

Transferee Company / Applicant No.2

Judgement Delivered on: 14.09.2018

CORAM:

DR. DEEPTI MUKESH, Hon'ble Member (J)

Mr. S. K. MOHAPATRA, Hon'ble Member (T)

For Applicant: Mr. Abhishek Seth, Advocate



ORDER

S.K. Mohapatra, Member

1. This application has been jointly filed by the Applicant Companies under Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016, duly supported by separate affidavits of the Applicant Companies, for seeking appropriate orders/directions for dispensing with the respective meetings of shareholders, secured creditors and unsecured creditors of the applicant companies, in connection with the proposed Scheme of Amalgamation contemplated between the applicant companies. The said Scheme of Amalgamation (hereinafter referred to as the “Scheme”) has been placed on record along with the joint application.
2. It is represented that the registered offices of all the applicant companies are situated in New Delhi and therefore the subject matter of this joint application falls within the Jurisdiction of this Bench.



3. M/s Times Content Limited (Transferor Company) was incorporated on 06.08.2015 under the provisions of Companies Act, 2013. The present Authorized Share Capital of the Transferor Company is Rs. 1,22,81,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each and 12,28,00,000 preference shares of Rs. 10 each. The present Issued, Subscribed and paid-up Share Capital of the Company is Rs. 1,22,76,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each and 12,27,50,000, 8% non-cumulative compulsory convertible preference shares of Rs. 10/- each. The registered office of the Transferor Company is situated at Express Building, 9-10 Bahadurshah Zafar Marg, New Delhi-110002.
4. It is submitted that the transferor Company has 7 Equity Shareholders and 1 preference shareholder and all the equity shareholders and the sole preference shareholder of the company have given their consent affidavits to the Scheme constituting 100% in value and 100% in number. The consent affidavits of each of the members have been placed on record. It is further represented that the transferor company has no secured creditor and 8 unsecured creditors. Out of 8 unsecured creditors, unsecured creditors constituting 99.46% of total outstanding value have given their consent



affidavits to the Scheme. Certificate of chartered accountant in respect of status of the creditors in the company has been placed on record. Since Transferor Company has no secured creditor the requirement of convening of meeting of secured creditors does not arise. In relation to the shareholders and unsecured creditors, the transferor company seeks dispensation from convening and holding of their meetings on the ground that all the shareholders as well as the unsecured creditors having 99.46% of total outstanding debt have given consent affidavits in favour of the Scheme.

5. M/s Times Internet Limited (Transferee Company) was incorporated on 04.05.1999 under the provisions of the Companies Act, 1956. The present Authorized Share Capital of the Transferee Company is Rs. 39,05,25,00,000/- divided into 17,02,30,000 Equity Shares of Rs. 10/- each and 3,73,50,20,000 preference shares of Rs. 10 each. The present Issued, Subscribed and paid-up Share Capital of the Company is Rs. 26,22,65,44,090/- divided into 11,12,98,409 Equity Shares of Rs. 10/- each and 2,51,13,56,000, 8% non-cumulative compulsory convertible preference shares of Rs. 10/- each. The registered office of the Transferee Company is situated at Express Building, 9-10 Bahadurshah Zafar Marg, New Delhi-110002.



6. It is submitted that the transferee Company has 27 Equity Shareholders and 1 preference shareholder and all the equity shareholders and the sole preference shareholder have given their consent affidavits to the Scheme constituting 100% in value and 100% in number. The consent affidavits of each of the members have been placed on record. It is further represented that the transferee company has no secured creditor and 1,243 unsecured creditors out of which unsecured creditors having 91.87% in value of the total debt of the company have given their consent affidavits in favour of the Scheme. Certificate of chartered accountant in respect of status of the creditors in the company has been placed on record. Since Transferee Company has no secured creditor the requirement of convening of meeting of secured creditors does not arise. In relation to the shareholders and unsecured creditors, the transferee company seeks dispensation from convening and holding of their respective meetings on the ground that all the shareholders and unsecured creditors having 91.87% in value of the total debt of the company have given consent affidavits in favour of the Scheme.

7. It is seen that in both the applicant companies all the shareholders have given their consent affidavits in favour of the Scheme. It is further seen that both the companies have no secured creditors. In respect of



unsecured creditors consent has been obtained from unsecured creditors having more than 90% in value of total outstanding debt. Needless to say that under sub-section 9 of Section 230 of Companies Act, meeting of creditors can be dispensed with if creditors having at least 90% in value agree by way of affidavit in favour of the Scheme. Accordingly both the companies have prayed for dispensing with the requirement of convening of the meetings of shareholders and creditors of both the companies.

8. We have perused the joint applications and the connected documents / papers filed herewith including the Scheme of Amalgamation contemplated between the Applicant companies.
9. It is seen that the board of directors of both the applicant companies vide separate meetings, held on 08.08.2018 respectively have unanimously approved the proposed Scheme of Amalgamation. Copies of such resolutions passed thereat have been placed on record by the applicant companies.
10. Both the applicant companies have filed their respective Memorandum and Articles of Associations. The applicants have also filed their latest audited financial statements for the year ending 31.03.2018 and unaudited accounts as on 20.08.2018.



11. It is submitted that the proposed amalgamation is sought to be made under the provisions of Section 230 to 232 of the Companies Act, 2013, and the same if sanctioned by this Tribunal the appointed date as provided in the Scheme shall be April 1st, 2018.
12. Both the applicant companies have submitted that there are no investigation proceedings which are pending against the transferor and transferee company under the Companies Act, 2013 or under the Companies Act, 1956.
13. Further, it has been stated in the application that the Scheme will be beneficial to both the applicant companies and their respective shareholders, employees, creditors and other stake holders.
14. The certificates of statutory auditors of both the applicant companies have been filed confirming that the accounting treatment in the scheme is in conformity with Accounting Standard notified by the Central Government under Section 2(2) and Section 133 of the Companies Act, 2013.



15. Taking into consideration the application filed jointly by the Applicant Companies the following directions are issued: -

A. In relation to the Transferor Company No. 1:-

- i. The meeting of Equity Shareholders is dispensed with as there are only 7 equity shareholders in the company and all of their consent affidavits in favour of the Scheme have been placed on record.*
- ii. The meeting of preference shareholders is also dispensed with as there is only one preference shareholder in the company and the sole preference shareholder has given its consent to the Scheme.*
- iii. The meeting of Secured creditors is also dispensed with because there is no Secured creditor in the company and therefore, the requirement of convening meeting of Secured creditors does not arise.*



iv. *The meeting of unsecured creditors is also dispensed with because there are only 8 unsecured creditors in the Company out of which unsecured creditors holding 99.46% of total outstanding debt have given their consent affidavits in favour of the Scheme.*

B. In relation to the Transferee Company:-

- i. *The meeting of Equity Shareholders is dispensed with as there are only 27 equity shareholders in the company and all of their consent affidavits in favour of the Scheme have been placed on record.*
- ii. *The meeting of preference shareholders is also dispensed with as there is only one preference shareholder in the company and the sole preference shareholder has given its consent to the Scheme.*
- iii. *The meeting of Secured creditors is also dispensed with because there is no Secured creditor in the company and therefore, the requirement of*



convening meeting of Secured creditors does not arise.

iv. The meeting of unsecured creditors is also dispensed with because there are only 1,243 unsecured creditors in the Company out of which unsecured creditors holding 91.87% of total outstanding have given their consent affidavits in favour of the Scheme.

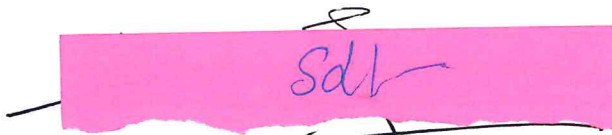
16. In view of the above the present joint application stands allowed by dispensing with the meetings of shareholders and creditors of both the applicant companies.

17. The applicants are directed to serve notice of the proposed Scheme on the Regional Director, Ministry of Corporate Affairs, B-2 Wing, 2nd Floor, Paryavaran Bhavan, CGO Complex, New Delhi-110 003, Registrar of Companies at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110 019; the Official Liquidator, Lok -Nayak -Bhavan, 8th Floor, Khan Market, New Delhi -110 001; and the office of the Income Tax Department, Income Tax Officer, At Chamber No. 428-429, Income Tax Cell-Delhi High Court including the office of the Income Tax Department, Income Tax Officer,



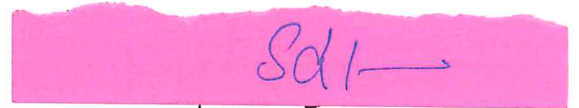
Additional Commissioner of Income Tax, Special Range-4, Central Revenue Building, IP Estate, New Delhi-110 002 and to any other sectoral regulators. The notices to Income Tax authorities shall disclose sufficient details of all the applicant companies like PAN card numbers, ward numbers and assessing officers so that proper reply may be filed.

Let copy of the order be served to the parties.



(S. K. MOHAPATRA)

Member (T)



(DR. DEEPTI MUKESH)

Member (J)