**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CP No. 19 of 2016 (O&M)

Date of decision : 26.2.2016

Prathana Bhawan Broadcasting Private Limited
.... Petitioner / Transferee Company
And
Palm Broadcasting Private Limited
.... Non-Petitioner / Transferor Company

Coram: Hon'ble Mr. Justice Rajesh Bindal

Present: Mr. Ashwani Gaur, Advocate, for the petitioner.

Mr. Deepak Aggarwal, Advocate with
Mr. D. K. Singh, Official Liquidator.

Rajesh Bindal, J.

In the petition under Sections 391 to 394 of the Companies Act, 1956 (for short, 'the Act'), duly supported by affidavit, the petitioner-Transferee Company seeks dispensation of the meetings of their Equity Shareholders, Secured and Un-secured Creditors for sanctioning of the Scheme of Amalgamation (Annexure P-1) of Palm Broadcasting Private Limited (Non-Petitioner / Transferor Company) with Prathana Bhawan Broadcasting Private Limited (Petitioner / Transferee Company).

It is averred in the petition that the registered office of the Petitioner Transferee Company is situated at Ludhiana (Punjab), whereas the registered office of the Transferor Company is situated at New Delhi.

Main objects of the Transferor Company and Petitioner Transferee Company are detailed in their respective Memorandum and Articles of Association annexed with the petition at **Annexures P-3 and P-9,** respectively.

The Board of Directors of the Transferor Company and Petitioner Transferee Company have approved the said Scheme in their respective meetings held on 5.1.2015 and 6.1.2015, vide resolutions **Annexure P-2 (colly).**

The present authorised share capital of the Transferor Company is ₹ 15,00,000/- divided into 1,50,000 equity shares of ₹ 10/- each. The issued, subscribed and paid up share capital of the company is ₹ 10,28,570/- divided into 1,02,857 equity shares of ₹ 10/- each.

The Transferor Company has 3 equity shareholders. The list of the equity shareholders along with no objection certificates is annexed as Annexure P-5 (colly).

There is no secured creditor of the Transferor Company. A certificate to this effect given by the Ashish S Gupta & Associates is annexed as Annexure P-7.

The Transferor Company has only one unsecured Creditor, who has also given no objection certificate (Annexure P-8) to the scheme of Amalgamation.

The present authorised share capital of the Petitioner Transferee Company is ₹ 1,11,00,000/- divided into 11,10,000 equity shares of ₹ 10/- each. The issued, subscribed and paid up share capital of the company is ₹ 1,08,40,000/- divided into 10,84,000 equity shares of ₹ 10/- each.

The Petitioner Transferee Company has 3 equity shareholders. All of them have given no objection certificates to the Scheme of Amalgamation. The list of the equity shareholders along with no objection certificates is annexed as Annexure P-11 (colly).

There is one secured creditor of the Petitioner Transferee Company, who has given no objection certificate. The list and the no objection certificate are annexed as Annexures P-13 and P-14.

The Petitioner Transferee Company has only two unsecured Creditors, who have no objection to the scheme of Amalgamation. The list and the no objection certificates given by the unsecured creditors of the Petitioner Transferee Company are at Annexures P-13 and P-15 (colly).

It has further been mentioned in the petition that 97.08% share capital of the Transferor Company is held by the Petitioner Transferee Company and balance 2.92% share capital is held by two shareholders. On the basis of valuation report prepared by the Chartered Accountant, the Petitioner Transferee Company will issue seven equity shares of the Petitioner Transferee Company of the face value of ₹ 10/- each credited as fully paid up in the capital of the Petitioner Transferee Company to the said two shareholders, holding 2.92% shares of the Transferor Company, whose names are recorded in its Register of Members on a date (record date) to be fixed by the Board of Directors of the Petitioner Transferee Company for every 1 (one) equity share of ₹ 10/- each held by the said shareholders in the Transferor Company. However, the said 97.08% share capital of the Transferor Company held by the Petitioner Transferee Company will stand automatically cancelled, extinguished and there will be no question of issue and allotment of shares of the Petitioner Transferee Company to the shareholders of the Transferor company upon the Scheme finally becoming effective.

Hence, 100% of shareholders, secured and unsecured creditors of the Petitioner Transferee Company have given their consent to the Scheme of Amalgamation.

It has been further stated that Company Application (Main) No. 139 of 2015 filed by the Transferor Company before Delhi High Court was accepted at the first motion stage vide order dated 11.9.2015 (Annexure P-16). Thereafter, in Company Petition No. 725 of 2015 filed by the Transferor Company for second motion, notices were issued to the Official Liquidator, Registrar of Companies for 23.2.2016.

The Petitioner Transferee Company and Transferor Company have confirmed that there are no investigations or proceedings pending against them under Sections 235 to 251 of the Companies Act, 1956.

It was submitted that the proposed Scheme of Amalgamation is for the benefit of both the companies concerned and their shareholders. The proposed scheme will not adversely affect the rights of any of the creditors of the companies in any manner whatsoever.

In this view of the aforesaid factual matrix, when all the equity share holders, secured and unsecured creditors of the Petitioner-Transferee Company have consented to the Scheme of Amalgamation, convening of their meetings are ordered to be dispensed with.

First motion petition is disposed of accordingly.

Petitioner is at liberty to move 2nd motion petition.

26.2.2016 (Rajesh Bindal)
vs Judge