

**BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION**

**SPECIAL BENCH**  
**M/S DECCAN CHRONICLE HOLDINGS LTD.**

**SUMMARY RECORD OF PROCEEDINGS OF THE HEARING HELD ON**  
**19-03-2014 BEFORE THE SPECIAL BENCH CONSISTING OF**  
**SHRI S.C.SINHA AND SHRI J.P.DUA, MEMBERS.**

<u>Present</u>	<u>Name &amp; Designation of the Representative S/Shri</u>
M/s Deccan Chronicle Holdings Ltd.	Alok Dhir, Advocate Sandeep Kr. Gupta, FCA
IDFC	Sushmita Banerjee, Advocate
Canara Bank	Ajay K. Jain, Advocate Ravi Kumar, AGM Sushil Garg, Officer
JM Financial ARC (Rtanakar Bank & YES Bank)	Rajive R. Raj, Advocate
IDBI	Ramesh Harit, AGM
Indiabull Housing Finance Ltd.	Abhinav Vashishta, Sr. Adv. Sumesh Dhawan, Advocate Vatsala Kak Panda, Advocate
ICICI Bank	Sanjay Sharma, Manager(Legal) Rajesh Bohra, Advocate
AXIS Bank	Jogendra Singh
Tata Capital Financial Services Ltd.	S.R.Jariwala, CA Arun Khanna, Head-Legal
Corporation Bank	Rama Ahluwalia, Advocate

Andhra Bank	Amit Kumar Sharan
KMBL	Sachin Chandarana
State Bank of Hyderabad	Rakesh Kr. Neepu, Dy. Manager
Indian Overseas Bank	G.S.Thiara, Chief Manager
Oriental Bank of Commerce	N.K.Grover, Dy. Chief Manager
HDFC Bank	J.M.Babbar, AVP
Central Bank of India	I.P.S.Oberoi, Advocate J.P.Vijay, Sr. Manager
Karur Vysya Bank Ltd.	Vijay Kumar, Advocate Rekha Anand, Advocate A. Vishwanathan, Manager
Commissioner, Commercial Tax Govt. of A.P.	N.Jagadeswaraiah, DCTO, Vijayawada
LIC of India	Sidhartha Karwani

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1.1 M/ s. Deccan Chronicle Holdings Ltd., based on the Provisional accounts of the company for the financial year 2012-13 filed a reference on 26/ 8/ 2013 seeking registration as a sick Industrial company under Section 15 (1) of the SICA.

1.2 The Registrar, in accordance to the provisions of Regulation 19 of the BIFR Regulations, 1987 scrutinized the reference of the company and vide his letter dated 17/ 09/ 2013 granted 'conditional' registration to the company subject to their submission of Final Accounts for the year 201213.

1.3 However, on further scrutiny, and in view of the deficiencies found in the reference, the Registrar-BIFR, withdrew the 'conditional registration' granted to

the company on 17/9/2013, and vide his letter dated 19/09/2013 'Declined' to grant registration to M/s. DCHL.

1.4 The company aggrieved by the Registrar's order, filed an appeal on 27/09/2013 before the Secretary-BIFR as per Regulations 19 (8) (1) of the BIFR Regulations 1987.

1.5 The said Appeal was disposed off by the Secretary-BIFR, and registration was once again Declined to the company vide his order dated 22/11/2013.

1.6 M/ s. DCHL., in accordance to Regulation 19 (8) (2) of the BIFR Regulations 1987, on 29/11/2013, preferred an Appeal before the Hon'ble Chairman-BIFR.

1.7 Hon'ble Chairman-BIFR held an Appeal hearing in the matter on 12/12/2013. Vide his order dated 13/01/2014, Hon'ble Chairman-BIFR disposing of the Appeal stated

".....The Company in appeal has not been able to demonstrate that the company registered under the Press and Registration Books Act, 1867 can be deemed to be a manufacturing activity under the IDR Act, 1951. The business of printing and running of newspapers is clearly not covered under the First Schedule of IDR Act, 1951 and thus not for admission to BIFR.

In view of the aforesaid reason and analysis of the grounds in appeal, I am not inclined to interfere with the order passed by the Secretary, BIFR dated 21.11.2013. As such the appeal filed by M/ s. Deccan Chronicle Holdings Ltd., is dismissed"

2.1 Consequent to the rejection of their Appeal by the Chairman-BIFR, the petitioner filed a Civil Misc. Petition No. 1505/2014 and Writ Petition (Civil) No. 750 of 2014 on 21/01/2014, against the BIFR, before the Hon'ble High Court of Delhi, challenging Chairman's order dated 13/01/2014.

2.2 The Hon'ble High Court while disposing of the petition, set aside the orders issued by the Registrar, Secretary and the Chairman, and directed the BIFR to hear the matter. The directions of the Division Bench are reproduced below:

“We have heard the Learned Counsel for the Petitioner as well as the Learned Counsel for the BIFR. We have also heard the Learned Counsel for some of the Creditors including Canara Bank. After hearing the Counsel for the parties it has been agreed that the order dated 19.09.2013 passed by the Registrar-BIFR as also the order dated 20.11.2013 passed by the Secretary-BIFR and the order dated 13.01.2014 issued by the Chairman-BIFR in exercise of his powers under Regulation 19 (8) of the BIFR Regulations, 1987 be set aside. It is ordered accordingly.

Serious issues have been raised with regard to the validity of the registration of the reference of the petitioner by virtue of the Registrar's order dated 17.09.2013. It has been agreed by the counsel for the parties that the issue of the validity of registration be considered by the Board. Consequently, we direct that the Board shall consider this question in the first instance. The learned counsel for the creditors submits that, they are entitled as a right to be present on the date on which the Board will hear this question. However, for better safety they shall be moving an appropriate application on or before the date on which the Board is to hear the matter and that application would be heard simultaneously with the hearing of the above mentioned question. The matter be placed before the Board on 18.02.2014. We also hope that the Board shall endeavour to conclude the hearing and render a decision on the question as to whether the reference was correctly registered or not within a period of four weeks after hearing all the parties interested. The learned counsel for the petitioner has no objection to the creditors being heard. Since one of the orders which has been set aside by us is that of the Chairman of the BIFR, it would be appropriate if the Chairman is not a member of the Bench which hears the matter on 18.02.2014 on the issue. We may it clear that we have not expressed

any opinion on the merits of the case. The writ petition stands disposed off in the above terms. All pending applications also stand disposed off.”

3. In the hearing held on **18.02.2014**, the Bench observed that Hon’ble High Court of Delhi vide order dated 03.02.2014 has directed that the matter be placed before the Board on 18.02.2014 and the Board shall endeavor to conclude the hearing and render a decision on the question as to whether the reference was correctly registered or not within a period of four weeks after hearing all the persons interested. The Bench also observed that Registrar, BIFR has issued the hearing notice dated 17.02.2014 in compliance to the Hon’ble High Court of Delhi, Division Bench Order dated 03.02.2014. Therefore, the Bench proceeds with today’s hearing to decide the validity of registration as per Hon’ble High Court Order dated 03.02.2014. Accordingly, the inadvertent error cited by company’s counsel in Registrar’s Notice is inconsequential. The Bench issued the following directions:-

- (i) Company to provide a copy of Form-‘A’ to all concerned by 22.02.2014.
- (ii) All concerned to file their objection on the validity of Registration to Board’s office, with a copy to the company by 27.02.2014. Those who will not file their objection by 27.02.2014 forfeit their right to file objection.
- (iii) Company to file reply on the objections received from the creditors to Board’s office, with a copy to all concerned by 14.03.2014.
- (iv) The Bench fixed the next date of hearing on 19.03.2014 at 11.00 hrs for final arguments on the validity of Registration.

4.1 In today's hearing (19.03.2014), the Id advocate representing IDFC stated that they had not received the copy of Form 'A' till date. The Id advocate added that they had already filed their objections on the validity of Registration on 20.02.2014 well within Board's stipulated time.

4.2 The Id advocate representing JM Financial ARC stated that they had not received the copy of Form 'A'. He added that however, they had already filed objections on the validity of Registration.

4.3 The Id advocate representing Karur Vysya Bank Ltd (KVBL) stated that they had received the copy of Form 'A' only four days ago. He requested the Bench to grant some time to file their objections on the validity of Registration.

4.4 The Id advocate representing Corporation Bank stated that the Bank received the copy of Form 'A' only few days back. She requested the Bench to grant two days to file their objections on the validity of Registration.

4.5 The representative of Andhra Bank stated that they had received the copy of Form 'A' only four days ago. He added that the Bank has yet to file their objections on the validity of Registration.

4.6 The Id advocate representing LIC stated that they had received the copy of Form 'A' on 06.03.2014. He added that LIC has yet to file its objections on the validity of Registration. He also stated that LIC is a debenture holder and equity share holder in the company. The Id advocate representing LIC then handed over a copy of Vakalatnama.

4.7 The Id advocate representing Tata Capital Financial Services Ltd stated that they had not received the copy of Form 'A' till date. He added that they filed their objections on the validity of Registration. He also stated that since all the secured lenders of the company are against the registration of the

company, they are ready to argue the matter and will demonstrate why the reference filed by the company should not be registered by BIFR.

4.8 The Id advocate representing Indiabull Housing Finance Ltd stated that they had received Form 'A', however, which is not a complete set. He added that in the last hearing itself, they had submitted that they had already filed their objections on the validity of Registration. He also stated that in case the Bench considers, they are ready to argue the matter.

4.9 The representative of IDBI stated that they had already filed their objections on the validity of Registration vide their letter dated 14.03.2014. He then handed over a copy of their objections on the validity of Registration to the Bench and to the Counsel representing the company.

4.10 The Id advocate representing KMBL stated that they had already filed their objections on the validity of Registration. He added that KMBL received the copy of Form 'A' on 01.03.2014. He added that however, KMBL has not received copy of the reply filed by the company.

4.11 The representative of Indian Overseas Bank (IOB) and Oriental Bank of Commerce (OBC) stated that they had not received the copy of Form 'A'.

4.12 The representative of Canara Bank stated that they had not received the copy of Form 'A'. However, they had already filed their objections on the validity of Registration on 24.02.2014. He added that the company has filed its reply to the Objections of Canara Bank.

4.13 The representative of Axis Bank stated that they had already filed their objections on the validity of Registration.

4.14 The representative of HDFC Bank stated that they had not received copy of Form 'A'.

4.15 The representative of Central Bank of India stated that they had received the copy of Form 'A' on 01.03.2014 and need time to file objections on the validity of Registration.

4.16 The Id advocate representing the company stated that the company had already sent copy of Form 'A' to all the concerned parties. He added that the company has sent Form 'A' through courier and nearly half of them are now stating that they had not received the copy of Form 'A', whereas there are other parties, who accept they had received the copy of Form 'A'. The Id advocate added that he will ask the company to obtain courier receipt "Proof Delivery", which is the proof of delivery by the courier staff to the addressee. He further stated that they have been receiving objections till date. Four parties have given their objections prior to 27.02.2014, i.e. Tata Capital Financial Services (TCFS), IDFC, Indiabull Housing Finance Ltd (IBHFL) and Canara Bank. The company filed reply to these four parties on 14.03.2014 through Courier. He added that the company had also received objections on behalf of Axis Bank, however, inadvertently it was missed out while replying to other four parties, by the company. The Id advocate representing the company also stated that the objections from two parties namely JM Financial ARC Ltd and IDBI were received just now during the course of hearing.

4.17 Having considered the submissions made in the hearing and material on record, the Bench observed that Hon'ble High Court of Delhi vide order dated 03.02.2014 has directed that the matter be placed before the Board on 18.02.2014. Today's hearing is in continuation to the hearing held on 18.02.2014. The Bench also noted that a large number of secured lenders of the company stated that either they had received copy of Form 'A' late or they are yet to receive. Accordingly, the Bench issued the following directions:-



- (i) A last opportunity is given to all the secured lenders of the company to file their objection on the validity of Registration, as directed by Hon'ble High Court of Delhi vide its order dated 03.02.2014, latest by **26.03.2014**, with copy to the company.
- (ii) Thereafter, the company to file its reply within a further period of one week, with copy to respective parties.
- (iii) The company to file proof of delivery of Form 'A' to all concerned within a period of one week to the Board's office.
- (iv) The next date of hearing to consider the objections on the validity of Registration in compliance of the Hon'ble High Court of Delhi vide its order dated 03.02.2014 is now fixed on **07.04.2014 for final argument on the Validity of Registration.**

Let a copy of this order be circulated to all concerned.

**(J.P.DUA)**  
**MEMBER**

**(S.C.SINHA)**  
**MEMBER**