

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, MUMBAI**

CSA NO. 962 OF 2017

In the matter of the Companies Act, 1956 and the
Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other relevant
provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation of Citrus
Payment Solutions Private Limited ('the Transferor
Company') and PayU Payment Private Limited ('the
Transferee Company') and their respective
Shareholders.

PayU Payments Private Limited, a Company	}	
Incorporated under the provisions of Companies Act 1956	}	
having its registered office at 32, Viraj Building,	}	
SV Road above HDFC Bank, Khar West	}	
Mumbai, Maharashtra, 400052, India	}Applicant
Company	}	

Order delivered on 16th day of November, 2017

Coram:

Hon'ble B.S.V. Prakash Kumar, Member (Judicial)
Hon'ble V. Nallasenapathy, Member (Technical)

For the Applicant (s): Hemant Sethi i/b. Hemant Sethi & Co., Advocates for
Petitioners

Per: V. Nallasenapathy, Member (Technical)

Order

1. The Counsel for the Applicant submits that the present Scheme is a Scheme for Amalgamation of Citrus Payment Solutions Private Limited ('Transferor Company') with PayU Payments Private Limited ('the Transferee Company') and their respective shareholders under sections 230 to 232 of the Companies Act, 2013. This Scheme provides for merger of Citrus Payment Solutions Private Limited with PayU Payments Private Limited.

2. The Counsel for the Applicant submits that the Transferee Company acquired shares of Transferor Company at fair value in 2017. Currently, Transferee Company is the holding company of Transferor Company and holds 97.07% of its total share capital. The management of both the companies now believe that the businesses of the Transferor Company and the Transferee Company require a combined management focus, business strategies and synergies. With a view to achieve the above, it was agreed between the shareholders of the Transferor Company and the continuing shareholders of the Transferee Company, to consolidate the business of the Transferor Company and the Transferee Company which would benefit the respective companies and their stakeholders. Transferee Company wishes to consolidate the payment solutions business of Transferor Company and thereby derive operational efficiencies. While Transferor Company already has an E-commerce platform, technical know-how, customer relationships and trade names, it further needs resources and expertise to expand its business. Accordingly, it has been decided by the Board of Directors of both the companies to amalgamate Transferor Company with Transferee Company, by which companies will cross-leverage the payment businesses and thereby gain the following benefits:

- (a) Economic and operational efficiencies
- (b) Strengthened market presence across various modes of payments
- (c) Better access to the strong customer base in payment processing segment
- (d) Opportunity to cross leverage the brand value of PayU
- (e) Develop new products in payment process segment

The proposed amalgamation will also:

- a.) enable consolidation of the business and operations of the Transferor Company and the Transferee Company which will provide significant impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies and greater focus and enable optimal utilization of various resources as the Transferor Company and the Transferee Company are engaged in the same line of business;
- b.) will result in reduction of overheads, administrative, managerial and other expenditure, and bring operational rationalization and organizational efficiency, and optimal utilization of various resources;

- c.) harmonization of reputation earned by Transferor Company over substantial period of time with that of Transferee company for the purpose of effectively carrying the business acquired under the Scheme;
- d.) lead to a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and the Transferee Company and also avoid duplication of administrative functions and eliminate multiple record-keeping; and
- e.) be in the best interests of the various shareholders, creditors, employees and other stakeholders of the Transferor Company and the Transferee Company, as it would result in consolidation of the enhanced market value and market share of the Transferor Company along with the Transferee Company and would result in enhancement of shareholder value and would enable the management of the Transferee Company to vigorously further pursue revenue growth and expansion opportunities.

In view of the abovementioned reasons, it is considered desirable and expedient to implement the proposed scheme of amalgamation.

3. That the meeting of the Equity Shareholders of the Applicant Company be convened and held at 32, Viraj Building, SV Road above HDFC Bank, Khar West Mumbai, Maharashtra, 400052 on 15th January 2018 at 11:00 A.M for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed merger embodied in the Scheme of Amalgamation of PayU Payments Private Limited and Citrus Payment Solutions Private Limited their respective Shareholders.
4. That atleast one month before the said Meeting of the Equity Shareholders of the Applicant Company to be held as aforesaid, a notice convening the said Meeting at the place date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 notified on 14th December 2016 and the prescribed Form of Proxy, shall be sent by Hand delivery / Courier / Registered Post / Speed Post or through Email (to those shareholders whose email addresses are duly registered with the Applicant

Company for the purpose of receiving such notices by email), addressed to each of the Equity Shareholders of the Applicant Company, at their last known address or email addresses as per the records of the Applicant Company.

5. That atleast one month before the meeting of the Equity Shareholders of the Applicant Company to be held as aforesaid, a notice convening the said Meetings, indicating the place, date and time of meeting as aforesaid be published once each in 'Business Standard' in English and 'Navshakti' in Marathi, both circulated in Mumbai and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and the Form of Proxy can be obtained free of charge at the Registered Office of the Applicant Company as aforesaid and / or at the office of its Advocates, M/s. Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400 071.
6. That Mr. Jitendra Bajrang Lal Gupta, Director of the Applicant Company, and failing him, Mr. Bairavarasu Amrish Rau, Director of the Applicant Company shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the Applicant to be held at 32, Viraj Building, SV Road above HDFC Bank, Khar West, Mumbai, Maharashtra, 400052 on 15th January 2018 at 11:00 A.M or any adjournment or adjournments thereof.
7. That the Chairman appointed for the aforesaid meeting of the Equity Shareholders to issue the advertisement and send out the notices of the meeting referred to above. The said Chairman shall have all powers as per Articles of Association and also under the Companies Act, 2013 in relation to the conduct of the meeting, including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
8. That the quorum of the aforesaid meeting of the Equity Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.
9. That in connection with the Applicant Company, the voting shall be allowed on the proposed Scheme by voting in person or by proxy. That voting by proxy or authorized representative in case of body corporate be permitted, provided that

a proxy in the prescribed form / authorisation duly signed by the person entitled to attend and vote at the meeting, is filed with the Applicant Company at its Registered Office not later than 48 hours before the aforesaid.

10. That the value and number of the shares of each Equity Shareholders shall be in accordance with the books / register of the Applicant Company or depository records and where the entries in the books / register / depository records are disputed, the Chairman of the meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
11. That Counsel for the Applicant Company submits that since the Scheme is an arrangement between the Applicant Company and its equity shareholders, only a meeting of the Equity Shareholders is proposed to be held in accordance with the provisions of Section 230(1)(b) of the Companies Act 2013. This Bench hereby directs the Applicant Company to issue notice to all its Secured and/or Unsecured Creditors as required under Section 230(3) of the Companies Act, 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company.
12. That Mitesh Shah Company Secretary, (proprietor of Mitesh J. Shah & Associates) is hereby appointed as Scrutinizer of the meeting of Equity Shareholders of the Applicant Company to be held at 32, Viraj Building, SV Road above HDFC Bank, Khar West Mumbai, Maharashtra, 400052 on 15th January 2018 at 1:30 P.M or any adjournment or adjournments thereof and his remuneration is fixed at INR 25,000/-.
13. That the Chairman to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings of the Equity Shareholders and do report to this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with.
14. That the Chairman of the meeting of the Equity Shareholders to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meeting.

15. That the Applicant Company are directed to serve notices along with copy of Scheme upon:- (i) concerned Income Tax Authority, within whose jurisdiction the Applicant Company's assessments are made, (ii) to the Central Government through the office of Regional Director, Western region , Mumbai and (iii) Registrar of Companies, as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (iv) Reserve Bank of India with the direction that they may submit their representations, if any, within a period of thirty days from the date of the receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served to the Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposed Modified Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
16. That Counsel for the Applicant Company submits that since the Scheme is an arrangement between the Applicant Company and their respective shareholders, only a meeting of the Equity Shareholders is proposed to be held in accordance with the provisions of Section 230(1)(b) of the Companies Act 2013. This Bench hereby directs the Applicant Company to issue notice to all its Secured and Unsecured Creditors as required under Section 230(3) of the Companies Act, 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company.
17. The Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the shareholders, creditors, publication of notices in newspapers, to the regulatory authorities as stated in clause 16 above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

✓ Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B .S.V. Prakash Kumar, Member (J)