

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
AT MUMBAI, BENCH – I**

C.A (C.A.A.) NO. 71/MB/2022

In the matter of application under sections 230 to 232 read with Section 66 and other applicable provision of the Companies Act, 2013.

AND

In the matter of Vakrangee Limited, a Company incorporated under the provisions of the Companies Act, 1956

AND

In the matter of VL E-Governance & It Solutions Limited, a Company incorporated under the provisions of Companies Act, 2013.

AND

In the matter of Scheme of Arrangement of for Demerger of E-Governance & IT/ITES Business (Demerged Undertaking) of Vakrangee Limited into VL E-Governance & IT Solutions Limited and their respective shareholders.



BY THE PEOPLE. FOR THE PEOPLE. OF THE PEOPLE

VL E-Governance & IT Solutions Limited, a
Company incorporated under the Companies
Act, 2013, having its registered officer at
Vakrangee Corporate House, Plot No. 93,
Road No. 16, MIDC Marol, Andheri East,
Mumbai -400 093

...Applicant/Resulting Company

Vakrangee Limited, a company incorporated
under the Companies Act, 2013, having its

registered office at Vakrangee Corporate House
Plot No. 93, Road No. 16, MIDC Marol,
Andheri East, Mumbai – 400 093

... Applicant/Demerged Company

Order delivered on 20.01.2023

Coram:

Hon'ble Member (Judicial) : Justice P. N. Deshmukh (Retd.)
Hon'ble Member (Technical) : Mr. Shyam Babu Gautam

Appearances:

For the Applicants : Mr. Hemant Sethi a/w Mr. Sanjay
Shringarpure, Advocates.

ORDER

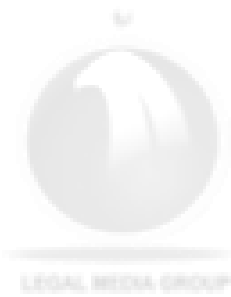
Per: Justice P.N. Deshmukh, Member (Judicial)

1. The Counsel for the Applicants states that the present Scheme is an Arrangement for demerger and transfer of demerged undertaking i.e. E-Governance & IT/ITES Business ("***Demerged Undertaking***") of Vakrangee Limited ("***the Demerged Company***") into VL E-Governance & IT Solutions Limited ("***the Resulting Company***") and their respective shareholders. The Scheme of Arrangement provides for the Demerger of the E-Governance & IT/ITES Business (as defined in the Scheme) of the Demerged Company and vesting of the same into the Resulting Company, and the consequent discharge of consideration by the Resulting Company, pursuant to the relevant provisions of the Companies Act 2013.

2. The Counsel for the Applicants states that the Demerged Company undertakes that currently it has two business divisions viz. Vakrangee Kendra Business and E-Governance & IT/ITES Business. The Resulting Company is *inter alia* engaged in the business of providing facilitation services between service providers and end users of services to render government/non-governmental services, including but not limited to government services such as Aadhaar Card (UIDAI), Print & Data Management Services., IT/ITES related procurement management services facilitate utility services, any other governmental services to promote general wellbeing of the public at large and other support services.
3. The Counsel for the Applicants states that the rationale and the benefits of the Demerger pursuant to the Scheme are *inter alia* set out herein below:
 - a) The Demerged Company has been one of India's largest e-Governance player functioning as a systems integrator and an end-to-end service provider for various e- Governance projects. The Demerged Company has an experience of over two decades in delivering systems integration and other IT/ITES services for India's e-Governance plan. It has a track record of successfully implementing various timebound Mission Mode Projects (MPs) under the Government's National e-Governance Plan. Over the years, the Demerged Company has evolved into a technology-enabled company focused around building India's largest network of last-mile physical retail outlets to deliver services to the unserved

and the underserved rural, semi-urban and urban population of the country. The Demerged Company has emerged as a well-diversified distribution platform offering various goods and services under one roof to citizens at affordable prices, same time and same quality. The Demerged Company currently has two business i.e. Vakrangee Kendra Business and E- Governance & IT/ITES Business i.e. Demerged Undertaking.

- **Vakrangee Kendra Business:** This undertaking of the Demerged Company is a technology driven focused around building India's largest Assisted Digital Convenience stores which are known as Nextgen Vakrangee Kendras and which act as the 'One Stop Shop' for availing multiple products and services. The Demerged Company offers an extensive array of services across various sectors by providing BFSI, ATM, Assisted E-Commerce, Telemedicine, Online Pharmacy & Logistics Services.
- **E-Governance & IT/ITES Business:** This undertaking of the Demerged Company has established a proven track record in delivering time bound mission critical Government projects, getting involved in the entire value chain - right from data digitisation to technology and IT Procurement management. With proven, skills and robust domain expertise, Demerged Company has valuable and consistent systems integration beyond the Gram Panchayat level.



b) The demerger of the demerged undertaking of the Demerged Company shall be beneficial in the long run and looking at synergy in operations of businesses of both the Companies, cost saving and other strategic benefits, it is considered expedient to demerge the demerged undertaking of the Demerged Company and merge the same into VL E-Governance & IT Solutions Limited, the Resulting Company. The demerger of the demerged undertaking and vesting of the same with the Resulting Company would enable the Resulting Company to enhance operational efficiencies, ensuring synergies through pooling of financial, managerial, personnel capabilities, skills and expertise and the management is of the view that segregation of the Demerged undertaking would unlock economic value of both the divisions.

c) The demerged undertaking segment requires different skill sets and focused approach towards time bound project execution capabilities as well as dedicated efforts on collection of Debts/Receivables, Vendor management and procurement of IT equipment. The Management thought it fit to focus on enhancing strategic flexibility to build a viable platform solely focusing on each of these businesses. It will help both the companies to enhance their business operations by streamlining operations, more efficient management control and outlining independent growth strategies. The Scheme shall be in the beneficial interest of the shareholders of both the Companies. The Scheme shall be in no manner be prejudicial to the

interests of the concerned members, creditors, employees or general public at large.

4. The Counsel for the Applicants states that the Board of Directors of the Resulting Company in their meeting held on 12/11/2021 has approved the Scheme. The Appointed Date of the Scheme is 01/04/2021. The minutes of the meeting of the Board of Directors of the Resulting Company held on 12/11/2021 is annexed to the Company Scheme Application as Annexure “14”. The Board of Directors of the Demerged Company in their meeting held on 12/11/2021 has approved the Scheme. The minutes of the meeting of the Board of Directors of the Demerged Company held on 12/11/2021 is annexed to the Company Scheme Application as Annexure “5”.
5. The Counsel for the Applicants states that the Resulting Company has (7) equity shareholders. All the equity shareholders have given consent affidavits which are annexed to the Company Scheme Application as Annexure “17A to 17G”. In view of the fact that the equity shareholders of the Resulting Company have given their consent affidavits, the meeting of the equity shareholders of the Resulting Company is hereby dispensed with.
6. The Counsel for the Applicants states that in so far as the Demerged Company is concerned it has one secured creditor viz. Union Bank of India who has given its No Objection Certificate which is annexed to the Company Scheme Application as Annexure “9”. In view thereof, the

meeting of the Secured Creditors of the Demerged Company is hereby dispensed with.

7. This Tribunal hereby directs that a meeting of the Equity Shareholders and Unsecured Creditors of the Demerged Company be convened and held for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/ or other audio-visual means, without the requirement of physical presence of shareholders and Unsecured Creditors at a common venue.

Name of the company	Meeting to be held of	Day and Date	Timing
Vakrangee Limited	Equity Shareholders	Friday the 3 rd March, 2023	11.00 A.M.
Vakrangee Limited	Unsecured Creditors	Friday the 3 rd March, 2023	2.00 P.M.

8. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Demerged Company proposes to provide the facility of remote e-voting to its Equity Shareholders and Unsecured Creditors in respect of the resolution to be

passed at the meeting of the Equity Shareholders and Unsecured Creditors of the Demerged Company. The Equity Shareholders and Unsecured Creditors of the Demerged Company are also allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing and/or other audio-visual means on 3rd March, 2023 at 11 am and 2.00 P.M. respectively. The remote e-voting facility and e-voting facility during the meeting for the Equity Shareholders and Unsecured Creditors of the Demerged Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.

9. This Tribunal hereby directs that a meeting of the Unsecured Creditors of the Resulting Company be convened and held for the purpose of considering, and if thought fit, approving the proposed Scheme, through video conferencing and/ or other audio-visual means, without the requirement of physical presence of Unsecured Creditors at a common venue.

Name of the company	Meeting to be held of	Day and Date	Timing
VL E-Governance IT	Unsecured Creditors	Friday the 3 rd March, 2023	3.00 P.M.

Solutions Limited			
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10. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, the Resulting Company proposes to provide the facility of remote e-voting to its Unsecured Creditors in respect of the resolution to be passed at the meeting of the Unsecured Creditors of the Resulting Company. The Unsecured Creditors of the Resulting Company are also allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing and/or other audio-visual means on 3rd March, 2023 at 3.00 P.m. The remote e-voting facility and e-voting facility during the meeting for the Unsecured Creditors of the Resulting Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.
11. It is hereby directed that at least 30 days before the said meetings of the Equity Shareholders and Unsecured Creditors of the Demerged Company and Unsecured Creditors of the Resulting 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 14th day of

December, 2016, shall be sent by Courier / Registered Post / Speed Post / Hand delivery or through email (to those Equity Shareholders and Unsecured Creditors of the respective Applicants whose email addresses are duly registered with the respective Applicants for the purpose of receiving such notices by email), addressed to each of the Equity Shareholders and Unsecured Creditors of the respective Applicants, at their last known address or email addresses as per the records of the respective Applicants.

12. It is hereby directed that at least 30 days before the said meeting of the Equity Shareholders and Unsecured Creditors of the Demerged Company and Unsecured Creditors of the Resulting Company to be held as aforesaid, a notice convening the said meeting at the place, day, date and time aforesaid and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and that the common Notice shall be published once each in 'Business Standard' in English language and 'Navshakti' in Marathi language, both having circulation in Mumbai.

13. Mr. M.A. Kuvadia (Former Regional Director, Ministry of Corporate Affairs, having Mobile Number + 91 9320220229) is appointed as the Chairperson for all the meetings of the Equity Shareholders and Unsecured Creditors of the Demerged Company and Unsecured Creditors of the Resulting Company called under this order and the relevant law of the Demerged Company and Resulting Company. The total fees of the Chairperson for all the three meetings are fixed at

Rs.3,50,000/- and applicable taxes. The Scrutinizer for all the meetings of Equity Shareholders and Unsecured Creditors of the Demerged company and Unsecured Creditors of the Resulting Company shall be Mr. Narayan Parekh, a practicing Company Secretary having ACS No. 8059. The total fees for all the meetings of the Scrutinizer are fixed at Rs. 1,50,000/-.

14. The Demerged Company and Resulting Company undertakes to:
- (i) issue Notice convening meeting of the Equity Shareholders and Unsecured Creditors as per Form No. CAA.2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
 - (ii) issue Statement containing all the particulars as per Section 230 of the Companies Act, 2013;
 - (iii) advertise the Notice convening meetings as per Form No. CAA.2 (Rule 7) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

The undertakings are accepted.

15. The Chairperson appointed for the aforesaid Meetings to issue the advertisement and send out the notices of the Meetings referred to above. The said Chairperson shall have all the powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment

thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).

16. The quorum for the aforesaid meeting of the Equity Shareholders of the Demerged Company shall be as prescribed under the provisions of Section 103 of the Companies Act, 2013.
17. The quorum for the aforesaid meetings of the Unsecured Creditors of the Demerged Company shall be Fifteen (15) creditors and Resulting Company shall be Five (5) creditors.
18. The voting by proxy shall not be permitted in the case of meeting of Equity Shareholders and Unsecured Creditors of the Demerged Company and Unsecured Creditors of the Resulting Company, as the aforesaid meetings would be held through video conferencing and/ or other audio-visual means. However, voting in case of body corporate be permitted, provided the prescribed form/authorisation is filed with the Demerged Company at info@vakrangee.in and Resulting Company at info@vakrangee.in not later than 48 (forty eight) hours before the start of the aforesaid meetings as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
19. The value and number of the shares of each member shall be in accordance with the books/register of the Demerged Company or depository records and where the entries in the books/register/depository records are disputed, the Chairperson of the Meetings shall determine the

value for the purpose of the aforesaid meetings and their decisions in that behalf would be final.

20. The value of each Unsecured Creditors shall be in accordance with the books/register of the Demerged Company and Resulting Company as on 31st December, 2022 and where the entries in the books/register are disputed, the Chairperson of the Meetings shall determine the value for the purpose of the aforesaid meetings and their decisions in that behalf would be final.
21. The Chairperson to file an affidavit not less than seven days before the date fixed for the holding of the meetings and to report to this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
22. The Chairperson to report to this Tribunal, the result of the aforesaid meetings of the Equity Shareholders and Unsecured Creditors of the Demerged Company and Unsecured Creditors of the Resulting Company within 30 days of the conclusion of the meetings, and the said report shall be verified by his Affidavit.
23. The Applicant Companies to serve the notice upon the Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, Maharashtra, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of

the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the Regional Director within 30 days of the date of receipt of the notice, it will be presumed that the Regional Director/Central Government has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

24. The Applicant Companies to serve the notice upon the concerned Registrar of Companies, pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the Registrar of Companies within 30 days of the date of receipt of the notice, it will be presumed that the Registrar of Companies has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
25. The Applicant Companies to serve the notice upon the concerned Income Tax Authority, Mumbai within whose jurisdiction the Resulting Company (PAN NO.AAFCV4132N) and the Demerged Company (PAN NO.: AAACV9920D) are being assessed pursuant to Section 230(5) of the Companies Act, 2013. If no response is received by the Tribunal from the concerned Income Tax Authority within 30 days of the date of receipt of the notice, it will be presumed that the Income Tax Authority has no objection to the proposed Scheme as laid out in Section 230(5) of the Companies Act, 2013.

26. The Applicant Companies are directed to serve notices along with copy of scheme upon the concerned Goods and Service Tax Authority enlisted below, within whose jurisdiction respective assessments of the Applicant Companies are made pursuant to Section 230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 :-

<u>Name of the Company</u>	<u>GST No.</u>	<u>Address of GST office having jurisdiction</u>
VAKRANGEE LIMITED	27AAACV9920D1ZC	MUMBAI-LTU-513
VL GOVERNANCE IT SOLUTIONS LIMITED	27AAFCV4132N1ZO	MUMBAI ANDHERI EAST-70

27. If no response is received by the Tribunal from the Income Tax Authorities within 30 days of the date of receipt of the notice it will be presumed that Income Tax Authorities has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
28. The Demerged Company to serve the Notice upon the Securities and Exchange Board of India (“SEBI”), BSE and NSE pursuant to Section

230(5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. If no response is received by the Tribunal from the SEBI, BSE and NSE within 30 days of the date of receipt of the Notice, it will be presumed that SEBI, BSE and NSE have no objection to the proposed Scheme.

29. The Applicants to file an affidavit of service of the notices issued to the equity shareholders (Demerged Company), publication of notices in newspapers and to the abovementioned authorities not less than seven days before the date fixed for the holding of the meetings and to report to this Tribunal that the direction regarding the issue of notices have been duly complied with, within a period of 4 weeks.

Sd/-

SHYAM BABU GAUTAM

Member (Technical)

20.01.2023

Priyal

Sd/-

JUSTICE P. N. DESHMUKH

Member (Judicial)