

THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH-IV

CO. APPL.(CAA) 48/ND/2020

IN THE MATTER OF:

RightMatch Holdings Limited (hereinafter referred to as "RightMatch")

Company registered under the Mauritius Companies Act

Having its registered office at:

IFS Court, Bank Street, Twenty Eight, Cyber City, Ebene - 72201 (Transferor Company)

Identification number: C24307

And

R Systems International Limited (hereinafter referred to as "R Systems")

Company registered under the Companies Act, 1956

Having its registered office at:

GF - 1- A, 6, Devika Tower, Nehru Place, Delhi - 110019 (Transferee Company/
Applicant Company)

CIN: L74899DL1993PLC053579

And

Their Shareholders and Creditors

CORAM:

MR. P.S.N PRASAD, MEMBER (JUDICIAL)

MS. SUMITA PURKAYASTHA, MEMBER (TECHNICAL)

PRESENT- Mr. Mahesh Aggarwal, Advocate

Order Delivered on- 22.05.2020

Order Amended on- 29.05.2020

ORDER

PER SMT.SUMITA PURKAYASTHA, MEMBER (T)

This petition is filed by way of a 1st Motion under Sections 230-232, Section 234 of the Companies Act, 2013 (hereinafter referred to as 'the Act') by the Applicant/Transferee Company in connection with the Scheme of Merger (hereinafter referred to as 'the Scheme') for merging its business with M/ s RightMatch Holding Limited (Transferor Company).

2. As per averments, the registered office of the Applicant/Transferee Company is situated in the National Capital Territory of Delhi, falling within the territorial jurisdiction of this Court.

The Registered office of the Transferor Company falls under the provisions of Part II Section (4) of the XIV Schedule and other Applicable provisions of the Mauritius Companies Act, 2001.

3. The Applicant/ Transferee Company was incorporated under the Act on May 14, 1993 under the name and style of "R Systems International Limited" having CIN L74899DL1993PLC053579. The share capital of the Applicant/ Transferee Company as on February 28, 2020 is as follows:

Particulars	Amount in Rs.
Authorized Share Capital	
206,000,000 Equity Shares of Re. 1/- each	206,000,000
Total	206,000,000

[Handwritten signature]

Issued and Subscribed and Paid-up Share Capital	
119,598,945 Equity Shares of Re.1/- each fully paid up	119,598,945
Total	119,598,945

The main object of the Applicant/Transferee Company is engaged in the business of providing IT and BPO Services.

4. It is pertinent to mention that the Applicant/ Transferee Company is listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and has obtained a No Objection Letter from BSE and NSE providing their no-objection to the Scheme in terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been filed.

Copy of the Observation Letters obtained by Applicant Company from BSE and NSE have been placed on record.

5. The Transferor Company was incorporated under the Act on April 10, 2000 under the provisions of Mauritius Companies Act, 2001 under the name and style of "RightMatch Holdings Limited". The share capital of the Transferor Company as on February 28, 2020 is as follows:

Particulars	Amount in USD
Issued and fully paid:	
5,609,550 ordinary shares of USD 1 each	5,609,550
Total	5,609,550

It is submitted that the Transferor Company holds investment in R

Buy

Systems (Applicant/Transferee Company). Further the Principle activity of the Transferor Company is that of investment holding.

6. The Transferor Company has filed its Constitution and the Applicant Company/ Transferee Company has filed its Memorandum of Association and Article of Association. Also, the Transferor Company and the Applicant/Transferee Company has filed their financials for the period ending 31.07.2019 and 30.09.2019 respectively.

It has also been certified by the Statutory Auditor of the Applicant/Transferee Company that the Accounting Treatment is in compliance with the Accounting Standards prescribed u/s 133 of the Companies Act 2013.

7. The Transferor and Applicant/Transferee Company have decided to amalgamate the Transferor Company together with its business and undertakings, with the Applicant/Transferee Company, so as to achieve benefits as set out in 'Rationale of the Scheme of Amalgamation' that forms part of the proposed Scheme of Amalgamation which is necessitated and justified on grounds that :-

a.) The Indian Act enables a foreign transferor company to merge into an Indian transferee company.

b.) RightMatch forms part of the promoter and promoter group of R Systems. It presently holds 8,828,489 equity shares constituting about 7.34% of the total paid up equity share of capital of R Systems.

Pursuant to the proposed amalgamation, individual



shareholders of Right Match who are part of the promoter and promoter group of R Systems (**Promoter**) would directly hold the shares in R Systems which are currently held by RightMatch in the same proportion as they currently hold shares in RightMatch.

c.) This amalgamation would not only lead to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the Promoter's direct commitment to and engagement with R Systems.

d.) It would result in overall reduction in administrative, managerial and other expenditure and operational rationalization, organizational efficiency and optimum utilization of various resources.

e.) There would be no change in the Promoter and Promoter Group shareholding of R Systems as a result of amalgamation of RightMatch into R Systems. The promoters and Promoter Group of R Systems would continue to hold the same percentage of shares in R Systems, pre and post the amalgamation of RightMatch into R Systems.

f.) All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by RightMatch and / or its members. No cost, charges, taxes pertaining to the Scheme shall be borne by R Systems.

g.) Further, the Scheme also provides that Promoters shall indemnify R Systems and keep R Systems indemnified for any



contingent liabilities and obligations including all demands, claims, suits, proceedings etc. which may be made or instituted by any third party(ies)including governmental authorities on R Systems and are directly relatable to RightMatch or which may devolve on R Systems on account of this amalgamation.

The Appointed date of the Scheme is 1st January, 2020.

8. So far as the Valuation Report is concerned, in terms of the scheme, it has been determined in accordance with the Report on Valuation of Shares dated 24th October, 2019 issued by M/s Jain Gandharv & Associates, Chartered Accountants, New Delhi, as per the settled principles of valuation. Further Fairness Opinion from Corporate Professionals Capital Private Limited dated October 25, 2019 also placed on record.

9 The Board of Directors of the Applicant/ Transferee Company at their board meeting held on October 25, 2019 and the Transferor Company on October 24, 2019 respectively approved and adopted the Scheme of Amalgamation, subject to the sanction of this Hon'ble Tribunal and the Supreme Court of Mauritius.

Copy of the Board Resolution dated October 25, 2019 and October 24, 2019 respectively approving the Scheme, passed by the Applicant/ Transferee Company and Transferor Company have been filed.

10. Vide the present application, a prayer is made for convening with the meetings in view of the following facts:-



A. In relation to the Applicant/ Transferee Company:-

- Meeting be convened in respect of its 14,305 equity shareholders.
- Meeting be convened in respect of its 1 secured Creditor.
- Meeting be convened in respect of its 47 Unsecured creditors.

11. The proposed Scheme of Amalgamation is annexed along with the present application.

12. It is submitted that the proposed arrangement is sought to be made under the provisions of Section 230 to 232, Section 234 of the Companies Act, 2013 and the Scheme if sanctioned by this Tribunal, will take effect from the date of on which certified copy of the order of sanction of proposed Scheme passed by this Tribunal is filed with the Registrar of Companies.

13. It has also been submitted that there are no proceedings pending inquiry or investigation in respect of the applicant company.

14. Taking into consideration the application and the documents filed herewith, we propose to issue the following directions with respect to calling, convening and holding the meeting of Equity Shareholders, secured and unsecured creditors or dispensing the same which are as follows:



i. Considering the Covid-19 situation, the Applicant Company is dispensed from holding physical meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors

ii. With respect to the equity shareholders :

Since it is represented by the Applicant Company that there are 14,305 (Fourteen Thousand Three Hundred and Five) Equity Shareholders in the Company as on February 28, 2020, voting shall be conducted through postal ballot and/ or e-voting **on or before 7th July 2020**

iii. With respect to the Secured Creditors :

Since it is represented by the Applicant Company that there is 1 (One) Secured Creditor in the Company, vote of such creditor is obtained through postal ballot and/ or e-voting **on or before 7th July 2020**

iv. With respect to the Unsecured Creditors :

Since it is represented by the Applicant Company that there are 47 (Forty Seven) Unsecured Creditor in the Company, voting of such creditors are obtained through postal ballot and/ or e-voting **on or before 7th July 2020**

15. Mr. S.P Chawla (Mob-9911338808) is appointed as the Chairperson and Mr. Gursat Singh Vachher (Mob- 9811105891) is



appointed as Alternate Chairperson for the for the postal ballot and/ or e-voting for the Equity Shareholders, Secured and Unsecured Creditors of the Applicant Company as have been directed by the Tribunal.

16. The Fee for the Chairperson for the aforesaid meeting shall be Rs. 1 lac and the fee of the Alternate Chairperson shall be Rs. 50,000/- in addition to meeting their incidental expenses. Mr. Abhishek Mittal (Mob-9999048341) is appointed as the Scrutinizer and would be entitled to Rs. 50,000/- for his services in addition to meeting the incidental expenses. The Chairperson will file their reports within 2 weeks from the closing of the e-voting and/ or postal ballot.

17. It is directed that the individual notices of the said meeting shall be sent as required and prescribed by the Companies Act 2013 through registered post or speed post or through courier or through e-mail, 30 days in advance before the conclusion on the voting through e-voting and/ or postal ballot (i.e 07th July, 2020), indicating the start date and the end date of voting through postal ballot and/ or e-voting.

18. It is further directed that the Applicant Company shall publish advertisement, indicating the start date and the end date of voting through postal ballot and/ or e-voting, to be published in the English Daily 'Business Standard' and Hind Daily 'Business Standard' (Delhi



Edition) stating the copies of the Scheme of Arrangement, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 shall be provided free of cost at the registered office of the Applicant Company.

19. We also direct that the Applicant Company shall send notice to Central Government, the Income Tax Authorities, Concerned Registrar of Companies, NCT of Delhi and Haryana, Official Liquidator and any other sectoral regulator who may have significant bearing on the operation of the Applicant Company along with the copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

20. The Applicant Company further shall furnish copy of the Scheme free of cost within 1 day of any requisition for the Scheme made by any creditor or shareholder of the Applicant Company entitled to vote as aforesaid.


21. Further the authorize representative of the Applicant Company shall furnish an affidavit of service of notice of meeting and publication of advertisement and compliance of all directions contained herein at least a week before the conclusion of voting.

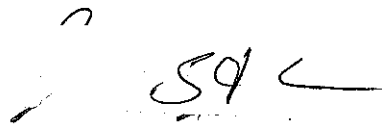
22. All the directions are to be complied with strictly in accordance



with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

As sequel to the above, the present application stands allowed by convening with the meetings of the shareholders and creditors of the Applicant/ Transferee Company.


Sumita Purkayastha
Member(T)


P.S.N Prasad
Member(J)