

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH

CSA No 1018 OF 2017

In the matter of the Companies Act, 2013;

AND

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

AND

In the matter of Scheme of Amalgamation of TechProcess Payment Services Private Limited ('the Transferor Company') and E-Billing Solutions Private Limited ('the Transferee Company') and their respective Shareholders

TechProcess Payment Services Private Limited, a Company

.....First Applicant Company  
(Transferor Company)

AND

E-Billing Solutions Private Limited, a Company

.....Second Applicant Company  
(Transferee Company)

Order delivered on 15<sup>th</sup> day of December, 2017

Coram:

Hon'ble **M.K Shrawat**, Member (J)

Hon'ble **Bhaskara Pantula Mohan**, Member (J)

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

**Per: Bhaskara Pantula Mohan, Member (J)**

**ORDER**

1. The Counsel for the Applicants states that the present Scheme is an Amalgamation of TechProcess Payment Services Private Limited ('the Transferor Company') and E-Billing Solutions Private Limited ('the Transferee Company') and their respective Shareholders.
2. The Counsel for the Applicants further submit that the Transferor Company is in the business of providing payment aggregation services wherein it enables merchants



to accept payments through online payment gateways in partnership with their acquiring banks. Further it also provides recurring payment services to its clients in the form of ECS, NACH, direct debit, e-mandate services and such ancillary activities to payment services. Among others, it acts as an intermediary to facilitate delivery, review and payment of bills payable to any utility provider, service provider or the like, in respect of services/ facilities or utilities availed and to receive and send instructions and/ or communications in respect of the same. The Transferee Company is engaged in the business of enabling online payment collection, payment routing, reconciliation, reporting and settlement for e-commerce businesses wherein such businesses can collect online payment for selling their goods and services. The Transferee Company also provides support and services to financial institutions, banks or acquirers enabling them to provide payment gateway services to their customers either directly or through Transferee Company

3. The Counsel for the Applicants further submits that the Companies believes that the amalgamation involving the Transferor Company and the Transferee Company would have the following benefits:
  - i. Simplification of group structure by eliminating multiple companies.
  - ii. Achieve operational synergies with respect to commercial contracts (with vendors (especially banks), customers (merchants) and other stakeholders) as both the Transferor Company and the Transferee Company have agreements with same banks but for different commercial terms, and similar online portal for providing services to the merchants.
  - iii. Greater integration, greater financial strength and flexibility for the amalgamated entity, which would result in maximising overall shareholder value and will improve the competitive position of the combined entity.
  - iv. Improved organizational capability and leadership, arising from combining the human capital of both companies with diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
  - v. Greater efficiency in cash management of the Transferor Company and the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to improve shareholder's value.
  - vi. Cost savings are expected to flow from more focused operational efforts, consolidation of online portal (single online portal for merchants of both the companies), rationalization, standardisation and simplification of business processes, usage of common resource pool like human resource,

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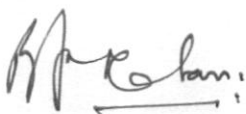
administration, finance, accounts, legal, sales and marketing, technology and other related functions, leading to elimination of duplication and rationalization of administrative expenses.

4. That the meeting of the Equity Shareholders of the First Applicant Company be convened and held at Building No. 1, 2nd Floor Mehra Estate, LBS Marg, Vikhroli (W), Mumbai – 400079, Maharashtra, on Monday, 12th February, 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 TechProcess Payment Services Private Limited and E-Billing Solutions Private Limited and their respective Shareholders.
5. That the meeting of the Equity Shareholders of the Second Applicant Company be convened and held at Building No. 1, 2nd Floor Mehra Estate, LBS Marg, Vikhroli (W) Mumbai – 400079, Maharashtra, on Monday, 12<sup>th</sup> February, 2018 at 11.30 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 TechProcess Payment Services Private Limited and E-Billing Solutions Private Limited and their respective Shareholders.
6. That at least one month before the said Meetings of the Equity Shareholders of the First and Second 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 14<sup>th</sup> December 2016 and the prescribed Form of Proxy, shall be sent by Courier / Registered Post / Speed Post or through Email (to those shareholders whose email addresses are duly registered with the First and the Second Applicant Company for the purpose of receiving such notices by email), addressed to each of the Equity Shareholders of the First and the Second Applicant Company, at their last known address or email addresses as per the records of the Applicant Company.
7. That at least one month before the meetings of the Equity Shareholders of the First and Second 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

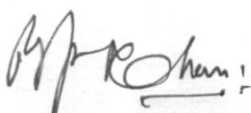
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and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and the Form of Proxy can be obtained free of charge at the Registered Office of the First and Second 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 – 400071.

8. That the Notice of the Meetings shall be advertised in two local newspapers viz. “Free Press Journal” in English and “Navshakti” in Marathi, both circulated in Mumbai not less 30 days before the date fixed for the meeting.
9. That Mr. Anand Ramchandran, Director of the First Applicant Company, and failing him, Mr. Kumar Manohar Karpe, Director of the First Applicant Company shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the First Applicant Company to be held at Building No. 1, 2nd Floor Mehra Estate, LBS Marg, Vikhroli (W), Mumbai – 400079, Maharashtra, on Monday 12<sup>th</sup> February, 2018 at 11.00 A.M. or any adjournment or adjournments thereof.
10. That Mr. Agaram Seetharaman Narayanan, Director of the Second Applicant Company, and failing him, Mr. Sunith Menon, Director of the Second Applicant Company shall be the Chairman of the aforesaid meeting of the Equity Shareholders of the Second Applicant Company to be held Building No. 1, 2nd Floor Mehra Estate, LBS Marg, Vikhroli (W), Mumbai – 400079, Maharashtra, on Monday, 12<sup>th</sup> January, 2018 at 11.30 A.M or any adjournment or adjournments thereof.
11. That the Chairman appointed for the aforesaid Meetings to issue the advertisement and send out the notices of the Meetings 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 meetings, including for deciding procedural questions that may arise or at any adjournment thereof or resolution, if any, proposed at the meetings by any person(s).
12. That the quorum of the aforesaid meetings of the Equity Shareholders shall be as prescribed under Section 103 of the Companies Act, 2013.

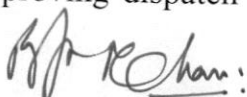


13. That voting by proxy or authorized representative in case of body corporate be permitted, provided that a proxy in the prescribed form / authorization duly signed by the person entitled to attend and vote at the meetings, are filed with the First Applicant Company at its Registered Office at Building No. 1, 2nd Floor Mehra Estate, LBS Marg, Vikhroli (W) Mumbai 400079 and Second Applicant Company at its Registered Office at Building No. 1, 2nd Floor Mehra Estate, LBS Marg, Vikhroli (W) Mumbai 400079 respectively, not later than 48 hours before the aforesaid meeting.
14. That the value and number of the shares of each Equity Shareholder shall be in accordance with the books / register of the First and Second Applicant Company or depository records and where the entries in the books / register / depository records are disputed, the Chairman of the Meetings shall determine the value for the purpose of the aforesaid meetings and his decision in that behalf would be final.
15. That Ms. Riddhi Shah, Company Secretary (Membership No. 20168, COP No. 17035) is hereby appointed as Scrutinizer of the meetings of the Equity shareholders of the First Applicant Company proposed to be held on Monday, 12<sup>th</sup> February 2018 at Building No. 1, 2nd Floor Mehra Estate, LBS Marg, Vikhroli (W) Mumbai 400079, Maharashtra; and the Second Applicant Company proposed to be held on Monday, 12<sup>th</sup> February, 2018 at Building No. 1, 2nd Floor Mehra Estate, LBS Marg, Vikhroli (W) Mumbai 400079, Maharashtra respectively.
16. That the Chairman to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings and do report this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with.
17. That the Chairman of the meetings to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meetings.
18. The First Applicant Company is directed to serve notices along with copy of Scheme upon:- (i) concerned Income Tax Authority with in whose jurisdiction the First Applicant Company's assessments are made (Deputy Commissioner of Income-tax – Circle 14(3)(1), Mumbai, Area Code MUM, AO type C Range Code 104, Circle 14(3)(1) Mumbai, at Aayakar Bhawan, Mumbai 400020, PAN NO. AABC5216D), (ii) the Central Government through the office of Regional Director, Western region, Mumbai, (iii) Registrar of Companies, Mumbai, (iv) the Reserve Bank of India, with a direction that they may submit their representations,



if any, within a period of thirty days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the First Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.

19. The First Applicant Company is also directed to serve notice along with copy of Scheme upon Official Liquidator. M/s. Singhi & Co. Chartered Accountants are appointed to assist the Official Liquidator to scrutinize books of accounts of the First Applicant Company for the last 5 years. The First Applicant Company to pay fees of Rs. 2,00,000/-.
20. The Second Applicant Company is directed to serve notices along with copy of Scheme upon:- (i) concerned Income Tax Authority with in whose jurisdiction the Second Applicant Company's assessments are made (Deputy Commissioner of Income-tax – Circle 12(2)(1), Mumbai, Area Code MUM, AO type C Range Code 126, Circle 12(2)(1) Mumbai, at Aayakar Bhawan, Mumbai 400020, PAN NO. AABCE4591N), (ii) the Central Government through the office of Regional Director, Western region, Mumbai, (iii) Registrar of Companies, Mumbai, with a direction that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the Second Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.
21. The Counsel for the Applicant submits that there are no Secured Creditors in the First and Second Applicant Company hence no notice is required to be given. The Counsel for the First and Second Applicant Company further submits that since the Scheme is an amalgamation between the Applicant Companies 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 First and Second Applicant Company to issue notice to all its Unsecured Creditors 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 Companies.
22. The First and Second Applicant Company to file affidavit of service in the Registry proving dispatch of notices to the Equity Shareholders, Creditors, publication of

A.P. Kohan:

notices in newspapers and to the regulatory authorities as stated in clauses 18 and 20 above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

**BHASKARA PANTULA MOHAN  
MEMBER (JUDICIAL)**

**15.12.2017**

Sd/-

**M. K. SHRAWAT  
MEMBER (JUDICIAL)**