

**THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH (*Court-II*), CHANDIGARH**

**CA (CAA) No. 18/Chd/Hry/2024  
(1<sup>st</sup> Motion)**

**Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and The Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other applicable provisions**

**IN THE MATTER OF COMPOSITE SCHEME OF AMALGAMATION OF:**

**BUSY INFOTECH PRIVATE LIMITED.**

with its registered office at  
Plot No. 60, Ground Floor,  
Sector-18, Opposite Police Station  
Gurugram, Haryana-122016  
PAN: AAACB5022A  
CIN: U72200HR1997PTC120184

...Applicant No.1/Transferor Company No.1

**HELLO TRADE ONLINE PRIVATE LIMITED.**

Having its registered office at  
Plot No. 60, Ground Floor,  
Sector-18, Opposite Police Station  
Gurugram, Haryana-122016  
PAN: AACCH1466J  
CIN: U51909HR2008PTC120183

...Applicant No.2/Transferor Company No. 2

And

**TOLEXO ONLINE PRIVATE LIMITED.**

Having its registered office at  
Plot No. 60, Ground Floor,  
Sector-18, Opposite Police Station  
Gurugram, Haryana-122016  
PAN: AAFCT0145B  
CIN: U72200HR2014PTC120179

... Applicant No.3 /Transferee Company

Order delivered on: 03 .07.2024

**Coram: HON'BLE DR. PSN PRASAD, MEMBER (JUDICIAL)  
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

**Present:**

For the Petitioner Companies : Mr. Kartikeya Goel, Advocate

**Per: Dr. PSN Prasad, Member (Judicial)  
Mr. Subrata Kumar Dash, Member (Technical)**

**ORDER**

This is a First Motion Application filed by Applicant Companies namely; **BUSY INFOTECH PRIVATE LIMITED** (for short hereinafter referred to as Applicant No.1/Transferor Company No.1), **HELLO TRADE ONLINE PRIVATE LIMITED** (for short hereinafter referred to as Applicant No.2/Transferor Company No.2) and **TOLEXO ONLINE PRIVATE LIMITED** (for short hereinafter referred to as Applicant No. 3 /Transferee Company), under the provisions of Sections 230-232 of the Companies Act, 2013, the companies (Compromises Arrangement & Amalgamation) Rules, 2016, The National Company Law Tribunal Rules, 2016 and other applicable provisions in connection with the proposed Scheme of Amalgamation between the applicant companies. The said Scheme is attached as Annexure A-5 of the Application.

2) The Transferor Companies no. 1 and 2 and the Transferee Company are private limited closely held group companies under the common management and control. The Transferor Companies 1 and 2 and the Transferee Company are wholly owned subsidiaries of a common Parent Company "IndiaMART InterMESH Limited".

3) The Transferor Companies No.1 and 2 and Transferee Company have their respective registered offices in the State of Haryana and hence are under the jurisdiction of this Tribunal.

4) The Transferor Company No.1 was incorporated under the provisions of Companies Act, 1956 as a private limited company vide certificate of incorporation dated 12.08.1997 issued by Registrar of Companies, Delhi & Haryana, New Delhi. The registered office of the Company was shifted from NCT of Delhi to the State of Haryana as approved by Regional Director, Ministry of Corporate Affairs, Northern Region, New Delhi vide order dated 08.03.2024. The Registrar of Companies New Delhi registered the aforesaid order and allotted a new CIN to the Company. A copy of memorandum and article of association of the Transferor Company No.1 and master data of the company are enclosed herewith as Annexure A-1/1.

5) The Transferor Company No.2 was incorporated under the provisions of Companies Act, 1956 as a private limited company vide certificate of incorporation dated 03.07.2008 issued by Registrar of Companies, Delhi & Haryana, New Delhi. The registered office of the Company was shifted from NCT of Delhi to the State of Haryana as approved by Regional Director, Ministry of Corporate Affairs, Northern Region, New Delhi vide order dated 12.03.2024. The Registrar of Companies New Delhi registered the aforesaid order and allotted a new CIN to the Company. A copy of memorandum and article of association of the Transferor Company No.2 and master data of the company are enclosed herewith as Annexure A-2/1.

6) The Transferee Company was incorporated under the provisions of Companies Act, 2013 as a private limited company vide certificate of incorporation dated

28.05.2014 issued by Registrar of Companies, Delhi & Haryana, New Delhi. The registered office of the Company was shifted from NCT of Delhi to the State of Haryana as approved by Regional Director, Ministry of Corporate Affairs, Northern Region, New Delhi vide order dated 28.02.2024. The Registrar of Companies, New Delhi registered the aforesaid order and allotted a new CIN to the Company. A copy of memorandum and article of association of the Transferee Company and master data of the company are enclosed herewith as Annexure A-3/1.

7) The Transferor Company No.1 is primarily engaged in the business of developing accounting software 'Busy', an integrated business accounting and management software for Micro, Small & Medium Enterprises. The main objects of the company are stated in the application.

8) The Transferor Company No.2 was incorporated for conducting domestic trade and international business facilitation, including sales, marketing, operational, technological, information processing and other trade and business related services.

9) The Transferee Company is primarily engaged in the business of building cloud-based solutions for SME businesses to help and manage their business with increased efficiency.

10) The present authorized share capital of the Transferor Company No.1 is Rs.1,00,00,000/- divided into 10,00,000 Equity Shares having face value of Rs. 10 each. The present issued, subscribed and Paid-up share capital of the company is Rs. 4,50,000/- divided into 45,000 Equity Share having face value of Rs.10 each. A copy of the audited balance sheet as on 31.03.2023 and the statement of profit and loss for the

year ended on that date along with the auditors report are enclosed as Annexure A-1/2 of the Application.

11) The present authorized share capital of the Transferor Company No.2 is Rs.6,00,000/- divided into 60,000 Equity Shares having face value of Rs. 10 each. The present issued, subscribed and Paid-up share capital of the company is Rs. 6,00,000/- divided into 60,000 Equity Share having face value of Rs.10 each. A copy of the audited balance sheet as on 31.03.2023 and the statement of profit and loss for the year ended on that date along with the Auditor's report are enclosed as Annexure A-2/2 of the Application.

12) The present authorized share capital of the Transferee Company is Rs.80,00,00,000/- divided into 1,00,00,000 Equity Shares having face value of Rs. 10 each aggregating Rs.10,00,00,000 and 7,00,00,000 preference shares of face value having Rs.10 each aggregating Rs.70,00,00,000/-. The present issued, subscribed and Paid-up share capital of the Transferee Company is Rs. 29,47,81,250/- divided into 70,01,800 Equity Share having face value of Rs.10 each aggregating Rs.7,00,18,000/- and 2,24,76,325 optionally Convertible Cumulative Redeemable Preference Shares (0.01%) having face value of Rs.10 each aggregating Rs.22,47,63,250/-. A copy of audited balance sheet as on 31.03.2023 and the statement of profit and loss for the year ended on that date along with Auditor's report are enclosed as Annexure A-3/2 of the Application

13) Further, a copy of audited financial statements for the period ended 31.12.2023 for the Transferor Company No.1 & 2 and Transferee Company are attached as Annexure A-1/3, 2/3 and 3/3 respectively of the Application. The Applicant Companies

also stated that subsequent to the date of audited financial statement for the period ended 31.12.2023 there is no substantial change in the financial position of the Transferor Company No.1 & 2 and Transferee Company except those arising out of or resulting from normal course of business.

14) It is further stated that the Board of Directors of the Transferor Company No.1 & 2 and Transferee Company in separate Board meetings held on 28.03.2024 considered and unanimously approved the proposed Scheme of Amalgamation of the Applicant Companies. List of Board of Directors of the Transferor Company No. 1 & 2 and Transferee Company and extracts of the Minutes of the above-mentioned board meeting are enclosed as Annexure A-1/4, A-2/4, A-3/4, A-1/5, A-2/5 and A-3/5 respectively.

15) The Transferor Company No.1 has 2 (two) Equity Shareholders and both the Equity Shareholders have given their written consents/NOCs by way of affidavit for the proposed Scheme of Amalgamation. List of Equity Shareholders and their affidavits, stated to be original are enclosed as Annexure A-1/6 of the Application. It is further stated that as on 29.02.2024 the Transferor Company No.1 does not have any secured and unsecured creditors. A certificate duly certified by Chartered Accountants are enclosed as Annexure A-1/7 and A-1/8 respectively of the Application.

16) It is also stated in the application that the Transferor Company No.2 has 2 (two) Equity Shareholders and both the Equity Shareholders have given their written consents/NOCs by way of affidavit for the proposed Scheme of Amalgamation. List of Equity Shareholders and their affidavits, stated to be original are enclosed as Annexure A-2/6 of the Application. It is further stated that as on 29.02.2024 the Transferor

Company No.2 does not have any secured and unsecured creditors. A certificate duly certified by Chartered Accountants are enclosed as Annexure A-2/7 and A-2/8 respectively of the Application.

17) It is also stated in the application that the Transferee Company has 3 (three) Equity Shareholders and the Equity Shareholders have given their written consents/NOCs by way of affidavit for the proposed Scheme of Amalgamation. The list of Equity Shareholders and their affidavits, stated to be original, are enclosed as Annexure A-3/6 of the Application. The Transferee Company also has one preference shareholder and the sole preference shareholder has given its written consent/NOC by way of affidavit for the proposed Scheme of Amalgamation. The list of preference shareholders and its consent is enclosed as Annexure A-3/7 of the Application. It is further stated that as on 29.02.2024 the Transferee Company does not have any secured and unsecured creditors. A certificate duly certified by Chartered Accountants are enclosed as Annexure A-3/8 and 3/9 respectively of the Application.

18) The Applicant companies further stated that as on 29.02.2024 the Transferor Company No.1 and Transferee Company has "Statutory and Other Dues" which have either been paid in full or being provision in nature, are not due for payment as on date of this Application. Certificate from the Chartered Accountants giving details of the said Statutory and Other Dues and confirming the aforesaid status is enclosed as Annexure A-1/9 and A-3/10 respectively of the Application.

19) The Applicant Companies also stated that as per information available with them no proceeding for inspection, enquiry or investigation under the provisions of

Companies Act, 2013 or under the provisions of Companies Act, 1956 or under any other law is pending against the applicant companies.

20) It is stated in the application that the circumstances which justify and/or necessitate the proposed Scheme of Amalgamation between the applicant companies and the benefits as perceived by the Board of Directors, Shareholders and other Stakeholders of the Companies are stated below:

- a. The Transferor Companies No.1 & 2 and Transferee Company are owned by a single entity named “IndiaMART InterMESH Limited” and the management of the IndiaMART InterMESH Limited is contemplating consolidation of Transferor Companies No.1 & 2 with the Transferee Company because post consolidation the management would be able to effectively manage the Transferor Companies No. 1 & 2 and Transferee Company as a single entity, which will provide several benefits including synergy benefits, streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances and rationalizing costs.
- b. The amalgamation will contribute to furthering and fulfilling the objectives and business strategies of the Companies thereby accelerating growth, expansion, and development of the respective businesses through the Transferee Company. The amalgamation will enhance synchronization between existing software(s) being offered by the Companies and enable the Transferee Company to provide better product/ service offerings to customers resulting in increased value proposition. The Amalgamation will



thus enable further expansion of the Transferee Company and provide a strong and focused base to undertake the business more advantageously. Further, this Amalgamation would bring concentrated management focus, integration, streamlining of the management structure, seamless implementation of policy changes and shall also help enhance the efficiency and control of the Transferor Companies and the Transferee Company.

- c. Further, the independent operations of the Transferor Companies No. 1 & 2 and Transferee Company leads to incurrence of significant costs, duplication of administrative & establishment costs and the Amalgamation would enable economies of scale by attaining critical mass and achieving cost saving and better financial management of resources. The amalgamation will thus narrow down a multiple entity structure and reduce managerial overlaps, which are necessarily involved in running multiple entities and also prevent cost duplication that can erode financial efficiencies of a holding structure and the resultant operations would be substantially cost-efficient. This Scheme would result in a simplified corporate structure of the Transferee Company and its businesses, thereby leading to more efficient utilization of capital and creation of a consolidated base for future growth of the Transferee Company.
- d. The amalgamation of Transferor Companies and Transferee Company will create synergy benefits for the stakeholders of the Companies. The

amalgamation would also increase operational efficiency and integrate business functions.

- e. This Scheme would be in the interest of the Transferor Companies No. 1 & 2 and the Transferee Company, and their respective shareholders, creditors, customers, employees and other stakeholders and will not be prejudicial to the interests of any concerned shareholders or creditors or customers or employees or general public at large.

21) It is stated that the valuation as per the registered valuer Mr. Romesh Vijay, Partner, Samarth Valuation Advisory LLP having IBBI Registration No. IBBI/RV/06/2019/11008 and the proposed share exchange ratio for the proposed Scheme of Amalgamation is as below:

- f. 45,000 Equity Shares of INR 10 each fully Paid-up of the Transferee Company to the shareholders of the Transferor Company No.1; and
- g. 60,000 Equity Shares of INR 10 each fully Paid-up of the Transferee Company to the shareholders of the Transferor Company No.2;

It is also stated that the applicant companies are wholly subsidiaries of a common parent company and any fraction of share arising out of aforesaid share exchange process, if any, will be rounded off to the nearest whole number. Copy of report for recommendation of fair share exchange ratio by the registered valuer is enclosed as Annexure A-4.

22) The said Scheme of Amalgamation provides as under:

- h. All assets and liabilities including income tax and other statutory liabilities if any, of the Transferor Companies No.1 & 2 will be transferred to and vest in the Transferee Company.
- i. All the employees of Transferor Companies No. 1 & 2 in service on the effective date, shall become employees of the Transferee Company on such date without any break or interruption in their service and upon terms and conditions not less favorable than those applicable to them in the concerned Transferor Company as on effective date.
- j. Appointed date for the Scheme will be 01.04.2023 or such other date as may be decided by the Board of Directors of the Transferor Companies No. 1 & 2 and the Transferee Company with the approval of Hon'ble National Company Law Tribunal or such other date as this Tribunal or any other competent authority may approve.

23) The Applicant companies further stated that the accounting treatment for the proposed amalgamation as contained in the Scheme of Amalgamation is in conformity with the applicable provisions of the Companies Act, 2013, accounting standards prescribed under Section 133 of the Companies Act, 2013 and generally accepted accounting principles. The certificates from respective statutory auditors of the Transferor Companies No. 1 & 2 and Transferee Company on accounting treatment are enclosed as Annexure A-6 of the Application.

24) It is also mentioned in the application that the proposed Scheme of Amalgamation does not envisage any corporate debt restructuring.

25) It is also stated that under the Scheme of Amalgamation no compromises being proposed with any secured or unsecured creditors of the Transferor Companies No. 1 & 2 and the Transferee Company and the proposed Scheme is not prejudicial to any secured and unsecured creditors of the applicant companies. Further the proposed Scheme of Amalgamation will not adversely affect the rights of creditors, if any, of the Transferor Companies No. 1 & 2 and Transferee Company and the post-Scheme assets of the Transferee Company will be sufficient to meet all the liabilities in ordinary course of business.

26) The proposed scheme of Amalgamation does not envisage any buy back of shares. There is no proposal for reduction of share capital except to the extent of cancellation of cross holding of shares among the Transferor Company No. 1 & 2 inter se; or among the Transferor Company No. 1 & 2 and the transferee company.

27) It is also stated that no director or Key Managerial Personnel ('KMP') of the Transferor Companies No. 1 & 2 and of the Transferee Company has any material and/or adverse interests in the proposed scheme of Amalgamation save and except as such Director, KMP or Shareholder.

28) The applicant companies have also confirmed by way of affidavit that the proposed scheme of amalgamation does not attract the provisions of the Competition Act, 2002 and therefore, no approval from the Competition Commission of India is required for the present scheme of amalgamation. The affidavit for the same is attached as annexure A-7 of the application.

29) It is further stated in the application that none of the applicant companies are regulated or governed by the Reserve bank of India, SEBI or any other sectoral

regulator or regulatory authority and therefore, notice to the sectoral regulator is not required.

30) The details furnished by the Applicant Companies in their application, relating to the Equity Shareholders, Secured Creditors and Unsecured Creditors are as follows :

Name of the Applicant Companies	Shareholders along with their consent on affidavit				Creditors along with their consents on affidavit			
	Equity Shareholders	Consents with calculations	Preference Shareholders	Consents with calculations	Secured Creditors	Consents with calculations	Unsecured Creditors	Consents with calculations
Applicant No.1/Transferor Company No. 1	2	100%	Nil	NA	Nil	NA	Nil	NA
Applicant No. 2/Transferor Company No. 2	2	100%	Nil	NA	Nil	NA	Nil	NA
Applicant No. 3/Transferee Company	3	100%	1	100%	Nil	NA	Nil	NA

31) Accordingly, the directions of this Bench in the present case are as under:

- I. The 'Appointed Date' for the Scheme will be 1st April, 2023 as specified in clause 4.4 of the proposed scheme.

- II. The requirement of convening the meetings of the equity shareholders of all the Applicant Companies is dispensed with as prayed for keeping in view the shareholding and ownership pattern and the fact that the consent to the proposed scheme of arrangement by way of No objection affidavits has been furnished by 100% of Equity Shareholders of all the applicant companies. The requirement of issue and publication of notices for the same are also dispensed with as prayed for.
- III. The requirement of convening the meeting of the Preference Shareholder of the Transferee Company is also dispensed with as prayed for keeping in view the fact that the consent to the proposed scheme of arrangement by way of No objection affidavits has been furnished by the sole Preference Shareholder of the Transferee companies. The requirement of issue and publication of notices for the same are also dispensed with as prayed for.
- IV. The requirement of convening the meetings of the Secured and unsecured Creditors of all the applicant Companies does not arise since there are nil secured and unsecured creditors of all the applicant companies.
- V. The Applicant companies are directed to serve the notice of the application as prayed for, to the (a) Central Government through the office of Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi; (b) The Registrar of Companies, NCT of Delhi & Haryana (c) The Official Liquidator, Haryana, Chandigarh; (d) The Income Tax Department and to such other Sectoral Regulator(s) governing the business of the Applicant Companies, if

any, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with suitable changes in the notice relating to waiver of the meetings and by mentioning the fact that the registered office of all the applicant companies are changed recently on the above mentioned respective dates. If no response is received by the Tribunal from the above authorities within 30 days of the date of receipt of the notice it will be presumed that such authorities have no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

- VI. All the Applicant Companies shall file an affidavit in compliance of all the conditions laid down herein along with original proof of service to all the authorities.
- VII. In view of the above, the First Motion Application stands allowed by giving liberty to the Applicant Companies to file Second Motion Petition in accordance with Rule 15 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 with a direction that the Applicant Companies shall make specific prayer for sending notices to the Statutory authorities including the sectoral regulators, if any.

Sd/-

**(Subrata Kumar Dash)**  
**Member (Technical)**

July 03 , 2024  
Vanshika

Sd/-

**(Dr. P.S.N. Prasad)**  
**Member (Judicial)**