

2nd December 2023

To The Secretary BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 543514	To The Manager, Listing Department, National Stock Exchange of India Limited Exchange Plaza, C-1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai – 400 051 Scrip Code: VERANDA
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Sub: Update to the disclosure made on 9th February 2023

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements.) Regulations, 2015 - Approval of Scheme of amalgamation between Veranda XL Learning Solutions Private Limited and J. K. Shah Education Private Limited and their respective shareholders and creditors.

We wish to inform you that the Special Bench – II of National Company Law Tribunal, Chennai (**'NCLT'**), vide its order dated 30th November 2023 has sanctioned the Scheme of amalgamation between Veranda XL Learning Solutions Private Limited (**'Transferee Company'**) and J. K. Shah Education Private Limited (**'Transferor Company'**) and their respective shareholders and creditors (**'the Scheme'**).

In this regard, we hereby enclose certified true copy of the order, passed by the Hon'ble NCLT (**'Order'**), sanctioning the Scheme.

As per the sanctioned Scheme and the Order, the Transferee Company has allotted 18,98,970 (Eighteen Lakh Ninety Eight Thousand Nine Hundred and Seventy) equity shares of Rs. 10/- each to Mr. Jitendra Kantilal Shah, constituting 24% of the paid-up equity share capital of the Transferee Company.

As a result of the aforementioned allotment, the Transferee Company would not be a wholly owned subsidiary of Veranda Learning Solutions Limited (**'the Company'**) henceforth, since as on date 76% of the paid-up share capital of the Transferee Company is being held by the Company.

Kindly take the same on record and display the same on the website of your exchange.

Thanking you.

Yours faithfully,

For Veranda Learning Solutions Limited

M Anantharamakrishnan

Company Secretary & Compliance Officer

M. No: ACS-7187

✉ contact@verandalearning.com

🌐 www.verandalearning.com

☎ +91 44 4296 7777

📍 34, Thirumalai Road, T Nagar,
Chennai, Tamil Nadu 600 017

CIN: L74999TN2018PLC125880

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
SPECIALBENCH - II, CHENNAI**

CP(CAA)/38 (CHE)/2023

in

CA(CAA)/30 (CHE)/2023

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of the *Scheme of Amalgamation of*

J.K.SHAH EDUCATION PRIVATE LIMITED

A Company incorporated under the Companies Act, 2013,

Registered Office:

Old No.54, New No.34,

Thirumalai Pillai Road,

T. Nagar, Chennai-600 017

...Transferor / Petitioner Company (1)

Veranda XL Learning Solutions Private Limited,

A Company incorporated under the Companies Act, 1956,

Registered Office:

Old No.54, New No.34,

Thirumalai Pillai Road,

T. Nagar, Chennai-600 017.

...Transferee / Petitioner Company (2)

And

Their Respective Shareholders

Order Pronounced on 30th November 2023

CORAM

SANJIV JAIN, MEMBER (JUDICIAL)

RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present: -

For Petitioner(s) : Mr.Arvinth Pandian, Sr.Advocate

Mr.Pawn Jhabakh, Advocate

For Regional Director : Mr.Avinash Krishnan Ravi, Advocate

For Official Liquidator : Mrs.Sree Kumari, JTO

Mr.B.Palani, Estate Assistant

ORDER

(Hearing Conducted though Video Conferencing)

This Joint Company Petition has been filed by **J.K.SHAH**

EDUCATION PRIVATE LIMITED (for brevity "Transferor Company") and



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J.K.SHAH EDUCATION PRIVATE LIMITED and Veranda XL Learning Solutions Private Limited



Veranda XL Learning Solutions Private Limited (for brevity "Transferee Company") under section 230-232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity 'the Rules') (hereinafter referred to as the 'SCHEME') pursuant to the Scheme proposed by the Petitioner Companies and the said Scheme is also placed at pages **28-49** to the typed set of documents filed along with the Petition. An affidavit in support of the present petition sworn by **Mr. R.Rangarajan** on behalf of Transferor Company in the capacity of Director and **Mr.K.Praveen Kumar** on behalf of the Transferee Company in the capacity of Director and the corresponding Board Resolutions dated 17.01.2023, has been placed on record.

2. 1ST MOTION APPLICATION – IN BRIEF

2.1. The Petitioner Companies filed the First Motion Application vide CA(CAA)/30(CHE)/2023 and sought directions for dispensation/convening of the meeting. Accordingly, this Tribunal vide order dated 19.07.2023 dispensed with all the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner Companies. Subsequently, this second motion petition was filed before this Tribunal by the Petitioner Company on 27.07.2023 for sanction of the Scheme of Amalgamation by this Tribunal, which is within limitation as per provisions of the



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Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

3. SCHEME SUMMARY:

The Scheme provides for the Amalgamation of the Transferor Company with the Transferee Company.

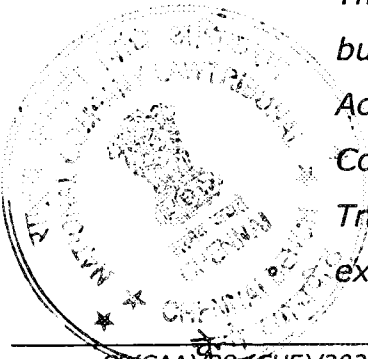
4. RATIONALE OF THE SCHEME

The rationale and benefits of the Scheme are briefed in Clause-C of the Scheme as follows,

"The management of the Transferee Company intends to acquire the business of the Transferor Company to expand its business operations and carry-on business activities in the larger interest of the Transferee Company.

In this regard, the Transferee Company has so far acquired majority shareholding of the Transferor Company as a first step so that it can consolidate the business operations of the Transferee Company. Further, post amalgamation, the shares issued to the shareholders of the Transferor Company by the Transferee Company (as consideration for the amalgamation) shall be acquired in due course by Veranda Learning Solutions Limited (the holding company of the Transferee Company), based on commercially agreed valuation parameters including the performance of the business.

This amalgamation is therefore in line with the strategy of business expansion and growth of the Transferee Company. Accordingly, the Transferor Company and the Transferee Company propose, through this Scheme, to amalgamate the Transferor Company with the Transferee Company which is expected to result in the following inter alia benefits:



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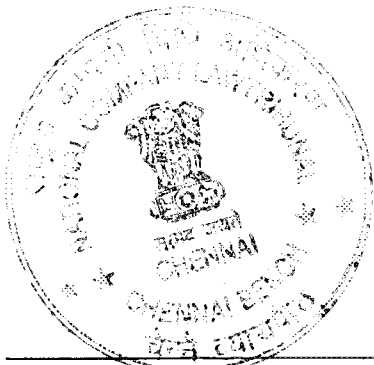
- *Enable consolidation of the business of the Transferor Company and Transferee Company into one entity which will facilitate focused growth, operational efficiency, integration and better supervision of the business of the group and optimal allocation of capital.*
- *Enable synergy benefits in the Transferor Company and Transferee Company due to economies of scale by combining all the functions, related activities and operations.*
- *The Transferor Company is engaged in providing education, training and evaluate performance in all the fields/streams of education such as commerce, science, arts and any other conventional or modern streams of education. The Transferee Company is currently engaged in the business of providing formal and informal education both through franchising and self-owned centres to train students in both India and abroad for various educational programs including training for competitive examinations. Hence, combining the business of the Transferee Company with that of the Transferor Company will help the Transferee Company to provide better quality of services to its customers and derive better collaborative benefits.*
- *Resources of the Transferor Company and Transferee Company in the form of managerial and technical expertise can be combined for*





optimum utilization and to increase operational efficiency.

- The amalgamation will enable pooling of resources of the Transferor Companies with the resources of the Transferee Company to their advantage, resulting in more productive utilization of said resources, and cost and operational efficiency which would be beneficial to all stakeholders.*
- Facilitate scaling of operations, reduce administrative costs, result in effective utilization of various business facilities across locations and garner greater visibility in the market.*
- Help in the creation of a platform for future business activities, and to act as a gateway for growth and expanding business operations wherein the business activities of the Transferor Company can be advantageously combined with the business activities of the Transferee Company thus leading to substantial growth opportunities.*
- The amalgamation will also enable smoother implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.*
- Bring about operational efficiencies and reduction of administrative and managerial overheads as well as multiplicity of legal compliances.*



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Given that the business of the Transferor Company and the Transferee Company complement each other and combination of such companies would lead to business continuity along with commercial, operational and administrative synergies (as explained above) leading to maximizing stakeholders' value, and since the Transferee Company had acquired the majority stake in the Transferor Company on 31 October 2022 (i.e. the acquisition date), the Board of Directors of the respective companies believe that on account of commercial and business reasons, the amalgamation should have an Appointed Date of 31 October 2022, in order to reflect and represent, through a uniform financial statement, the true financial strengths of the amalgamated entity."


5. In the second motion Petition filed by the Petitioner Companies, this Tribunal vide order dated 09.08.2023 directed the Petitioner Companies to issue notice to the Statutory / Regulatory Authorities viz. (i) Regional Director (Southern Region), (ii) RoC, Chennai, (iii) Official Liquidator, (iv) the Income Tax Department, with PAN details of all Petitioner companies and copy to the Chief Principal Commissioner Office as well as for paper publication to be made in "Business Standard", English (All India Edition) and "Makkal Kural" Tamil (Tamil Nadu Edition).

6. In compliance with the said directions issued by this Tribunal, the Petitioner Companies have effected paper publications as directed by the Tribunal in "Business Standard" (All India Edition) in English and "Makkal Kural" (Tamil Nadu Edition) in Tamil on



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24.08.2023. Notices have been served to (i) Regional Director, Southern Region, Chennai on 24.08.2023, (ii) Registrar of Companies Chennai on 24.08.2023, (iii) Official Liquidator on 24.08.2023, (iv) Income Tax Department on 24.08.2023 and the proof of the same by way of affidavit of service dated 20.09.2023 have been enclosed with the separate typed set. Pursuant to the service of notice of the petition the following statutory authorities have responded as under:

7. STATUTORY / REGULATORY AUTHORITIES

7.1. REGIONAL DIRECTOR

7.1.1. The Regional Director (RD), Southern Region to whom the notice was issued in the first motion itself has filed its report dated 30.01.2023 before this Tribunal and stated as follows,

"Clause 15 of Part B of the Scheme provides for clubbing of Authorized Share Capital of the Companies, as such the Authorized Share Capital of the Transferor Company shall stand altered and merged with the Authorized Share Capital of the Transferee Company. The existing authorized share capital of the Transferee Company is Rs. 10,00,00,000 /- and that of the Transferor Company is Rs. 27,50,00,000/-. Hence, upon merger of capital, the authorized share capital shall stand increased to Rs. 37,50,00,000/, whereas it is stated in the Scheme that the Authorized Share Capital of the Transferee Company post amalgamation shall be Rs. 37,50,00,000 comprising of 2,35,00,000 equity shares of Rs. 10/- each and 1,40,00,000 preference shares of Rs. 10/- each, giving effect to the merger and had also undertaken to pay



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the differential fee as required under the provisions of Companies Act, 2013. It is prayed that the Hon'ble NCLT, Chennai may direct the Companies involved in the Scheme to alter Clause 5 of the MOA accordingly and also to pay the difference in fee / stamp duty on proposed increase of Authorized Share Capital and to file the amended MOA and AOA with the ROC."

...

Apart from the above the RD has no objection to the proposed scheme of the Petitioner Companies.

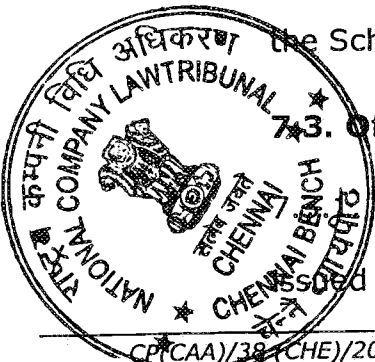
7.1.2. With respect to objection raised by the RD, the Authorised Signatories of the Petitioner Companies, vide affidavit dated 09.10.2023 undertook to pay any fee involved in increasing authorized share capital, if any, as required under the Companies Act, 2013. Further they undertook to file the amended MoA and AoA with the Registrar of Companies, Chennai.

7.2. INCOME TAX DEPARTMENT:

Despite notice having been served and also public notice dated 24.08.2023, there is no representation from the Department of Income Tax and RBI and this Tribunal in terms of Section 230(5) of the Companies Act, 2013 presumes that the Department of Income Tax and RBI does not have any objection to the sanction of the Scheme.

7.3. Official Liquidator

The Official Liquidator, Chennai to whom the notice was issued in the first motion itself, has filed his Report dated



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10.10.2023 before this Tribunal and has stated that they have appointed M/s.Gayathiri & Co, Chartered Accountants Firm from the panel list maintained by their office to verify into the affairs of the Transferor Company. In para 5 of the above said report the Official Liquidator has expressed his satisfaction as follows,

"... The Official Liquidator is of the view that the petition may be considered fairly as the affairs of the Company have not been conducted in a manner prejudicial to the interest of its creditors or public."

7.3.2. Further, the Official Liquidator has sought to take the report of the Chartered Accountant on record and has also sought to fix the remuneration payable to the Auditor who has investigated into the affairs of the Transferor Company. In this regard, this Tribunal hereby directs the Transferor Company to pay a sum of **₹35,000/-** plus GST.

8. ACCOUNTING TREATMENT

The Certificates issued by the Statutory Auditors certifying the Accounting Treatment of the Transferor Companies and Transferee Company are in compliance with Section 133 of the Companies Act, 2013 are placed on record.

9. Valuation

The valuation report dated 09.01.2023 of registered valuer Mr.S.Sandeep is placed on record wherein the wherein the fair share exchange ratio is recommended as follows,

The Transferee Company would issue 18,98,970 (Eighteen Lakh Ninety-Eight Thousand Nine Hundred and Seventy) equity shares (in aggregate) of Rs. 10 each, to the shareholders of the Transferor Company as on the Record Date in lieu of their shareholding in the Transferor Company as on the Record Date.

10. OBSERVATIONS OF THIS TRIBUNAL

10.1. This Tribunal is of the view that the scheme as contemplated amongst the petitioner companies seems to be *prima facie* not, in any way detrimental to the interest of the members of the Company. In view of the absence of any material objections from any statutory authorities and since all the requisite statutory compliances have been fulfilled, this Tribunal sanctions the Scheme of Amalgamation pages 119-151 of the petition as well as the prayer made therein.


10.2. Notwithstanding the above, if there is any deficiency found or, the violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with the law, against the concerned persons, directors and officials of the petitioners.

10.3. While approving the Scheme as above, it is clarified that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/



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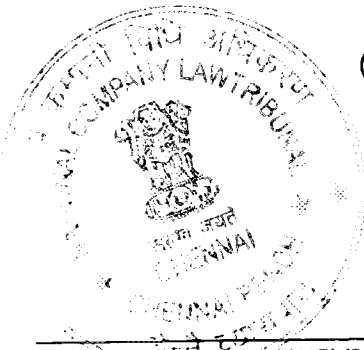
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compliance with any other requirement which may be specifically required under any law.

11. THIS TRIBUNAL DO FURTHER ORDER:

- (i) That all properties, rights and interests of the Transferor Company shall, pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company in terms of the Scheme.
- (ii) That all the liabilities, powers, engagements, obligations and duties of the Transferor Company shall pursuant to Section 232(3) of the Companies Act, 2013 without further act or deed be transferred to and vest in or be deemed to have been transferred and vested in the Transferee Company in terms of the Scheme.
- (iii) That the Appointed date for the Scheme shall be **31.10.2022** as mentioned in Part A clause 1.2 of the Scheme.
- (iv) The 'Effective Date' shall be same as the appointed date.
- (v) That all proceedings now pending by or against the Transferor Companies be continued by or against the Transferee Company.
- (vi) That all the employees/workmen of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect shall become the employees of the





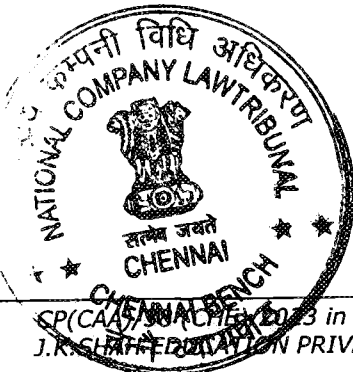
Transferee Company without any break or interruption in their service with all the benefits.

- (vii) The Transferee Company do without further application pay the considerations to the Transferor Companies as per Clause 6 at Part B of the Scheme and the same is reproduced below,

"The Transferee Company would issue 18,98,970 (Eighteen Lakh Ninety-Eight Thousand Nine Hundred and Seventy) equity shares (in aggregate) of Rs. 10/- each, to the shareholders of the Transferor Company as on the Record Date in lieu of their shareholding in the Transferor Company as on the Record Date."

- (viii) That the Transferee Company shall file the revised Memorandum and Articles of Association with the Registrar of Companies, Chennai and further make the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Transferee Company after setting off the fees paid by the Transferor Company.

- (ix) That both the Petitioner Companies, shall within thirty days of the date of receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, on such certified copy being so delivered, the Transferor Company shall be dissolved without winding up and the Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file kept by him in relation to all the Transferee Company and the files relating to all the said companies shall be consolidated accordingly.



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J.R. SHARFUDIN & SONS PRIVATE LIMITED and Veranda XL Learning Solutions Private Limited

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- (x) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

12. Accordingly, the Company Petition stands **Allowed** on the aforementioned terms and is disposed of.

- Sd -

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

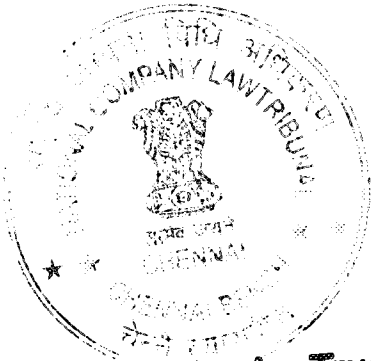
- Sd -

SANJIV JAIN
MEMBER (JUDICIAL)

Gopishankar. D

Order pronounced under Rule 151 of NCLT Rules 2016, by **Hon'ble Technical Member Ravichandran Ramasamy** on behalf of the Bench comprising of **Sanjiv Jain, Member (Judicial)** and **Ravichandran Ramasamy, Member (Technical)**.

K. N. S. 11/12/23
DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001



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NATIONAL COMPANY LAW TRIBUNAL CHENNAI	
Order No. / Date :	<u>CP(CAA) 38CH-2023</u>
Certified Copy made Available on :	<u>01.12.2023</u>
Applied for Certified Copy (Applicant / Respondent)	<u>30.11.2023</u>
Certified Copy issued on	<u>01.12.2023</u>