

IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 49/2015

Reserved on 9th April, 2015
Date of pronouncement: 29th April, 2015

In the matter of

The Companies Act, 1956 & the Companies Act, 2013 (to the extent applicable):

And

**Application under Sections 391 to 394 of the
Companies Act, 1956 read with Rules 6 and 9
of the Companies (Court) Rules, 1959**

Scheme of Amalgamation of:

All India Film Corporation Private Limited

Applicant/Transferor Company No. 1

The All India Investment Corporation Private Limited

Applicant/Transferor Company No. 2

World Media International Limited

Applicant/Transferor Company No. 3

WITH

World Media Private Limited

Applicant/Transferee Company

**Through Mr. Mahesh Aggarwal with
Mr. Rajeev Kumar, Advocates for the
applicants**

SUDERSHAN KUMAR MISRA, J.

1. This joint application has been filed under Sections 391 and 394 of the Companies Act, 1956 read with Rules 6 & 9 of the Companies (Court) Rules, 1959 by the applicant companies seeking directions of this court to dispense with the requirement of convening the meetings of their equity shareholders, secured and unsecured creditors to consider and approve, with or without modification, the proposed Scheme of

Amalgamation of All India Film Corporation Private Limited (hereinafter referred to as the transferor company no. 1); The All India Investment Corporation Private Limited (hereinafter referred to as the transferor company no. 2); and World Media International Limited (hereinafter referred to as the transferor company no. 3) with World Media Private Limited (hereinafter referred to as the transferee company).

2. The registered offices of the transferor and transferee companies are situated at New Delhi, within the jurisdiction of this Court.

3. The transferor company no. 1 was originally incorporated under the Companies Act, 1913 on 27th October, 1944 under the name and style of All India Film Corporation Limited. The company changed its name to All India Film Corporation Private Limited and obtained the fresh certificate of incorporation from the Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 27th May, 1980.

4. The transferor company no. 2 was originally incorporated under the Companies Act, 1913 on 29th September, 1952 under the name and style of The All India Investment Corporation Limited. The company changed its name to The All India Investment Corporation Private Limited and obtained the fresh certificate of incorporation from the Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 23rd September, 1976.

5. The transferor company no. 3 was incorporated under the Companies Act, 1956 on 25th November, 1991 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

6. The transferee company was originally incorporated under the Companies Act, 1913 on 17th October, 1949 under the name and style of Kishori Lal Shyam Lal and Company Private Limited. The company changed its name to L.M. Distributors Private Limited and obtained the fresh certificate of incorporation from the Registrar of Companies, NCT of Delhi & Haryana at New Delhi on 18th January, 1982. The company again changed its name to L.M. Distributors Limited and obtained the fresh certificate of incorporation on 30th September, 1988. Thereafter, the company changed its name to World Media Limited and obtained the fresh certificate of incorporation on 10th October, 1991. The company finally changed its name to World Media Private Limited and obtained the fresh certificate of incorporation on 19th September, 2002.

7. The present authorized share capital of the transferor company no.1 is Rs.34,04,900/- divided into 34,04,900 equity shares of Rs.1/- each. The present issued, subscribed and paid-up share capital of the company is Rs.2,24,806/- divided into 2,24,806 equity shares of Rs.1/- each.

8. The present authorized share capital of the transferor company no.2 is Rs.15,00,000/- divided into 14,000 equity shares of Rs.100/- each aggregating to Rs.14,00,000/- and 1000 preference shares of Rs.100/- each aggregating to Rs.1,00,000/-. The present issued, subscribed and paid-up share capital of the company is Rs.9,80,000/- divided into 9,800 equity shares of Rs.100/- each.

9. The present authorized share capital of the transferor company no.3 is Rs.1,00,00,000/- divided into 9,50,000 equity shares of Rs.10/- each aggregating to Rs.95,00,000/- and 50,000 non-cumulative redeemable preference shares of Rs.10/- each aggregating to Rs.5,00,000/-. The present issued, subscribed and paid-up share capital of the company is Rs.5,00,690/- divided into 50,069 equity shares of Rs.10/- each.

10. The present authorized share capital of the transferee company is Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the company is Rs.1,01,000/- divided into 10,100 equity shares of Rs.10/- each.

11. Copies of the Memorandum and Articles of Association of the transferor and transferee companies have been filed on record. The audited balance sheets, as on 31st March, 2014, of the transferor and

transferee companies, along with the report of the auditors, have also been filed.

12. A copy of the Scheme of Amalgamation has been placed on record and the salient features of the Scheme have been incorporated and detailed in the application and the accompanying affidavit. It is claimed that the amalgamation will result in reduction of overheads, administrative, managerial and other expenditure, and bring about operational rationalization, organizational efficiency and optimal utilization of various resources. It is further claimed that consolidation of entities will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the companies and also avoid duplication of administrative functions and eliminate multiple record-keeping.

13. So far as the share exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, the transferee company shall issue and allot equity shares to the shareholders of the transferor companies in the following ratio:

“01 equity share of Rs.10/- each of the transferee company, credited as fully paid up, for every 887 fully paid up equity shares of Rs.1/- each held in the transferor company no. 1.”

It is provided that the transferor company no. 2 is a wholly owned subsidiary of the transferee company. Therefore, the investment in the shares of the transferor company no. 2 shall get cancelled and there will

be no issue and allotment of shares of the transferee company, upon the Scheme becoming effective. It is further provided that the entire issued, subscribed and paid up capital of the transferor company no. 3 is held by the transferee company and its subsidiaries. Accordingly, in compliance with Section 19 of the Companies Act, 2013, there shall be no issue and allotment of shares of the transferee company upon amalgamation of the transferor company no. 3.

14. It has been submitted by the applicants that no proceedings under Sections 235 to 251 of the Companies Act, 1956 are pending against the applicant companies.

15. The Board of Directors of the transferor and transferee companies in their separate meetings held on 6th February, 2015 have unanimously approved the proposed Scheme of Amalgamation. Copies of the Resolutions passed at the meetings of the Board of Directors of the transferor and transferee companies have been placed on record.

16. The transferor company no. 1 has 32 equity shareholders. 06 out of 32 equity shareholders, being 18.75% in number and 98.35% in value, have given their consents/no objections in writing to the proposed Scheme of Amalgamation. Their consents/no objections have been placed on record. They have been examined and found in order. In view thereof, the requirement of convening the meeting of the equity

shareholders of the transferor company no. 1 to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured or unsecured creditor of the transferor company no. 1, as on 31.01.2015.

17. The transferor company no. 2 has 02 equity shareholders and 01 unsecured creditor. Both the equity shareholders and the only unsecured creditor have given their consents/no objections in writing to the proposed Scheme of Amalgamation. Their consents/no objections have been placed on record. They have been examined and found in order. In view thereof, the requirement of convening the meetings of the equity shareholders and unsecured creditor of the transferor company no. 2 to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured creditor of the transferor company no. 2, as on 31.01.2015.

18. The transferor company no. 3 has 03 equity shareholders and 02 unsecured creditors. All the equity shareholders have given their consents/no objections in writing to the proposed Scheme of Amalgamation. Their consents/no objections have been placed on record. As per the certificate dated 18th February, 2015 issued by V. K. Arora & Associates, Chartered Accountants, out of 02 unsecured creditors, 01 unsecured creditor namely Menichetti Glues & Adhesives having an unsecured debt of Rs.32,578/- has been paid in full on

18.02.2015. The consent of other unsecured creditor has been placed on record. All the consents have been examined and found in order. In view thereof, the requirement of convening the meetings of the equity shareholders and unsecured creditor of the transferor company no. 3 to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured creditor of the transferor company no. 3, as on 31.01.2015.

19. The transferee company has 05 equity shareholders and 02 unsecured creditors. All the equity shareholders and both the unsecured creditors have given their consents/no objections in writing to the proposed Scheme of Amalgamation. Their consents/no objections have been placed on record. They have been examined and found in order. In view thereof, the requirement of convening the meetings of the equity shareholders and unsecured creditors of the transferee company to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Amalgamation is dispensed with. There is no secured creditor of the transferee company, as on 31.01.2015.

20. The application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

April 29, 2015