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IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CO.PET. 265/2011

IN THE MATTER OF
M/S. INFOMEDIA 18 LTD.
Through

..... Petitioner
Mr. Nidhesh Gupta, Senior Advocate
with Mr. Tarun Gupta, Advocate for
petitioner-company.
Mr. K.S. Pradhan, Dy. ROC for
Regional Director (Northern Region).
Ms. Anubha Rastogi, Advocate for
applicant in CA 2331-2332/2011.

CORAM:
HON'BLE MR. JUSTICE MANMOHAN

% **ORDER**
22.11.2011

CO. APPL. 2332/2011

Keeping in view the averments in the application, the delay in
filing the application being CA 2331/2011 is condoned and the said
application is taken on record.

Accordingly, the present application stands allowed.

CO. APPL. 2331/2011

Present application has been filed by the workmen of Printing
Division of the petitioner company seeking following relief:-

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- "a. Pass an order directing the management to consider and resolve the concerns of the applicant union before adjudicating upon the demerger scheme and/or*
- b. Pass an order directing the management to submit a clear plan of action for addressing the concerns of the applicant union and/or*
- c. Pass an order directing the management to modify the proposed demerger scheme to the extent of covering the applicant union workers of the printing unit and/or*
- d. Pass any other order as this Hon'ble Court may deem fit in the present facts and circumstances."*

Ms. Anubha Rastogi, learned counsel for the applicant-Infomedia Employees Union states that the sole client of the Printing Division of the petitioner company is the Publishing Division and if the Publishing Division is demerged into the resulting company it would have an adverse impact on the applicants.

Mr. Nidhesh Gupta, learned senior counsel for the petitioner-company states that the service conditions of the employees of Printing Division of petitioner company shall not be adversely altered and there shall be no retrenchment or lay off of said employees or closure of Printing Division pursuant to the Scheme.

Mr. Nidhesh Gupta has also, today in Court, handed over an affidavit on behalf of the petitioner company to the aforesaid effect.

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Ms. Anubha Rastogi states that in view of the aforesaid undertaking, she does not wish to press this application any further.

Accordingly, the aforesaid undertaking given by Mr. Nidhesh Gupta is accepted by this Court and petitioner company is held bound by the same.

With the aforesaid observations, the present application stands disposed of.

CO.PET. 265/2011

1. This petition has been filed under Sections 391 & 394 read with Sections 78 and 100 to 103 of the Companies Act, 1956 (for short 'Act') by the petitioner-company seeking sanction of the Scheme of Arrangement (for short 'Scheme') between M/s Infomedia 18 Limited (hereinafter referred to as petitioner company) and M/s Network18 Media and Investments Limited (hereinafter referred to as resulting company).
2. The registered office of the petitioner company is situated at New Delhi, within the jurisdiction of this Court.
3. The petitioner company was incorporated on 30th May, 1955 under the provisions of the Indian Companies Act VII of 1913 with

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the Registrar of Companies, Bombay with the name styled as 'Commercial Printing Press Limited'. The name of the company was changed to 'Tata Press Limited' on 23rd August, 1966. Thereafter, the name of the company was changed to 'Tata Donnelley Limited' on 12th September, 1996. The name of the company was further changed to 'Tata Infomedia Limited' on 28th September, 2000. It was subsequently changed to 'Infomedia India Limited' on 17th February, 2004. Further, the name of the company was changed to its present name i.e. 'Infomedia 18 Limited' w.e.f 16th September, 2008.

4. The resulting company was incorporated on 16th February, 1996 under the provisions of the Act with the Registrar of NCT of Delhi & Haryana in the name and styled as 'SGA Finance and Management Services Limited'. The name of the company was changed to 'Network18 Fincap Private Limited' on 12th April, 2006. Pursuant to its conversion into a public company the name of the company was changed to 'Network18 Fincap Limited' on 20th October, 2006 which was further changed to its present name i.e. 'Network18 Media & Investments Limited' on 1st December, 2007.

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5. The present authorized share capital of the petitioner company is Rs 1,000,000,000/- divided into 100,000,000 equity shares of the face value of Rs 10/- each. The present issued, subscribed and paid up share capital of the petitioner company is Rs 500,296,220/- divided into 50,029,622 equity shares of Rs 10/- each.

6. The present authorized share capital of the resulting company is Rs 5,310,000,000/- divided into 589,000,000 equity shares of the face value of Rs 5/- each and 1,100,000 preference shares of the face value of Rs 100/- each and 10,500,000 preference shares of the face value of Rs 200/- each and 15,500,000 preference shares of the face value of Rs 10/- each. The present issued share capital of the resulting company is Rs 2,772,523,115/- divided into 142,646,583 equity shares of the face value of Rs 5/- each and 10,296,451 preference shares of the face value of Rs 200/- each. The present subscribed share capital of the resulting company is Rs 2,770,108,715/- divided into 142,646,583 equity shares of the face value of Rs 5/- each and 10,284,379 preference shares of the face value of Rs 200/- each. The present paid up share capital of the resulting company is Rs 2,255,889,765/- divided into 142,646,583 equity shares of the face

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value of Rs 5/- each and 10,284,379 preference shares of the face value of Rs 150/- each.

7. The copy of the Memorandum and Articles of Association of the petitioner company and the resulting company has been filed on record. The audited balance sheet, as on 31st March, 2010 of the petitioner company and the resulting company has also been filed.

8. A copy of Scheme has been placed on record and the salient features of the Scheme have been incorporated and detailed in the petitions and the accompanying affidavits.

9. So far as the exchange ratio is concerned, the scheme provides that, upon coming into effect of this Scheme shares will be issued in the following ratio:-

- *7 fully paid-up equity shares of Rs 5/- each of resulting company to be issued for every 50 fully paid-up equity shares of Rs 10/- each of demerged company, held by the member*

10. It has been submitted by the petitioner company and the resulting company that no proceeding under Sections 235 to 251 of the Act is pending against them.

11. The copies of the resolutions passed by the Board of Directors of the petitioner company and the resulting company approving the Scheme have also been placed on record.

12. The petitioner company had earlier filed CA (M) Nos. 10/2011 seeking directions of this Court to convene the meeting of the equity shareholders and dispense the convening of the meetings of the secured creditors and unsecured creditors. Vide order dated 17th January, 2011, this Court had directed for holding the meetings of equity shareholders, secured creditors and unsecured creditors of the petitioner company.

13. The chairpersons of the said meetings of equity shareholders, secured creditors and unsecured creditors of the petitioner company have filed their reports stating that the meetings were duly held on 23rd February, 2011, as directed, and the Scheme has been approved by the equity shareholders, secured creditors and unsecured creditors of the petitioner company, present and voting, at the meetings.

14. The petitioner company has thereafter filed the present petition seeking sanction of the Scheme. Vide order dated 3rd June, 2011, the notice of the petition was directed to be issued to the Regional

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Director, Northern Region. Citations were also directed to be published in 'Business Standard' (English) and 'Jansatta' (Hindi) in terms of the Companies (Court) Rules, 1959. Copies of petition was also served on the Registrar of Companies. Affidavit of Service and Publication has been filed by the petitioners showing compliance regarding service of the Petition on the Regional Director, Northern Region and Registrar of Companies, and also regarding publication of citations in the aforesaid newspapers on 11th October, 2011. Copies of the newspapers' cuttings, in original, containing the publications have been filed along with the Affidavit of Service.

15. In response to the notices issued in the petition, Mr. B. K. Bansal, Regional Director, Northern Region, Ministry of Corporate Affairs has filed his report 22nd September, 2011. Relying on the Clause 14.1 of Section D of the Scheme, he has stated that, all the employees of the petitioner company engaged in publishing undertaking shall become the employees of the resulting company without any break or interruption in their services upon sanctioning of the Scheme by the Court.

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16. The Regional Director, while referring to Para 7.11 of Section-C of the Scheme, regarding amendment of relevant clauses of the Memorandum of Association of the resulting company, has further submitted that the Memorandum of Association of the Company can be changed/alterd only after following the procedure prescribed under the relevant provisions of the Act. He, therefore, submitted that the resulting company may be asked to follow the prescribed procedure for altering its Memorandum of Association.

17. In response to the above observations, the petitioner company in its affidavit dated 20th October, 2011, have submitted that the object clause of the resulting company is proposed to be changed/alterd as part of the Scheme and therefore nothing more is required to be done. In this regard reliance is placed on the decision of the Bombay High Court in ***Re: S. S. Miranda Ltd, (1994) 80 Comp. Cases 289 (Bom.)***, wherein it has been held as under:-

"Section 391 invests the court with powers to approve or sanction a scheme of amalgamation/ arrangement which is for the benefit of the company. In doing so, if there are any other things which, for effectuation, require a special procedure to be followed, then the court has powers to sanction them while sanctioning the scheme itself. Further, it was also provided that it would not be necessary for the company to resort to other provisions of the Companies Act

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or to follow other procedures prescribed for bringing about the changes requisite for effectively implementing the scheme which is sanctioned by the court. It was also held that Section 391 is a complete code and it is intended to be in the nature of a "single window clearance" system to ensure that the parties are not put to avoidable, unnecessary and cumbersome procedure of making repeated applications to the court for various other alterations or changes which might be needed effectively implement the sanctioned scheme whose overall fairness and feasibility has been judged by the court under section 394 of the Act.

Considering the matter from all perspectives, I am of the view, that it is permissible for this court to sanction a scheme under section 394 even if the scheme contemplates a consequential alteration in the objects clause of the memorandum of association of the company."

18. Further, learned senior counsel also placed reliance upon the decision of this Court in ***Re: Television Eighteen India Limited*** in ***C.P. No. 41 of 2011 decided on 26th April, 2011***, wherein similar stand was taken.

19. Considering the matter from all perspectives, I am of the view, that it is permissible for this Court to sanction a scheme under section 394 even if the scheme contemplates a consequential alteration in the objects clause of the memorandum of association of the company.

20. In view of the same, the observation made by the Regional Director does not survive.

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21. The Regional Director, while referring to Para 21 of Section D of the Scheme, regarding the change in the name of the petitioner company, has further submitted that the name of a company can be changed/ altered only after following the procedure prescribed under the relevant provisions of the Act. He, therefore, submitted that this aspect be considered by this Court.

22. In response to the above observations, the petitioner company in its affidavit dated 20th October, 2011, has submitted that it has been held in catena of judgments that Section 391/394 are complete code in itself and all changes can be done as part of the Scheme. Further, they have submitted that under the Scheme it is proposed to change the name of the petitioner company to **"Infomedia Press Limited"** to reflect the nature of its business. In this regard, reliance is placed on the decision of the High Court of Karnataka in **"Mysore Cements Limited"** in **C.P. No. 86 of 2008, decided on 8th January, 2009** wherein it has been observed that *"the majority of the shareholders of the petitioner company have given their approval to the scheme including change in name and in the absence of there being any objection with regard to change in name, it is unnecessary to once*

again file an application under section 21 of the Act by the petitioner.”

23. Reliance is also placed on the decision of this Court in ***Re: Television Eighteen India Limited*** (supra) wherein similar stand was taken.

24. Hence, the petitioner company in the instant case is directed to file necessary forms as prescribed in law with the office of the Registrar of Companies to place on record the changes with regard to name of the company.

25. In view of the same, the observation made by the Regional Director does not survive.

26. The Regional Director has further submitted that the petitioner company has intimated that certain charges are proposed to be transferred from the petitioner company to the resulting company. He has further stated that the name of a company cannot be substituted in the charge documents as such for satisfaction of charge, the company is required to file Form No. 17. He, therefore, prayed that the petitioner company may be asked to comply with the relevant

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provisions of the Act for satisfaction and creation of charge in petitioner company and the resulting company respectively.

27. In response to the above observation, the petitioner company, in the affidavit dated 20th October, 2011, has submitted that they will comply with the relevant procedure for modification/ substitution of charges in the petitioner company and creation of fresh charge in the name of the resulting company. The undertaking given by the petitioner company is accepted and they shall remain bound by the same. In view of the undertaking given, the observation made by the Regional Director does not survive.

28. Mr. Nidhesh Gupta, learned senior counsel for the petitioner company has today in Court handed over an affidavit executed by Mr. Anil Srivastava, authorised signatory of petitioner company stating that pursuant to the publication of citations in newspapers, except objections filed by the Infomedia Employees Union, no objection to the Scheme has been received by petitioner company or its counsel. The same is taken on record.

29. It is pertinent to mention that the objections of Infomedia Employees Union has already been disposed by the order passed

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today in CA 2331/2011 recording the petitioner company's undertaking that the service conditions of the employees of Printing Division of petitioner company shall not be adversely altered and there shall be no retrenchment or lay off of said employees or closure of Printing Division pursuant to the Scheme.

30. The aforesaid undertaking of the petitioner company has been accepted by this Court and the petitioner company is held bound by the same. It is directed that the said undertaking shall form part of the present Scheme.

31. In view of the approval accorded by the shareholders and creditors of the petitioner company and representation/reports filed by the Regional Director, Northern Region to the proposed Scheme, there appears to be no impediment to the grant of sanction to the Scheme. Consequently, sanction is hereby granted to the Scheme under Sections 391 and 394 of the Act. The petitioner company will comply with the statutory requirements in accordance with law. Certified copy of the order be filed with the Registrar of Companies within thirty days from the date of receipt of the same. In terms of the provisions of Sections 391 and 394 of the Act, all properties, rights and powers of

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the 'Demerged Undertaking' of the petitioner company be transferred to and vest in the resulting company without any further act or deed. Similarly, all the liabilities and duties of the 'Demerged Undertaking' of the petitioner company be transferred to the resulting company without any further act or deed. It is, however, clarified that this order will not be construed as an order granting exemption from payment of stamp duty or any other charges, if payable in accordance with any law; or permission/compliance with any other requirement which may be specifically required under any law.

32. Learned senior counsel for the petitioner states that the petitioner company would voluntarily deposit a sum of Rs. 1,00,000/- with the Common Pool fund of the Official Liquidator within three weeks from today. The said statement is accepted.

33. The petition is allowed in the above terms.

Order dasti.


MANMOHAN, J.

NOVEMBER 22, 2011

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IN THE HIGH COURT OF DELHI AT NEW DELHI

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CO.PET. 265/2011

IN THE MATTER OF
M/S. INFOMEDIA 18 LTD.

Through

..... Petitioner

Mr. Nidhesh Gupta, Senior Advocate
with Mr. Tarun Gupta, Advocate for
petitioner-company.Mr. K.S. Pradhan, Dy. ROC for
Regional Director (NR).Ms. Anubha Rastogi, Advocate for
Workmen of Printing Division of
Infomedia 18 Employees' Union.**CORAM:****HON'BLE MR. JUSTICE MANMOHAN****ORDER**

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03.05.2012**CO. APPL. 634/2012**

Present application has been filed seeking amendment/rectification of the order dated 27th November, 2011 so as to include the revised schedule of the properties of petitioner-company, M/s. Infomedia 18 Ltd. annexed as Annexure C to the present application. By this application the applicant has also sought extension of time in filing the order passed by this Court on 27th November, 2011 with the Registrar of Companies within fifteen days of the FIPB approval.

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Mr. K.S. Pradhan, Deputy Registrar of Companies appearing for the Registrar of Companies state that he has no objection to the present application being allowed by this Court.

Mrs. Anubha Rastogi, learned counsel for the applicant/workmen of the Printing Division of the petitioner-company states that by virtue of the Demerger, the rights and interest of the workmen would be adversely affected.

Having heard the parties this Court is of the opinion that issue of adverse impact on the workmen has already been considered by this Court while sanctioning the Scheme of Arrangement. By the present application, the applicant is seeking to retain the Printing Press asset with the Printing Division of the petitioner-company. In the opinion of this Court, the retention of the said asset by the Printing Division of petitioner-company would only benefit the employees of the Printing Division that means the clients of Mrs. Anubha Rastogi.

Consequently, present application is allowed and the revised schedule of the property of M/s. Infomedia 18 Ltd. annexed as Annexure C to the present application is taken on record. The time

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for filing the order passed by this Court with the Registrar of Companies is extended for a period of fifteen days from today. Accordingly, the order dated 22nd November, 2011 stands amended to the aforesaid extent.

With the aforesaid observations, present application stands disposed of.

Order dasti.

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MANMOHAN, J

MAY 03, 2012

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- Fresh op 1066/12 for Rectification

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IN THE HIGH COURT OF DELHI AT NEW DELHI

+ CO.PET. 265/2011

IN THE MATTER OF
M/S. INFOMEDIA 18 LTD.

..... Petitioner

Through: Mr. Saurabh Kalia, Advocate with
Mr. Sameer Chaudhary and Mr. Harshit
Aggarwal, Advocates for applicant-
petitioner.

Mr. K.S. Pradhan, Deputy Registrar of
Companies for Regional Director
(Northern Region).

Ms. Svetlana Loveya, Advocate for
Workmen Union.

CORAM:
HON'BLE MR. JUSTICE MANMOHAN

ORDER
22.05.2012

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Co. Appl. 1066/2012 in Co. Pet. 265/2011

Present application has been filed seeking rectification of the
order dated 03rd May, 2012.

It is stated in the application that due to typographical error, the
initial order sanctioning the Scheme has been mentioned as 27th
November, 2011 instead of 22nd November, 2011.

Keeping in view the aforesaid averments, present application is
allowed and order dated 03rd May, 2012 shall now read as under:-

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"CO. APPL. 634/2012

Present application has been filed seeking amendment/ rectification of the order dated 22nd November, 2011 so as to include the revised schedule of the properties of petitioner-company, M/s. Infomedia 18 Ltd. annexed as Annexure C to the present application. By this application the applicant has also sought extension of time in filing the order passed by this Court on 22nd November, 2011 with the Registrar of Companies within fifteen days of the FIPB approval.

Mr. K.S. Pradhan, Deputy Registrar of Companies appearing for the Registrar of Companies state that he has no objection to the present application being allowed by this Court.

Mrs. Anubha Rastogi, learned counsel for the applicant/ workmen of the Printing Division of the petitioner-company states that by virtue of the Demerger, the rights and interest of the workmen would be adversely affected.

Having heard the parties this Court is of the opinion that issue of adverse impact on the workmen has already been considered by this Court while sanctioning the Scheme of Arrangement. By the present application, the applicant is seeking to retain the Printing Press asset with the Printing Division of the petitioner-company. In the opinion of this Court, the retention of the said asset by the Printing Division of petitioner-company would only benefit the employees of the Printing Division that means the clients of Mrs. Anubha Rastogi.

Consequently, present application is allowed and the revised schedule of the property of M/s. Infomedia 18 Ltd. annexed as Annexure C to the present application is taken on record. The time for filing the order passed by this Court with the Registrar of Companies is extended for a period of fifteen days from today. Accordingly, the order

dated 22nd November, 2011 stands amended to the aforesaid extent.

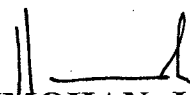
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With the aforesaid observations, present application stands disposed of.

Order dasti."

The time for filing the order passed by this Court with the Registrar of Companies is extended for a further period of fifteen days from today.

Accordingly, the application stands disposed of.


MANMOHAN, J

MAY 22, 2012

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