

**IN THE HIGH COURT OF DELHI**  
**COMPANY APPLICATION (MAIN) NO. 94/2016**

**Reserved on 14<sup>th</sup> July, 2016**  
**Date of pronouncement: 12<sup>th</sup> August, 2016**

**In the matter of**

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

And

**Application under Sections 391 to 394 read  
with Sections 100 to 104 of the Companies  
Act, 1956**

Composite Scheme of Capital Reduction and Arrangement between:

Firefly e-Ventures Limited

Applicant Company No. 1

HT Digital Media Holdings Limited

Applicant Company No. 2

AND

HT Mobile Solutions Limited

Applicant Company No. 3

**Through Mr. N. Ganpathy, Sr.  
Advocate with Mr. Bharat Apte and  
Mr. Rushil Oberoi, Advocates for the  
applicants**

**SUDERSHAN KUMAR MISRA, J.**

1. This joint application has been filed under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 by the applicant companies seeking directions of this court to dispense with the requirement of convening the meetings of their equity shareholders, preference shareholders and creditors and for convening a meeting of the unsecured creditors of the applicant company no. 3 to consider and

approve, with or without modification, the proposed Composite Scheme of Capital Reduction and Arrangement between Firefly e-Ventures Limited (hereinafter referred to as the applicant company no. 1); HT Digital Media Holdings Limited (hereinafter referred to as the applicant company no. 2) and HT Mobile Solutions Limited (hereinafter referred to as the applicant company no.3).

2. The registered offices of the applicant companies no. 1, 2 & 3 are situated at New Delhi, within the jurisdiction of this Court.

3. The applicant company no. 1 was originally incorporated under the Companies Act, 1956 on 11<sup>th</sup> June, 2007 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi under the name and style of Medialab Web Solutions Limited. The company changed its name to Firefly e-Ventures Limited and obtained the fresh certificate of incorporation on 20<sup>th</sup> August, 2007.

4. The applicant company no. 2 was originally incorporated under the Companies Act, 1956 on 26<sup>th</sup> September, 2007 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi under the name and style of Hindustan Media Limited. The company changed its name to HT Digital Media Holdings Limited and obtained the fresh certificate of incorporation on 2<sup>nd</sup> March, 2009.

5. The applicant company no. 3 was incorporated under the Companies Act, 1956 on 19<sup>th</sup> February, 2009 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

6. The present authorized share capital of the applicant company no.1 is Rs.60,00,00,000/- divided into 4,00,00,000 equity shares of Rs.10/- each aggregating to Rs.40,00,00,000/- and 2,00,00,00,000 preference shares of Rs.0.10/- each aggregating to Rs.20,00,00,000/-. The issued, subscribed and paid-up share capital of the company is Rs.27,34,26,000/- divided into 2,71,50,000 equity shares of Rs.10/- each aggregating to Rs.27,15,00,000/- and 1,92,60,000 optionally convertible cumulative preference shares of Rs.0.10/- each aggregating to Rs.19,26,000/-.

7. The present authorized share capital of the applicant company no.2 is Rs.1,88,00,00,000/- divided into 18,80,00,000 equity shares of Rs.10/- each. The issued, subscribed and paid up share capital of the company is Rs.37,87,30,460/- divided into 3,78,73,046 equity shares of Rs.10/- each.

8. The present authorized share capital of the applicant company no.3 is Rs.29,50,00,000/- divided into 2,90,00,000 equity shares of

Rs.10/- each aggregating to Rs.29,00,00,000/- and 5,00,00,000 preference shares of Rs.0.10/- each aggregating to Rs.50,00,000/-. The issued, subscribed and paid-up share capital of the company is Rs.26,20,53,470/- divided into 2,61,75,347 equity shares of Rs.10/- each aggregating to Rs.26,17,53,470/- and 30,00,000 optionally convertible cumulative preference shares of Rs.0.10/- each aggregating to Rs.3,00,000/-.

9. Copies of the Memorandum and Articles of Association of the applicant companies no. 1, 2 & 3 have been filed on record. The audited balance sheets, as on 31<sup>st</sup> March, 2015, of the applicant companies no.1, 2 & 3, along with the report of the auditors, and their unaudited financial statements, as on 31<sup>st</sup> March, 2016, have also been filed.

10. A copy of the Composite Scheme of Capital Reduction and 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 has been submitted by the applicants that the Scheme, *inter alia*, provides for (i) reduction of the equity share capital, optionally convertible cumulative preference share capital and the Securities Premium Account of the applicant company no. 1; (ii) reduction of the equity share capital and the Securities Premium Account of the applicant company no. 2; and (iii) demerger of the Demerged

Undertaking of the application company no. 1 and its merger into the applicant company no. 3. It is claimed that the proposed demerger will achieve synergies in operations and reduction of operating costs which shall result in optimal exploitation and development of the electronic and online marketing business.

11. So far as the share exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, the applicant company no. 3 shall issue and allot shares to the shareholders of the applicant company no. 1 in the following ratio:

“01 new equity share of Rs.10/- each of the applicant company no. 3 for every 01 equity share or optionally convertible cumulative preference share held by the shareholders in the applicant company no. 1.”

12. It has been submitted by the applicants that no proceedings under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Companies Act, 2013 are pending against the applicant companies.

13. The Board of Directors of the applicant companies no. 1, 2 & 3 in their separate meetings held on 27<sup>th</sup> May, 2016 have unanimously approved the proposed Composite Scheme of Capital Reduction and Arrangement. Copies of the Resolutions passed at the meetings of the

Board of Directors of the applicant companies no. 1, 2 & 3 have also been placed on record.

14. The applicant company no. 1 has 07 equity shareholders and 01 preference shareholder. All the equity shareholders and the sole preference shareholder have given their consents/no objections in writing to the proposed Composite Scheme of Capital Reduction and 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 preference shareholder of the applicant company no. 1 to consider and, if thought fit, approve, with or without modification, the proposed Composite Scheme of Capital Reduction and Arrangement is dispensed with. There is no secured or unsecured creditor of the applicant company no. 1, as on 9<sup>th</sup> May, 2016.

15. The applicant company no. 2 has 07 equity shareholders and 01 unsecured creditor. All the equity shareholders and the sole unsecured creditor have given their consents/no objections in writing to the proposed Composite Scheme of Capital Reduction and 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

creditor of the applicant company no. 2 to consider and, if thought fit, approve, with or without modification, the proposed Composite Scheme of Capital Reduction and Arrangement is dispensed with. There is no secured creditor of the applicant company no. 2, as on 9<sup>th</sup> May, 2016.

16. The applicant company no. 3 has 08 equity shareholders and 01 preference shareholder. All the equity shareholders and the sole preference shareholder have given their consents/no objections in writing to the proposed Composite Scheme of Capital Reduction and 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 preference shareholder of the applicant company no. 3 to consider and, if thought fit, approve, with or without modification, the proposed Composite Scheme of Capital Reduction and Arrangement is dispensed with. There is no secured creditor of the applicant company no. 3, as on 9<sup>th</sup> May, 2016.

17. The applicant company no. 3 has 27 unsecured creditors and a direction is sought to convene and hold their meeting to seek their approval to the proposed Composite Scheme of Capital Reduction and Arrangement. Considering the facts and circumstances aforesaid, the meeting of the unsecured creditors of the applicant company no. 3 shall

be held on 15<sup>th</sup> September, 2016 at 11:00 a.m. at the registered office of the company at Hindustan Times House, Second Floor, 18-20, Kasturba Gandhi Marg, New Delhi – 110001. Mr. Pramod Sharma, Advocate, (Mobile No. 9312239606) is appointed as the Chairperson and Ms. Akshita Sachdeva, Advocate, (Mobile No. 7838388837) is appointed as the Alternate Chairperson to conduct the said meeting. The Quorum of the meeting of the unsecured creditors of the applicant company no. 3 shall be 8 in number and more than 25% in value of the total unsecured debt.

18. In case the quorum as noted above for the above meeting is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the persons present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form duly signed by the person entitled to attend and vote at the meeting is filed with the registered office of the applicant company no. 3 at least 48 hours before the meeting. The Chairperson and Alternate Chairperson shall ensure that the proxy register is properly maintained.

19. The Chairperson and Alternate Chairperson shall ensure that notices for convening the aforesaid meeting of the unsecured creditors of the applicant company no. 3, along with copies of the Composite Scheme

of Capital Reduction and Arrangement and the statement under Section 393 of the Companies Act, 1956, shall be sent to the unsecured creditors of the applicant company no. 3 by ordinary post at their registered or last known addresses at least 21 days before the date appointed for the meeting, in their presence or in the presence of their authorized representatives. Notice of the meeting shall also be published in the Delhi editions of the newspapers "Hindustan Times" (English) and "Hindustan" (Hindi) in terms of the Companies (Court) Rules, 1959 at least 21 days before the date appointed for the meeting.

20. The Chairperson and Alternate Chairperson will be at liberty to issue suitable directions to the management of the applicant companies so that the aforesaid meeting of the unsecured creditors of the applicant company no. 3 is conducted in a just, free and fair manner.

21. The fee of the Chairperson and the Alternate Chairperson for the aforesaid meeting shall be Rs.50,000/- each in addition to meeting their incidental expenses. The Chairperson will file his report within two weeks from the date of holding of the aforesaid meeting.

22. The application stands allowed in the aforesaid terms.

**Dasti**

**SUDERSHAN KUMAR MISRA, J.**

**August 12, 2016**