

# Sundaram Multi Pap Limited

CIN: L21098MH1995PLC086337

R.O.: 5/6, Papa Industrial Estate, Suren Road, Andheri East, Mumbai: 400093, Maharashtra, India.

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Date: 15-05-2020

To BSE Limited P. J. Towers, Dalal Street, Mumbai: 400001. <b>Ref: Scrip Code: 533166</b>	To National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, BKC, Bandra (E), Mumbai: 400051. <b>Ref: Symbol: SUNDARAM</b>
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**Sub: Updates on Order of NCLT In the matter of Scheme of Amalgamation of E-Class Education System Limited (ECESL or the Transferor Company) with Sundaram Multi Pap Limited (SMPL or the Transferee Company) ('Scheme')**

Dear Sir / Madam,

This is with reference to the observation letters bearing reference number DCS/AMAL/JR/R37/1471/2019-20 and NSE/LIST/20048 dated May 06, 2019 issued by BSE Limited and National Stock Exchange of India Limited regarding the Scheme which, *inter alia*, envisages amalgamation of E-Class Education System Limited ('ECESL' or 'Transferor Company') a subsidiary of Sundaram Multi Pap Limited into Sundaram Multi Pap Limited ('SMPL' or 'Transferee Company').

We wish to inform you that the Hon'ble National Company Law Tribunal, Mumbai Bench has in the final hearing held on April 30, 2020 through online has sanctioned the aforesaid Scheme of Amalgamation of E-Class Education System Limited (ECESL or the Transferor Company) with Sundaram Multi Pap Limited (SMPL or the Transferee Company) ('Scheme').

The final order pronounced on April 30, 2020 was uploaded on the website Hon'ble National Company Law Tribunal today i.e. on May 15, 2020. The company is in the process of obtaining certified copy of the order from the Hon'ble NCLT. As soon as the certified copy of the Order is received, same will be intimated to the Stock Exchanges accordingly.

Copy of the Order uploaded on the website Hon'ble National Company Law Tribunal as on today i.e. on May 15, 2020 is enclosed herewith. Request you to take the same on your records and oblige.

Thanking you,  
Yours Faithfully,

**For Sundaram Multi Pap Limited**

**Amrut P. Shah**  
Chairman & Managing Director  
DIN: 00033120

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
SPECIAL BENCH, MUMBAI**

**CP (CAA) No.4309/2019**

**Connected with**

**CA (CAA) No.2458/2019**

Under Sections 230 to 232 of the  
Companies Act, 2013 and all other  
applicable provisions of the Companies  
Act, 2013 and rules framed there under

AND

In the matter of Scheme of Amalgamation  
of E-Class Education System Limited  
(*ECESL or the Transferor Company*) with  
Sundaram Multi Pap Limited (*SMPL or the  
Transferee Company*) ('Scheme')

E- Class Education System Limited

*having its registered office at*

5/6, Papa Industrial Estate, Suren Road

Andheri (East), Mumbai, Maharashtra

CIN: U80212MH2009PLC194231 ...

First Petitioner/  
Transferor Company

Sundaram Multi Pap Limited

*having its registered office at*

5/6, Papa Industrial Estate, Suren Road

Andheri (East), Mumbai, Maharashtra...

CIN: L21098MH1995PLC086337

Second Petitioner/  
Transferee Company

Order pronounced on 30<sup>th</sup> April 2020

*Coram:*

Shri Rajasekhar V.K. : Member (Judicial)  
Shri V. Nallasenapathy : Member (Technical)

*Appearances (via videoconferencing):*

For the Applicants : Dr VVLN Sastry, Dr VSR Sastry  
a/w Mr Rajan Pillai i/b Lex  
India Juris, Advocates.  
For the Regional Director (WR) : Ms Rupa Sutar, Deputy Director

ORDER

*Per: Rajasekhar V.K., Member (Judicial)*

1. Heard learned counsel for parties. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Joint Company Scheme Petition to the Scheme of Amalgamation of E-Class Education System Limited (*ECESL or the Transferor Company, a 51% subsidiary of Transferee Company*) with Sundaram Multi Pap Limited (*SMPL or the Transferee Company*).
2. This Joint Company Petition has been filed by the Petitioner Companies under sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
3. The sanction of the Tribunal is sought under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 to a Scheme of Amalgamation of E-Class Education System Limited (*ECESL or the Transferor Company*) with Sundaram Multi Pap Limited (*SMPL or the*

*Transferee Company*). A copy of the Scheme of Amalgamation has been placed on record.

4. The Petitioner Companies have approved the said Scheme of Amalgamation by passing the Board Resolutions on January 12, 2019 and February 20, 2019 which are annexed to the Joint Company Scheme Petition.
5. The Equity Shares of Transferee Company are listed on BSE Limited (BSE) & National Stock Exchange of India Limited (NSE). Both Stock Exchanges have given their No Objection *vide* their letters dated May 06, 2019 to file the Scheme with this Tribunal.
6. Learned Advocate appearing on behalf of the Petitioners states that the Joint Company Scheme Petition has been filed in consonance with the Order dated 27<sup>th</sup> September 2019 passed in their CA (CAA) No.2458/2019 of this Tribunal.
7. Learned Advocate appearing on behalf of the Petitioners further states that the Petitioner Companies have complied with all requirements as per directions of the National Company Law Tribunal, Mumbai Bench *vide* Order dated 3<sup>rd</sup> January 2020 and they have filed necessary affidavits of compliance in this regard.
8. Learned Advocate for the Petitioners states that the Transferor Company is one of the market leaders in the making of audio- visual E- Learning / E- Education / Digital Content Software Products/ Modules for the students of Maharashtra State Board's (MHSEB) 1<sup>st</sup> to 10<sup>th</sup> standards for all subjects, available in English, Marathi, Semi English, Hindi and Urdu medium as per the syllabus and the Second

Petitioner/ Transferee Company is one of the market leaders in the business of manufacturing paper stationery and other paper related products for Education and Corporate Sectors in Gujarat and Maharashtra with a market share of 40% in each market.

9. Learned Advocate for the Petitioners states that the Scheme of Amalgamation is expected to enable better realisation of potential of the businesses and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, lenders and employees. Further, there will be an opportunity to leverage combined assets and building a stronger sustainable business. The amalgamation will enable optimal utilisation of existing resources and provide an opportunity to fully leverage capabilities, efficiencies and infrastructure of all the companies and will result in simplification of cross holding of the Companies. Further, the amalgamation will enable the Transferee Company to consolidate the businesses, reduce the number of companies under the same Management and thus will lead to reduction in administration efforts. Also, it would be advantageous to combine the activities and operations of both the Transferor and Transferee Companies into a single Company for leveraging financial and operational resources and reflecting stronger financial position. It is also expected to reduce redundancies and multiplicity of legal and regulatory compliances, elimination of multiple recordkeeping which will ultimately lead to overall reduction in expenditure. The amalgamation will make the Transferee Company and the business stronger and more powerful resulting in growth of business and profitability and will increase shareholders wealth on a continual basis.

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10. The authorised, issued, subscribed and paid up share capital of the First Petitioner Company is ₹40,00,00,000/-, divided into 4,00,00,000 crore equity shares of ₹10/- each. The authorised share capital of the Second Petitioner Company is ₹28,00,00,000/- divided into 28,00,00,000 equity shares of ₹1 each. The issued, subscribed and paid up share capital of the Second Petitioner Company is ₹27,16,05,773, divided into 27,16,05,773 equity shares of Rs. 1 each.
11. The Regional Director has filed a Report on 14<sup>th</sup> February 2020 stating therein, save and except as stated in para IV(a) to (h) of the said Report, it appears that the Scheme is not prejudicial to the interest of shareholders and public.
12. In para IV of the said Report, the Regional Director has stated that:-
- (a) In addition to compliance of AS- 14 (IND AS-103), the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.*
- (b) As per Part-A – Definitions Clause 1 (1.1.2, 1.1.5 & 1.1.6) of the Scheme, “Appointed Date” means 01<sup>st</sup> April 2018;*
- “Effective Date” means the last of the following dates, namely:*
- a. That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 22(a) shall be obtained or passed; or*
- b. That on which all necessary certified copies of orders under the applicable section(s) of the Act shall be duly filed with the Registrar of Companies or*
- c. The Appointed Date;*

*In this regard, it is submitted that section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Tribunal taking into account its inherent powers.*

*Further , the Petitioner may be asked to comply with the requirements and clarified vide circular No.7/12/2019-CL.1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.*

- (c) As regards Part CII- Clause 14 of the Scheme (Increase in the Authorised Share Capital of the Transferee Company), it is submitted that of fees if any payable by Transferee Company shall be in accordance with the provisions of section 232(3)(i) of the Companies Act, 2013.*
- (d) In view of the observation raised by the ROC Mumbai, mentioned at para 16 above Hon'ble NCLT may pass appropriate orders / orders as deem fit;*
- (e) Sundaram Multi Pap Limited (Transferee Company) is a listed Company, in view of the provisions of section 230(5) of the Companies Act, 2013 r/w rule 8 of the Companies (Companies, Arrangement and Amalgamations) Rules, 2016, NCLT may kindly issue notice to other sectorial regulators or authorities (The Securities and Exchange Board of India, Bombay Stock Exchange Limited and National Stock Exchange of India) and/or pass appropriate orders/orders as deem fit.*
- (f) The NCLT may kindly direct to the Petitioners to file an undertaking to the extent that the Scheme enclosed to the Company Application and the scheme enclosed to the Company Petition are one & same and there is no discrepancy/any change/changes are made for changes if any, liberty to be given to Central Government to file further report if any required.*
- (g) The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Compromise or Amalgamation. Further, the approval of the*

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*scheme by this Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Companies.*

*(h) Petitioner Company have to undertake to comply with section 232(3)(i) of the Companies Act, 2013, where the Transferor company is dissolved, the fee if any , paid by the Transferor company on its authorised capital shall be set off against any fees payable by the Transferee Company on its Authorised Share Capital, subsequent to the Amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.*

13. In response to the observations made by the Regional Director, the Petitioner Companies have filed an affidavit dated 18<sup>th</sup> February 2020, clarifying as under:-

*(a) So far as the observation in para IV (a) of the Report of the Regional Director is concerned, the Transferee Company undertakes that in addition to compliance of AS-14 (Ind AS-103), the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (Ind AS-8) etc.*

*(b) So far as the observation in para IV (b) of the Report of the Regional Director is concerned, the Petitioner Companies submits that the scheme shall be effective from the Appointed Date i.e. 1<sup>st</sup> April 2018. The Petitioner Companies undertakes to comply with the requirements clarified vide circular No.7/12/2019-CL.1 dated 21.08.2019 issued by the Ministry of Company Affairs.*

*(c) So far as the observation in para IV (c) of the Report of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that the Transferee Company is pleased to accept such setting off of fees paid by the Transferor Company on its Authorised Share Capital in accordance with provisions of section 232(3)(i) of the Companies Act, 2013.*



*(d) So far as the observation in para IV (d) of the Report of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that an Online Complaint was filed by Transferee Company vide SRN I00002547 has been resolved on September 16, 2016. It is related to Payment Status of Form 5 filed vide SRN: B36107837 has been resolved.*

*Next, a case has been filed by Registrar of Companies for Non-Disclosure of Compliance with respect to the provisions related to Corporate Social Responsibility in Directors Report of Transferee Company for Financial Year 2014-15. The Directors/Promoter of the Transferee Company had made CSR expenditure on behalf of the Company for good corporate governance during Financial Year 2014-15. Therefore, the Transferee Company was of the opinion that since provisions related to CSR expenditure were complied, the disclosure related to the same is not required in the Directors Report. The same version has been represented by the Transferee Company in City Sessions Court, Mumbai. The Petitioner Companies submits that it will not affect the Amalgamation.*

*The Petitioner Companies undertake that the Transferee Company shall bear the liability, if any, arising out of the pending cases.*

*(e) So far as the observation in para IV (e) of the Report of the Regional Director is concerned, the Petitioner Companies states that they have served notices to all the concerned regulatory authorities, namely The Securities and Exchange Board of India, Bombay Stock Exchange Limited and National Stock Exchange of India in accordance with the directions of the Hon'ble Tribunal and the proof of the same are submitted to the Tribunal vide its affidavit of service dated 5<sup>th</sup> November 2019. Further, the Petitioner Companies also undertake to comply with all such directions of the regulatory authorities arising out, if any, after giving effect to the scheme.*

*(f) So far as the observation in para IV (f) of the Report of the Regional Director is concerned, the Petitioner Companies undertakes that the Scheme enclosed to the Company Application and the Scheme enclosed to*

*the Company Petition are one & same and there is no discrepancy or deviation.*

*(g) So far as the observation in para IV (g) of the Report of the Regional Director is concerned, the Petitioner Companies states that they have served notices to all the concerned regulatory authorities in accordance with the directions of the Hon'ble Tribunal and the proof of the same are submitted to the Tribunal vide its affidavit of service dated 5<sup>th</sup> November 2019. Further, the Petitioner Companies also undertake to comply with all such directions of the regulatory authorities arising out, if any, after giving effect to the scheme.*

*(h) So far as the observation in para IV (h) of the Report of the Regional Director is concerned, Learned Counsel for the Petitioner Companies submits that the Transferee Company is pleased to accept such setting off of fees paid by the Transferor Company on its Authorised Share Capital in accordance with provisions of section 232(3)(i) of the Companies Act, 2013.*

14. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 13 above. The Regional Director has filed a Supplementary Report on 25<sup>th</sup> February 2020 and expressed his satisfaction on the explanations given by the Petitioner Companies. The clarifications and undertakings given by the Petitioner Companies are accepted by the Tribunal. Moreover, Petitioner Companies undertake to comply with all the statutory requirements if any, as required under the Companies Act, 2013 and the Rules made there under whichever is applicable. The said undertaking is accepted.
15. The Official Liquidator has filed his Report on 5<sup>th</sup> February 2020 in the CP (CAA) No.4309/2019, *inter alia* stating therein that the affairs of the Transferor Company have been conducted in a proper manner

and that the Transferor Company may be ordered to be dissolved without winding up by this Tribunal after scheme becomes effective.

16. Considering the entire facts and circumstances of the case and on perusal of the Scheme and the proceedings, it appears that the requirements of the provisions of sections 230-232 of the Companies Act, 2013 are satisfied.
17. From the material on record, the Scheme appears to be fair and reasonable and is not contrary to public policy.
18. Since all the requisite statutory compliances have been fulfilled, CP (CAA) No.4309/2019 is made absolute in terms of prayers.
19. The Scheme annexed to the Petition at Annexure 'D' is hereby sanctioned and the Appointed Date of the Scheme is fixed as 01<sup>st</sup> April 2018.
20. The Scheme of Amalgamation is hereby sanctioned, and the Appointed Date is fixed as 1<sup>st</sup> April 2018. The Transferor Company be dissolved without winding up.
21. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies electronically in e-Form INC-28 within 30 days from the date of receipt of the Order duly certified by the Deputy/ Assistant Registrar, of this Tribunal.
22. The Petitioner Companies to lodge a copy of this Order duly certified by the Deputy/Assistant Registrar of this Tribunal, along with the Scheme, with the concerned Superintendent of Stamps, for the

purpose of adjudication of stamp duty payable, if any, within a period of 60 days from the date of receipt of the Order.

23. All concerned regulatory authorities to act on a copy of this order duly certified by the Deputy/Assistant Registrar of this Tribunal along with the Scheme.
24. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.
25. Ordered accordingly. Pronounced in open court today (30.04.2020).

Sd/-  
V. Nallasenapathy  
Member (Technical)

Sd/-  
Rajasekhar V.K  
Member (Judicial)

30.04.2020