

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH

COMPANY SCHEME APPLICATION NO 547 (MAH) OF 2017

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement between Sakal Papers Private Limited ("Demerged Company") and Sakal Media Private Limited ("Resulting Company") and their respective shareholders

Sakal Papers Private Limited, a Company }  
Incorporated under the provisions of Companies }  
Act 1956 having its registered office at 595, Budhwar Peth, }  
Pune - 411002, Maharashtra, India }

.....**First Applicant Company**

AND

Sakal Media Private Limited, a Company incorporated under the }  
provisions of Companies Act 2013 having its registered office }  
at Office No.7&8, 4th Floor, A Wing, Akshay Complex, }  
ITI Road, Pushpak Park, Aundh, Pune - 411007, Maharashtra, India }

.....**Second Applicant**

**Company** Mr. Hemant Sethi i/b. Hemant Sethi & Co., Advocates for the  
Applicant Company

**CORAM: B.S.V. Prakash Kumar, Member (Judicial)**

**V. Nallasenapathy, Member (Technical)**

**DATE: 03<sup>rd</sup> May 2017**

**MINUTES OF THE ORDER**

1. The Counsel for the Applicants states that the present Scheme is an Arrangement between Sakal Papers Private Limited, the

Demerged Company and Sakal Media Private Limited, the Resulting Company and their respective Shareholders. This Scheme of Arrangement provides for the transfer of 'Print Media Business' from Sakal Papers Private Limited, the Demerged Company to Sakal Media Private Limited, the Resulting Company, and the consequent discharge of consideration by the Resulting Company to the shareholders of the Demerged Company, pursuant to the relevant provisions of the Act.

2. The Counsel for the Applicants further submit that rationale for Scheme is as under –

- a. Print media business has significant potential for growth.
- b. The nature of risk and returns involved in the Print Media businesses is distinct and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which this business is required to be managed.
- c. Print Media business has a different set of regulations to comply with, which includes restrictions on the extent of foreign investment depending on the business activity carried on by it.
- d. To enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operations of Print Media business it is proposed to segregate and demerge the Print Media business to Second Applicant Company.
- e. The proposed demerger once completed would achieve the following benefits:
  - i. Simplification of the group structure;
  - ii. Achieving operational and management efficiency by way of segregation of businesses;
  - iii. Attribution of appropriate risk and valuation to different businesses based on their respective risk return profile and cash flows; and

- iv. More focused management and greater visibility on the performance of individual businesses
3. That the meeting of the Equity Shareholders of the First Applicant Company be convened and held at 10 Floor, Akshay Comp, Pushpak Park, ITI Road, Aundh, Pune - 411007 on 16<sup>th</sup> day of June 2017 at 3.00 p.m. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Scheme of Arrangement between Sakal Papers Private Limited and Sakal Media Private Limited and their respective Shareholders.
4. That the meeting of the Equity Shareholders of the Second Applicant Company be convened and held at 10 Floor, Akshay Comp, Pushpak Park, ITI Road, Aundh, Pune - 411007 on 16<sup>th</sup> day of June 2017 at 3.30 p.m. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Scheme of Arrangement between Sakal Papers Private Limited and Sakal Media Private Limited and their respective Shareholders.
5. That at least one month before the said Meetings of the Equity Shareholders of the First Applicant Company and Second Applicant Company to be held as aforesaid, a notice convening the said Meeting at the place date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 notified on 14<sup>th</sup> December 2016

and the prescribed Form of Proxy, shall be sent by Courier / Registered Post / Speed Post / Hand delivery or through Email (to those shareholders whose email addresses are duly registered with the First Applicant Company and the Second Applicant Company for the purpose of receiving such notices by email), addressed to each of the Equity Shareholders of the First and the Second Applicant Company, at their last known address or email addresses as per the records of the Applicant Company.

6. That at least one month before the meetings of the Equity Shareholders of the First Applicant Company and Second Applicant Company to be held as aforesaid, a notice convening the said Meetings, indicating the place, date and time of meeting as aforesaid be published and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and the Form of Proxy can be obtained free of charge at the Registered Office of the First and Second Applicant Company as aforesaid and / or at the office of its Advocates, M/s Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.
7. That the Notice of the Meetings shall be advertised in two local newspapers viz. “The Economic Times” in English and “Maharashtra Times” in Marathi, both circulated in Pune not less 30 days before the date fixed for the meeting.

8. That Mr. Sanjay Gupta, Authorised Representative of the First Applicant Company, and failing him, Mr. Mandar Vidwans, Authorised Representative of the First Applicant Company and failing him Mr. Yeshwant Pathak, also Authorised Representative of the First Applicant Company, shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the First Applicant Company to be held at 10 Floor, Akshay Comp, Pushpak Park, ITI Road, Aundh, Pune - 411007 on 16<sup>th</sup> day of June 2017 at 3.00 p.m. or any adjournment or adjournments thereof.
  
9. That Mr. Sanjay Gupta, Authorised Representative of the First Applicant Company, and failing him, Mr. Mandar Vidwans, Authorised Representative of the First Applicant Company and failing him Mr. Yeshwant Pathak, also Authorised Representative of the First Applicant Company, shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the First Applicant Company to be held at 10 Floor, Akshay Comp, Pushpak Park, ITI Road, Aundh, Pune - 411007 on 16<sup>th</sup> day of June 2017 at 3.30 p.m. or any adjournment or adjournments thereof.
  
10. That the Chairman appointed for the aforesaid Meetings to issue the advertisement and send out the notices of the Meetings referred to above. The said Chairman shall have all powers as per Articles of Association and also under the Companies Act 2013 in relation to the conduct of the meetings, including for deciding procedural questions that may arise or at any adjournment thereof or resolution, if any, proposed at the meetings by any person(s).

11. That the quorum of the aforesaid meetings of the Equity Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.
12. That voting by proxy or authorized representative in case of body corporate be permitted, provided that a proxy in the prescribed form/ authorisation duly signed by the person entitled to attend and vote at the meetings, are filed with the First and Second Applicant Company at its Registered Office not later than 48 hours before the aforesaid meeting.
13. That the value and number of the shares of each Equity Shareholder shall be in accordance with the books / register of the First and Second Applicant Company or depository records and where the entries in the books / register / depository records are disputed, the Chairman of the Meetings shall determine the value for the purpose of the aforesaid meetings and his decision in that behalf would be final.
14. That Mr. Sridhar Mudaliar, Practicing Company Secretary is hereby appointed as Scrutinizers of the meeting of Equity shareholders of the First Applicant Company and the Second Applicant Company proposed to be held on 16<sup>th</sup> Day of June 2017 at 10 Floor, Akshay Comp, Pushpak Park, ITI Road, Aundh, Pune - 411007 and his remuneration is fixed as Rs. 10,000/-.
15. That the Chairman to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings and do report

this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with.

16. That the Chairman of the meetings to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meetings.

17. The First and Second Applicant Company is directed to serve notices along with copy of scheme upon:- (i) concerned Income Tax Authority with in whose jurisdiction the First and Second Applicant Company's assessments are made, (ii) the Central Government through the office of Regional Director, Western region, Mumbai, (iii) Registrar of Companies, (iv) The Ministry of Information and Broadcasting, with a direction that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the First and Second Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.

18. The Counsel for the First Applicant Company further submits that since the Scheme is an arrangement between the Applicant Company and their respective shareholders only a meeting of the Equity Shareholders is proposed to be held in accordance with the provisions of Section 230(1)(b) of the Companies Act 2013. This bench hereby directs the First Applicant Company to issue notice to all its Secured Creditors and to all Unsecured Creditors of the

value of Rs. 5,00,000/- and above as on 28<sup>th</sup> February 2017 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the First Applicant Company.

19. The Counsel for the Second Applicant Company submits that there are no Secured and Unsecured Creditors in the Second Applicant Company, therefore, the question of sending notices to the Secured and Unsecured Creditors do not arise.

20. The First and Second Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the shareholders, Creditors, publication of notices in newspapers and to the regulatory authorities as stated in Clause 17 above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

**V. Nallasenapathy, Member (T)**

Sd/-

**B.S.V. Prakash Kumar, Member (J)**