

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

T.P.NO. 276/2017

IN

C.A. NO. 768/2016

DATED: MONDAY THE 6th DAY OF FEBRUARY 2017

***PRESENT: SHRI RATAKONDA MURALI, MEMBER JUDICIAL
SHRI. ASHOK KUMAR MISHRA, MEMBER TECHNICAL***

**IN THE MATTER OF COMPANIES ACT, 1956
SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956
AND**

**IN THE MATTER OF
ALTISOURCE BUSINESS SOLUTIONS PRIVATE LIMITED**

T.P.NO. 276/2017 IN C.A.NO. 768/2016

1. Altisource Business Solutions Private Limited,
Pritech Park, Block No. 12,
3rd & 5th Floor A Wing & 4th Floor B Wing,
Bellandur Village,
Sarjapur Marathahalli Ring Road,
Bengaluru-560103

- APPLICANT COMPANY

PARTIES PRESENT: Mr. Perikal K.Arjun, J.Sagar Associates, Level 3,
Prestige Obelisk, 3, Kasturba Road, Bengaluru-560001
Advocate and Authorised representative for the Applicant.

Heard on: 25/01/2017.

O R D E R

Originally this Application was filed before the Hon'ble High Court of Karnataka. It was numbered as C.A No. 768/2016. Subsequently as per Notification No. GSR.1119 (E) dated 7th December 2016 issued by the Ministry of Corporate Affairs, New Delhi, the said case is transferred to this Tribunal and renumbered as T.P No. 276/2017.

This Company Application is filed on behalf of the Applicant Company under Section 391 of the Companies Act, 1956 read with Rule 9 of the Companies (Court) Rules, 1959, for an order to dispense with convening of the meetings of the Equity Shareholders and/or secured and/or unsecured trade creditors of the Applicant Company for the purpose of considering the proposed Scheme of Arrangement with its shareholders.

An Affidavit of the Director of the Applicant Company is filed stating that, the Applicant Company was incorporated on 6th August 2007 under the name and style "**Altisource Business Solutions Private Limited**" with Registrar of Companies, Karnataka vide CIN **U74900KA2007PTC054134**. The Applicant Company is, inter alia, engaged in the business of transmission or export out of India any customized electronic data, products and services including for running back office processing and support facilities rendering L.C collections, data processing and customer support services through such facilities to clients in India or abroad. etc., copy of the Memorandum and Articles of Association of the Applicant Company is marked as **Annexure-A**.



The Registered office of the Applicant Company is situated at Pritech Park, Block No.12, 3rd & 5th Floor A Wing & 4th Floor B Wing, Bellandur Village, Bengaluru-560103.

The present authorized share capital of the Applicant Company is Rs 12,00,00,000/- divided into 1,20,00,000 Equity Shares of Rs 10/- each. The issued, subscribed and paid up share capital is Rs 8,38,13,670/- divided into 83,81,367 Equity Shares of Rs 10/- each fully paid up.

The averments made in the Company Application are briefly described hereunder:-

The Board of Directors of the Applicant Company has approved and adopted a Scheme of Arrangement on 12th December 2016, by virtue of which the Applicant Company proposes to make an offer for Purchase up to 62,86,025 (Sixty two lakhs eighty six thousand and twenty five) Equity Shares representing about 75% of the issued, subscribed and paid up share capital of the Applicant Company for an aggregate consideration not exceeding Rs. 385 Crores (Rupees three hundred and eighty five crores), at such price not higher than the price determined by an independent valuer appointed by the Board of Directors of the Applicant Company, subject to confirmation of this Tribunal.

Copy of the Board Resolution approving the Scheme is marked as **Annexure-C**



It is further averred that, the proposed Scheme of Arrangement is beneficial to the shareholders of the company as they earn a return on their investment which is based on the fair value of shares.

Copy of the Scheme of Arrangement is produced at **Annexure-D**.

It is further averred that, the proposed arrangement with its shareholders is sought to be made under the provisions of Section 391 of the Companies Act, 1956 and the same if sanctioned by this Tribunal will take effect from the Appointed Date i.e., 1st April 2016.

It is further averred that, the Applicant Company has two shareholders as certified by the Chartered Accountant and produced at **Annexure-E**. Both the shareholders have given their consent to the scheme produced at **Annexure-F** colly.



It is also averred that:-

- a) there are no secured creditors in the Applicant Company which is certified by the Chartered Accountant who issued certificate and produced at Annexure-G;
- b) there are no unsecured loan creditors in the Applicant Company which is certified by the Chartered Accountant who issued certificate and produced at Annexure-H;

It is further averred that, as far as unsecured trade creditors of the Applicant Company are concerned, they will not in any way be affected by the proposed Scheme of Arrangement since the related payables are being paid in the normal course of business of the Company. Further, no compromise is being entered into with the creditors pursuant to the Scheme.

It is further averred that, the Applicant Company has only eight (8) unsecured trade creditors as of 12th December 2016 and this is certified by the Chartered Accountant produced at **Annexure-J**.

We have heard the Counsel appearing for the Applicant Company. This Application is filed by the Applicant Company "**Altisource Business Solutions Private Limited**" for dispensing with convening of meetings of the shareholders secured, unsecured creditors and trade creditors for purpose of considering the Scheme of Arrangement with its shareholders.



According to the Applicant Company it has proposed to Purchase up to 62,86,025 (Sixty two lakhs eighty six thousand and twenty five) Equity Shares for an aggregate consideration of Rs. 385 Crores (Rupees three hundred and eighty five crores) and the Board of Directors of the Applicant Company also passed Resolution approving the scheme produced at **Annexure-C**. Thus Board passed Resolution approving the scheme. The Scheme of Arrangement is produced at **Annexure-D**.

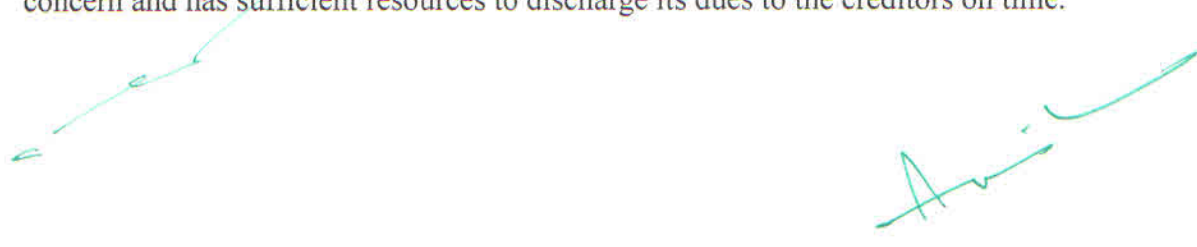
It is further stated that, the Applicant Company has only two shareholders as certified by the Chartered Accountant of the Applicant Company and produced at **Annexure-E**, who have given consent to the scheme of arrangement Altisource Asia Holdings Ltd. Temple Court-2, Labourdinnais Street, Port Louis, Mauritius and Mr. Pramod Bist, 916, Shoba Quartz Apartments, Sarjapur Road, Bellandur, Bangalore-560103 are the two shareholders. We have seen the consent letters of the 2 shareholders who gave consent to the scheme produced at **Annexure- F colly**.

Further, the Applicant Company has furnished the certificate issued by the Chartered Accountant that, as on 12th December 2016 there are no secured creditors, no unsecured loan creditors as produced at **Annexures – G & H** respectively. Certificates of Chartered Accountant are attached to that effect.

The Chartered Accountant of the Applicant Company further certified that, the Applicant Company has 8 unsecured trade creditors as on 12th December 2016 produced at **Annexure-J**.

The Applicant Company further filed consent letters of 7 (seven) unsecured trade creditors out of 8(eight) unsecured trade creditors and requesting the Tribunal to dispense with convening the meetings of the unsecured trade creditors. The Applicant Company filed 7 (Seven) consent letters from the unsecured trade creditors in the Tribunal on 3rd February 2017.

The Applicant Company has also referred to in the Application that the interest of the creditors will not be prejudiced as the Applicant Company is a going concern and has sufficient resources to discharge its dues to the creditors on time.



Majority of unsecured trade creditors have given consent letters. The Counsel for Applicant Company stated that, 7 unsecured trade creditors out of 8 unsecured creditors constituted approximately 98.48% in value. The Counsel for Applicant Company stated that, only one Creditor viz., Satyam Computer Services Limited consent is not filed. Counsel further stated that, the Applicant Company is ready to clear the debt of Rs 12,60,851/- to the said creditor whenever demand is made, as it is very small amount payable to the said creditor. Since majority of unsecured trade creditors gave consent for the scheme of Arrangement. Therefore, meeting of unsecured trade creditors can be dispensed with apart from dispensing with meetings of equity shareholders, secured or unsecured creditors and unsecured trade creditors.

The Applicant Company has disclosed all relevant materials in the Application and that there is no impediment in law to grant the relief prayed by the Applicant in the Application.

The Tribunal is of the considered view that the prayer sought for deserves to be granted. In the result Application is allowed and holding of Meeting of the Equity shareholders, secured or unsecured creditors and unsecured trade creditors is dispensed with. In any eventuality when the Applicant Company approaches this Tribunal for seeking approval of the Scheme, it would be open for shareholders and creditors who are interested/disinterested in the scheme of arrangement to put forth their contention before the Tribunal.

Petition shall be filed within 2 weeks from the date of receipt of copy of this order.


(RATAKONDA MURALI)
MEMBER, JUDICIAL


(ASHOK KUMAR MISHRA)
MEMBER, TECHNICAL

DATED THIS THE 6th DAY OF FEBRUARY, 2017