



D & A FINANCIAL SERVICES (P) LIMITED

Merchant Banking & Corporate Advisory Services

To,
Board of Directors
Sundaram Multipap Limited
5/6, Papa Industrial Estate
Suren Road
Andheri (East)
Mumbai, Maharashtra, India

11th January 2019

To,
Board of Directors
E-Class Education System Limited
5/6, Papa Industrial Estate
Suren Road
Andheri (East)
Mumbai, Maharashtra, India

Subject : Fairness Opinion on Share Exchange Ratio for the proposed Amalgamation of E-Class Education System Limited ("Transferor Company") with Sundaram Multipap Limited ("Transferee Company").

Dear Sir/s,

We, M/s D and A Financial Services (P) Ltd., SEBI registered Merchant Banker, having SEBI Registration No. INM000011484 and have been appointed by M/s Sundaram Multipap Limited ("SML") and have requested D&A Financial Services (P) Limited ("D&AFSPL"/"We") to provide a Fairness Opinion on the Share Exchange Ratio (as defined below) recommended by JBRK & Co. Chartered Accountants ('JBRK' or the "Valuer") vide their report dated 11.01.2019 ("Valuation Report" / "Report"), in relation to the proposed scheme of Amalgamation of ECESL with SML as per the requirements of the SEBI Circular No. CFD/DIL/3/CIR/2017/21 dated March 10, 2017 read with SEBI Circular No. CFD/DIL/3/CIR/2018/2 dated January 3, 2018. SML and ECESL are collectively referred as "Companies".

Background of the Company

1. Background

1.1. Sundaram Multipap Limited (SML)

Date of incorporation: 13th March 1995
CIN: L21098MH1995PLC086337



**D&A**

Registered Office : 5/6, Papa Industrial Estate, Suren Road, Andheri (East), Mumbai,
Maharashtra, India

Merchant Banking & Corporate Advisory Services

Sundaram Multipap is a Market Leader 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.

SML is headed by Mr. Amrut P Shah (Chairman), a first generation entrepreneur and promoter with more than three decades of sectoral experience. The second generation of promoters in the business is represented by Mr. Shantilal Shah.

The paid up equity capital of SML is Rs. 27,16,05,773/- comprising of 27,16,05,773 equity shares of face value of Rs. 1/- each. It's shares are listed on the BSE and NSE.

The Share capital of the Company as on 31st December, 2018 is as under:

Particulars	Amount (in Rs.)
Authorised Share Capital	
28,00,00,000 Equity shares of Rs. 10/- each	28,00,00,000/-
Issued, Subscribed & paid-up Share	
Equity shares	
27,16,05,773	27,16,05,773/-

The shareholding pattern of SML as on 31st December, 2018 is as follows:

S.N.	Shareholder	No. of shares	% held
1.	Promoter & Promoter	6,04,51,585	22.26%
2.	Public	21,11,54,188	77.74%
	Total	27,16,05,773	100.00%

1.2. E-Class Education System Limited (ECESL)

Date of incorporation: 20th July 2009

CIN: U80212MH2009PLC194231

Registered Office : 5/6, Papa Industrial Estate, Suren Road, Andheri (East), Mumbai,
Maharashtra, India

E-Class Education System Limited, which is a market leader in the making of audio- visual
E- Learning / E- Education / Digital Content Software Products/ Modules for the students of





Maharashtra State Board's (MHSB) 1st to 10th standards for all subjects, available in English, Marathi, Semi English, Hindi and Urdu medium as per the syllabus.

E-class is a revolutionary product by the company, developed to help the students ease the burden of studies and score more marks. With the stress and difficulties in education arising every day, the company has developed E-class, which is an innovative educational content helping the students learn in a better and a new way. It is said what we see (visuals) is often remembered more than what we simply just read. Keeping that concept in mind, the company has converted the black and white textbook into audio-video animated content explaining each chapter and subject in detail.

The company has over 5,00,000 students learning from its educational content today. With its latest android educational memory card introduced in the year 2016, they have powered over 60,000 tabs in the state with effective offline educational content. Their aim is to bridge the digital online and offline divide and provide equal education to all.

The company caters to the learning needs of school students of classes 1-10 of Maharashtra State Board and are soon expanding over other boards. They have created educational content of over 600 hours for the state of Maharashtra and have implemented this successfully. They have introduced numerous innovations in the areas of content, delivery formats, easy use and many more. A child can study on his mobile, at home on his tv, on his laptop or even his tablet.

E-class has been instrumental in mitigating burden of school bags through its bag less education campaign. E-Class technology has successfully outdated the prevalent learning methods by developing technology enabled platforms that leave a stronger imprint on the young minds. The Bag-less learning thrives upon the concept of providing children a healthy environment. A simple pendrive or memory card can provide complete educational content and help attract students towards education.

The company provides customized easy to install solutions for schools in the rural and urban cities. The school product of the company uses learning modules of the syllabus provided. These videos are based on a pedagogy specially developed by experienced educationists. The best of schools in the state use E-class content and systems to impart education in class rooms.

The Share capital of the Company as on 31ST December 2018 is as under:

Particulars	Amount (in Rs.)
Authorised Share Capital 4,00,00,000 Equity shares of Rs. 10/- each	40,00,00,000/-
Issued, Subscribed & paid-up Share Equity shares 4,00,00,000	40,00,00,000/-



ECESL is a Public limited company and the company is under the same management of SML.

The shareholding pattern of the ECESL as on 31ST December 2018 is as follows:

S.N.	Shareholder	No. of shares	% held
1.	Promoter & Promoter	2,04,00,000	51.00%
2.	Others	1,96,00,000	49.00%
	Total	4,00,00,000	100.00%

Scope and Purpose of the Opinion

Pursuant to the requirements of SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 and subsequent amendments thereto, a fairness opinion has to be obtained from an independent merchant banker on the valuation of assets/shares done by the independent valuer for the listed as well as unlisted companies. The purpose of the opinion is to safeguard the interest of the shareholders and that of the companies involved in the proposed Scheme and this opinion shall be made available to the shareholders of the relevant Companies at the time of their meeting to pass the necessary resolution for the proposed Scheme and to any other relevant authority.

We have not made an appraisal or independent valuation of any of the assets or liabilities of any of the Companies and have not conducted an audit or due diligence or reviewed/ validated the financial data except what is provided for in the Valuation Report and financial data provided to us by the Company or valuer.

This report is subject to the scope, assumption, exclusion, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. The report has been issued only for the purpose of facilitating the Scheme of Amalgamation and should not be used for any other purpose.

Sources of Information

In arriving at the opinion set forth below, we have reviewed:

1. The Draft Scheme of Amalgamation.
2. Shareholding pattern of SML and ECESL as on 31st December, 2018.
3. Valuation Report given by M/s JBRK & Co, Chartered Accountants, dated January 11, 2019.
4. Personal discussions with the Management of SML and ECESL, Valuer and perusal of the Valuation Report.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis.



Exclusions and Limitations

We have not carried out any due diligence or independent verification or validation of such Information to establish its accuracy or sufficiency. We have not conducted any independent appraisal of any assets or liabilities of the Companies.

Our work did not constitute a validation of the financial statements of the Companies, and accordingly, we do not express any opinion on the same. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, it may have a material effect on our findings.

No consideration has been given to liens or encumbrances against the assets, beyond the loans as disclosed in the accounts. Therefore no liabilities have been assumed for matters of legal nature.

In rendering our opinion, we have assumed that the scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitations, restrictions or condition will be imposed that would have an adverse effect on the Companies.

D&AFSPL has relied upon the representations that the information provided by both the companies. Or on its behalf, is accurate and complete in all material respects. While all public information (including industry and statistical information) was obtained from sources we believe are reliable, D&AFSPL makes no representation as to the accuracy or completeness thereof, and we have relied upon such public information without further verification.

The opinion should not be construed, to be investment advice in any manner whatsoever. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, accounting, tax or other appropriate professional advice. It is assumed that such opinions, Counsel or interpretations have been or will be obtained from the appropriate professional sources.

The fee for our services is not contingent upon the results of the proposed Amalgamation. This opinion is subject to laws of India.

Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with Scheme or any matter related thereto.

Valuer's Recommendation

As stated in the valuation report, the Valuer has recommended a consideration of:

On amalgamation of ECESL, shareholders of ECESL be issued 10 (Ten Equity Shares only) fully paid up equity share of Rs 1/- each of SML credited as fully paid up, for every 1 (One Equity Share only) equity shares of Rs. 10/- each held by them in ECESL.



The ratio in which equity shares of SML are to be issued and allotted to the shareholders of the ECESL is referred to as the "Share Exchange Ratio".

Our Comment on the Valuer's Report

In present circumstances, having regards to the relevant factors and on the basis of information and explanations provided to us, in our view, the proposed exchange ratio as recommended by the valuer, which forms the basis for the proposed Amalgamation, is fair in our opinion.

We have issued the fairness opinion with the understanding that scheme of Amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final scheme of Amalgamation alters the transaction.

Yours truly,

For D& A Financial Services (P) Limited


(M K Doogar)
Director / Authorized Signatory
SEBI Registration No. INM000011484

