IN THE HIGH COURT OF DELHI
COMPANY APPLICATION (MAIN) NO. 144/2015

Reserved on 2nd September, 2015
Date of pronouncement: 21st September, 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 & 9 of the Companies (Court) Rules, 1959

Scheme of Arrangement between:

Random House Publishers India Private Limited
Applicant/Transferor Company

AND

Penguin Books India Private Limited
Applicant/Transferee Company

Through Mr. Vivek Singh and Ms.Megha Gurnani, Advocates for the applicants

SUDERSHAN KUMAR MISRA, J.

1. This joint application has been filed under Sections 391 to 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 Arrangement between Random House Publishers India Private Limited (hereinafter referred to as the transferor company) and Penguin Books India 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 was incorporated under the Companies Act, 1956 on 13th April, 2005 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The transferee company was originally incorporated under the Companies Act, 1956 on 20th March, 1985 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi under the name and style of Penguin Books India Private Limited. The word 'Private' was deleted from the name of the company w.e.f. 10.07.1987. Thereafter, the word 'Private' was added in the name of the company.

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

6. The present authorized share capital of the transferee company is Rs.1,00,00,000/- divided into 1,00,000 equity shares of Rs.100/- each. The issued, subscribed and paid-up share capital of the company is Rs.58,18,100/- divided into 58,181 equity shares of Rs.100/- each.

7. 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, and the provisional accounts of the companies, as on 31st March, 2015, have also been filed.

8. A copy of the Scheme of Arrangement has been placed on record and the salient features of the Scheme have been incorporated and detailed in the application and the accompanying affidavits. It is claimed by the applicants that the proposed Scheme will result in accumulation of existing resources of both companies in one unit and shall enable better and more productive utilization of various resources, economies of scale, and enhance the business with the collective resources of the companies concerned. The Scheme will also result in reduction of costs, overheads, and other expenses as also in reduction of administrative and procedural works. It is further claimed that the Scheme will enable the establishment of a larger company, with larger resources, and a larger capital base enabling further development of businesses of the companies concerned.

9. 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 company in the following ratio:-

> "0.015 equity shares of Rs.100/- each of the transferee company, credited as fully paid up, for every 01 equity share of Rs.1/- held in the transferor company."

10. It has been submitted by the applicants that no proceedings under Sections 237, 243, 247(1A), 250A & 251 or any other applicable provisions of the Companies Act, 1956 or under Sections 210, 212(1) to (7) & (11) to (17), 214, 215, 216(1) & (3), 217, 219, 220, 223, 224(1), (3) and (4) and 225 or any other applicable provisions of the Companies Act, 2013 are pending against the applicant companies.

11. The Board of Directors of the transferor and transferee companies in their separate meetings held on 8th April, 2015 have unanimously approved the proposed Scheme of Arrangement. Copies of the Resolutions passed at the meetings of the Board of Directors of the transferor and transferee companies have been placed on record.

12. The transferor company has 02 equity shareholders and 229 unsecured creditors. Both the equity shareholders and 15 out of 229 unsecured creditors, representing 97.69% in value of the total unsecured debt, have given their consents/no objections in writing to the proposed Scheme of Arrangement. 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 transferor company to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Arrangement is dispensed with. There is no secured creditor of the transferor company, as on 31st March, 2015.

13. The transferee company has 02 equity shareholders and 884 unsecured creditors. Both the equity shareholders and 31 out of 884 unsecured creditors, representing 92.38% in value of the total unsecured debt, have given their consents/no objections in writing to the proposed Scheme of Arrangement. 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 Arrangement is dispensed with. There is no secured creditor of the transferee company, as on 31st March, 2015.

14. The application stands allowed in the aforesaid terms.

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SUDERSHAN KUMAR MISRA, J.

September 21, 2015