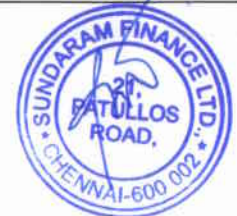


**STATEMENT EXPLAINING CHANGES TO THE SCHEME**

Sl. No.	Clause No.	Nature of Change	Draft Scheme	Approved Scheme	Reason for change	Remarks
1		Change in the name of the Company	Sundaram Finance Investments Limited	Sundaram Finance Holdings Limited	The name of the Company was changed for the purpose of aligning with the Objects.	Informed NSE vide letter ref. no. SEC:82:17-18/PNS dated 02.06.2017
2	42.4	Inclusion	-	The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange	Recommended by NSE vide Observation Letter dated 19.05.2017	
3	30.2	Revision	The aggregate face value of all the shares of the Resulting Company issued pursuant to this Scheme shall be recorded as an increase in the Share Capital.  Further, the amount arising as an accounting differential for the Resulting Company, on account of the excess of net assets recorded over the face value of the equity shares issued by the Resulting Company shall be credited to the securities premium account / general reserve/surplus in the statement of Profit and Loss, as may be determined by the Board of Directors of the Resulting Company.	The aggregate face value of all the shares of the Resulting Company issued pursuant to this Scheme shall be recorded as an increase in the share capital.  The accounting difference between the net assets transferred pursuant to Clause 30.1 and the face value of the shares issued by the Resulting company shall be credited to 'Capital Reserve', 'General Reserve' and 'Surplus in the Profit and Loss Account' in the same proportion as referred to in Clause 31.2 and the nature of such reserves shall be preserved.	The Clause has been changed as per the directions of the NCLT, based on the observations of the Regional Director, Southern Region, Ministry of Corporate Affairs	Informed the Regional Director vide letter dated 11.12.2017 and the NCLT vide Affidavit dated 03.01.2018 filed on 08.01.2018.  Copies of the RD's Affidavit to NCLT and the Company's Affidavit to NCLT are enclosed.
4	31.2	Revision	The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be debited against the Capital Reserve (including Capital Reserve arising pursuant to Part B and C of the Scheme), to the extent of available balance; and the balance shall be debited to General Reserve or surplus in the statement of Profit and Loss or any other reserve as may be determined by the Board of Directors.	The difference in the book value of assets and the book value of liabilities (net assets) transferred pursuant to the Scheme shall be debited against 'Capital Reserve', 'General Reserve' and 'Surplus in Profit and Loss Account' in the same proportion as it appeared in the books of the Demerged company before giving effect to the scheme.	The Clause was changed as per the directions of the Regional Director, Southern Region, Ministry of Corporate Affairs	



1

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,  
CHENNAI BENCH  
CP/213/CAA/ 2017**

(Connected with Company Application No. 149/CAA/CB/2017)  
In The Matter of Section 230 to 232 of the Companies Act, 2013  
And

In the Matter of Composite Scheme of Arrangement and Amalgamation  
Between

**SUNDARAM FINANCE LIMITED**

('SFL') (Transferee Company/ First Resulting Company/ Second Demerged Company)  
And

**SUNDARAM INSURANCE BROKING SERVICES LIMITED**

('SIBSL') (First Transferor Company)  
And

**INFREIGHT LOGISTICS SOLUTIONS LIMITED**

('Infreight') (Second Transferor Company)  
And

**SUNDARAM BPO INDIA LIMITED**

('Sundaram BPO') (First Demerged Company)  
And

**SUNDARAM FINANCE HOLDINGS LIMITED**

('SFHL') (Second Resulting Company)  
And

Their Respective Share Holders and Creditors

**SUNDARAM FINANCE LIMITED**

Having its registered office at  
21, Patullos Road,  
Chennai 600 002

...Transferee Company/ First Resulting Company/  
Second Demerged Company/ Petitioner Company

**AFFIDAVIT FILED ON BEHALF OF PETITIONER COMPANY**

I, Mr. P. Viswanathan, son of Mr.V. Panchapakesan, Hindu aged about 61 years, residing at Flat No. 1, 4<sup>th</sup> Floor, 'VooraVijayashree Flats', New No. 47, Old No. 22, North Boag Road, T. Nagar, Chennai- 600017, do hereby solemnly affirm and sincerely state as follows:

1. I state that I am the Secretary and Compliance Officer of the Petitioner Company and have been duly authorized to file the present Affidavit vide Board Resolution dated 17/02/2017. I am well acquainted with the facts and circumstances of the case and competent to swear and file the present affidavit.

For SUNDARAM FINANCE LIMITED



1

*[Handwritten Signature]*  
Authorized Signatory

2


2. I submit that the above mentioned Joint Company Application CA/149/CAA/CB/2017 in relation to the Composite Scheme of Arrangement and Amalgamation between Sundaram Finance Limited and Sundaram Insurance Broking Services limited and Infreight Logistics Solutions Limited and Sundaram BPO India Limited and Sundaram Finance holdings Limited and their respective Shareholders and Creditors ('Scheme') was admitted by this Hon'ble Tribunal vide Order dated 05/09/2017 wherein *inter alia* the Petitioner was directed to issue notice to the statutory authorities including the Office of the Regional Director (hereinafter referred to as 'RD'), Southern Region, Ministry of Corporate Affairs, Chennai. The said notice was issued by Hand Delivery on 22/09/2017. An Affidavit of Service in proof of the same has been filed before this Hon'ble Tribunal.
3. I submit that the RD has filed its report dated 12/12/2017 in relation to the said Composite Scheme of Arrangement and Amalgamation. The RD in its report, observed vide para 12 that, it has been decided not to make an objection to the Scheme, except for the observation made in paras 9 and 10.
4. I submit that the RD has made the following observation vide para 9 of his report which is produced as hereunder:

*"It is submitted that clause 14 of the Scheme has stated that the authorized capital of the transferor companies will be merged with the authorized capital of the transferee company. The transferee company may be directed to file the amended MOA and AOA with the ROC, Chennai of his records. In the said clause of the scheme it is stated that the transferee company shall not be required to pay any fee/stamp duty for its increased authorized share capital. This is not correct. As provided under clause (i) to Sub section (3) of Section 232 of the Companies Act, 2013 the transferee company has to pay the fees, if any, for the enhanced authorized capital subsequent to the amalgamation after setting off the fees paid by the transferor companies. In the light of the above the transferee company may be directed to comply with the above provisions of the Act by making an application with the ROC, Chennai for payment of the balance fee as applicable under the provisions of the Act and rules framed thereunder. "*

5. I submit that consequent to the amalgamation as envisaged in part B of the composite Scheme of Arrangement and Amalgamation, the Transferee Company's authorised share capital will increase from Rs. 267,00,00,000/- to Rs. 278,10,00,000/- to



**For SUNDARAM FINANCE LIMITED**

  
Authorized Signatory

3

accommodate the merger of authorised share capital of Rs. 1,00,00,000/- and Rs. 10,10,00,000/- of the 1<sup>st</sup> and 2<sup>nd</sup> Transferor Companies respectively. I submit that in respect of the above increase in authorised share capital, the registration fee ordinarily payable would be an amount of Rs.8,32,500/-. I submit that the First and Second Transferor Companies have already paid registration fees on their respective authorised Share Capital. In terms of Section 232(3)(i) of the Companies Act, 2013, the fee paid by the Transferor Companies on their authorised share capital is to be set off against any fee payable by the transferee company upon amalgamation.

6. I submit that the Petitioner Company, i.e., the Transferee Company herein undertakes to duly comply with the requirements as set out under Section 232(3)(i) of the Companies Act, 2013 and pay the shortfall after setting off the fees already paid by the Transferor Companies, if any, that arises on the increase in its authorised share capital consequent to the Composite Scheme of Arrangement and Amalgamation.

7. I further submit that para 10 of the RD's Report makes an observation in relation to Clause 30.2 and Clause 31.2 of the Composite Scheme of Arrangement and Amalgamation. Clause 30.2 and clause 31.2 of the Scheme as it originally stands is set out herein:

*Clause 30.2 : The aggregate face value of all the shares of the Resulting Company issued pursuant to this Scheme shall be recorded as an increase in the Share Capital.*

*Further, the amount arising as an accounting differential for the Resulting Company, on account of the excess of net assets recorded over the face value of the equity shares issued by the Resulting Company shall be credited to the securities premium account / general reserve/surplus in the statement of Profit and Loss, as may be determined by the Board of Directors of the Resulting Company.*

*Clause 31.2: The difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be debited against the Capital Reserve (including Capital Reserve arising pursuant to Part B and C of the Scheme), to the extent of available balance; and the balance shall be debited to General Reserve or surplus in the statement of Profit and Loss or any other reserve as may be determined by the Board of Directors.*



3

**For SUNDARAM FINANCE LIMITED**

*[Signature]*  
Authorised Signatory

4

8. I submit that the RD issued a letter dated 22/11/2017 to the Petitioner Company seeking for certain clarifications in relation to the accounting treatment proposed in the Scheme. The said letter was duly replied by the Petitioner Company vide letter dated 24/11/2017. Subsequent thereto, the Petitioner Company vide its letter dated 11/12/2017 consented to the modification of Clause 30.2 and Clause 31.2 of the Scheme as suggested by the Regional Director. The revised Clause 30.2 and Clause 31.2, as directed by the RD and accepted by the Companies to the Scheme, is as provided in para 10 of the RD's Report and produced herewith for easy reference:

*"Clause 30.2: the aggregate face value of all the shares of the Resulting Company issued pursuant to this scheme shall be recorded as an increase in the share capital.*

*The accounting difference between the net assets transferred pursuant to Clause 30.1 and the face value of the shares issued by the resulting company shall be credited to 'Capital Reserve' 'General Reserve' 'Surplus in Profit & Loss account' in the same proportion as referred to in Clause 31.2 and the nature of such reserves shall be preserved."*

*"Clause 31.2: The difference in the book value of assets and liabilities (Net assets) transferred pursuant to the scheme shall be debited against "Capital Reserve, General Reserve" and 'Surplus in the P&L account' in the same proportion as it appeared in the books of the Demerged Company before giving effect to the scheme."*

9. I submit that consequent to the observation made by the RD in para 10 of his report, the Petitioner company hereby consents to the modification of the aforementioned clauses namely Clause 30.2 and Clause 31.2 in the Composite Scheme of Arrangement and Amalgamation. I further submit that the power to make any modification to the Scheme has already been conferred on the Petitioner Company vide Board Resolution dated 17/02/2017.

**For SUNDARAM FINANCE LIMITED**



*[Handwritten Signature]*  
Authorised Signatory

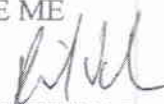
5

It is therefore most respectfully submitted that this Hon'ble Tribunal may take the present Affidavit on record and approve the Composite Scheme of Arrangement and Amalgamation subject to the amendment to Clause 30.2 and Clause 31.2 carried out in accordance with the as directions of the Regional Director and confirmed in para 10 of the RD's Report and pass suitable Orders as this Hon'ble Tribunal may deem fit and thus render Justice.

**For SUNDARAM FINANCE LIMITED**

  
Authorized Signatory

Solemnly affirmed on this  
the 3<sup>rd</sup> day of January, 2018  
and signed his name in my presence

BEFORE ME  
  
ADVOCATE : CHENNAI  
ARVIND VELLO  
MS 1760/2017  
120 LAW CHAMBER  
MADRAS HC



6

# Ministry Of Corporate Affairs - MCA Services

Welcome sundaram finance limited Corporate Service Centre Forms & Downloads Sitemap Signout

Type here to Search...



Ministry of Corporate Affairs  
Government of India

EMPOWERING BUSINESS, PROTECTING INVESTORS  
REGULATOR • INTEGRATOR • FACILITATOR • EDUCATOR

HOME ABOUT MCA ACTS & RULES MY WORKSPACE MCA SERVICES DATA & REPORTS CONTACTS HELP & FAQS

MCA Services

Home > MCA Services > Fee And Payment Services > Enquire Fee

DSC Services

## Enquire Fee

DIN Services

### Enter Form Details

Master Data

Select the Company Form \*

Form SH-7

LLP Services

Notice to Registrar of Increase in number of members  
Notice to Registrar of Increase in share capital with Central Govern  
Notice to Registrar of Consolidation or division etc.  
Notice to Registrar of Redemption of redeemable preference share

LLP Services For Business User

Purpose For Filing \*

e-Filing

Company Services

CIN/FCRN #: L651911TN1954PLC002

Complaints

Date of Event: 08/01/2018 (dd/mm/yyyy)

Document Related Services

Revised Authorised Capital: 278100000

Fee and Payment Services

\* Mandatory Field

Calculate Fee

Clear All

Enquire Fees

### Type Of Fee

Pay Later

### Type of Document

### Type Of Fee

### Amount(Rs)

Link NEFT Payment

Form Filing of Form SH-7

Normal

00.00

Pay Miscellaneous Fee

MoA

832,500.00

Pay Stamp Duty

Total

832,500.00

Track Payment Status

### Rates of Stamp Duty

Generate SRN For Offline

Kindly note that in case of change of cost auditor caused by the death of existing cost auditor, companies are allowed to file fresh e-form 23C, without any additional fee, within 90 days of the date of death.

Payment

Investor Services

Kindly note that in case of financial year 2011-2012 (i.e. Financial year commencing on or after 01.04.2011) for Form 23AC-XBRL and Form 23ACA- XBRL, no additional fees will be charged in case the filing is done on or before 28th February, 2013 or due date of filing, whichever is later.

Track SRN/Transaction Status

Address for sending physical copy of G.A.R. 33

Kindly note that the Ministry vide circular number 30/2012 dated 28/09/2012 has further extended the due date for filing Form 23AC and Form 23ACA in non XBRL mode in the following manner:

Public Search of Trademark

- Company holding AGM or whose due date of holding AGM is on or before 20.09.2012, time limit will be 3rd November, 2012 or due date of filing, whichever is later

Notices Under Section 248(2)

- Company holding AGM or whose due date of holding AGM is on or after 21.09.2012, time limit will be 24th November, 2012 or due date of filing, whichever is later.

Kindly note that the Ministry vide circular number 31/2012 dated 28/09/2012 has extended the due date for filing Form 23B without additional fee for accounting year 2012-13 upto 23/12/2012 or due date of filing whichever is later



7

E mail: rd.south@mca.gov.in

PHONE: 28276 381



24/11/17

2827 6685

2827 6682

FAX: 2828 0436

Government of India  
Ministry of Corporate Affairs  
Office of the Regional Director, Southern Region, Chennai  
V Floor, 'A' Wing, Shastri Bhavan, 26, Haddows Road, Chennai - 600 006.

F. No. 5/M-96/2017-18

Dated: 22.11.2017

To  
M/S. Sundaram Finance Ltd.,  
21, Pattulas Road, Chennai-600 002.  
Sirs,

Sub: CA/149/CAA/2017- Composite Scheme of amalgamation & Arrangement  
Between your company and various subsidiaries of your company-Seeking  
Clarification regarding Accounting Standard-Reg.

With reference to the above subject, I am directed to draw your attention to para 30.2 of Part D of the composite of scheme of amalgamation & arrangement wherein the accounting treatment is stated as follows:

"the amount arising as on accounting differential for the Resulting Company, on account of the excess of Net assets recorded over the face value of the equity shares issued by the Resulting company shall be credited to the Securities Premium account/general reserve/surplus in the statement of Profit and Loss, as may be determined by the Board of Directors of the Resulting company".

In this connection the crediting of the excess of net assets to the above accounts will amount to treating it as Free Reserves which is not permissible under section 2(43) of the Companies Act, 2013 as there is only notional gain and no actual cash/fund flow is involved. In the light of the above you are advised to state as to how the proposed clause is in consonance with Section 2(43) of the Companies Act, 2013 and further clarify under which accounting principles the proposed clause is envisaged.

You may send your reply at the earliest.

Encl: As above.

Yours faithfully,

(M. Kannan)  
Joint Director.







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SEC:270:17-18/SK  
24 November, 2017

The Office of the Regional Director  
Ministry of Corporate Affairs  
5<sup>th</sup> Floor, 'A' Wing, Shastri Bhawan  
26 Haddows Road, Chennai – 600006

Respected Sir

Sub: Composite scheme of arrangement and amalgamation between Sundaram Finance Limited ('SFL'), and Sundaram Insurance Broking Services Limited and Infreight Logistics Solutions Limited And Sundaram BPO India Limited and Sundaram Finance Holdings Limited ('SFHL') and their respective shareholders and creditors ('the Scheme')

Re: Letter dated 22 November, 2017 issued by your office

In relation to above, we wish to state and submit as under:

SFL is a Non-Banking Finance Company registered with reserve Bank of India.

In terms of Section 133 of the Companies Act, 2013 read with Notification No. G.S.R. 365 (E) dated 30<sup>th</sup> March, 2016 issued by the Ministry of Corporate Affairs, Indian Accounting Standards (Ind ASs) are mandatorily applicable to SFL and its subsidiaries (including SFHL) from financial year commencing on 1<sup>st</sup> April 2018. Until then, the Accounting Standards as prescribed by ICAI shall be followed.

The query raised in the aforesaid letter issued by your office pertains to accounting treatment in the books of SFHL pursuant to vesting of assets and liabilities on the demerger of non-core business of SFL into SFHL. Currently, there is no accounting standard or principle which is mandated under any statute in the case of demerger or restructuring as envisaged in the instant case.

Accounting standard 14 – Accounting for Amalgamations, issued by the Institute of Chartered Accountants of India which mandates credit of difference between net assets acquired and consideration issued to capital reserve, is also not applicable in case of demerger. This is brought about in the preamble to the said accounting standard, which is reproduced hereinafter:

*"1. This standard deals with accounting for amalgamations and the treatment of any resultant goodwill or reserves. This standard is directed principally to companies although some of its requirements also apply to financial statements of other enterprises.*

*[Handwritten signature]*

Sundaram Finance Limited

Regd. Office: 21, Patallos Road, Chennai - 600 002, India | PAN: AAACS4944A | CIN: 165191TN1954PLC002429  
Ph: +91 44 2852 1181 | www.sundaramfinance.in | E-mail: wecare@sundaramfinance.in





2. This standard does not deal with cases of acquisitions which arise when there is a purchase by one company (referred to as the acquiring company) of the whole or part of the shares, or the whole or part of the assets, of another company (referred to as the acquired company) in consideration for payment in cash or by issue of shares or other securities in the acquiring company or partly in one form and partly in the other. The distinguishing feature of an acquisition is that the acquired company is not dissolved and its separate entity continues to exist."

(Emphasis Supplied)

The above position that there are no applicable accounting standards for demergers and the difference arising in demerger can be credited to general reserve, has been upheld in the following judicial precedents:

1. The Hon'ble Gujarat High Court in the case of Gallops Reality (P) Limited **2010 1 CLJ 351**; and
2. The Hon'ble Delhi High Court in the case of Sony India Private Limited vs. Sony India Software Centre Private Limited **CP No. 137/2012**
3. The Hon'ble Allahabad High Court in the case of Jagran TV Pvt. Ltd., **2009-(090)-SCL-0138, 2009-(150)-COMPCAS-0532-ALL**
4. The Hon'ble Punjab and Haryana High Court in the case of Quantro Legal Solutions Private Limited and Quantro Global Services Private Limited, **CP No. 28 of 2016**.
5. The Hon'ble High Court of Rajasthan in the case of Sutlej Industries Limited and Sutlej Textiles and Industries Limited, **S.B. Company Petition No. 03 of 2006**.

We also wish to state that our Statutory Auditors have issued a certificate to the effect that the accounting treatment contained in the Scheme is in compliance with the applicable accounting standards. The said certificate has been annexed to the Scheme.

Therefore, in the absence of any prohibition for such accounting treatment for demergers, the Resulting Company had decided to follow the accounting treatment as specified in the Scheme in line with above judicial precedents.

It is germane to note that the Scheme has been approved by the shareholders of all the Companies who are a party to the Scheme.

Sundaram Finance Limited





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Further, Section 2(43) of the Act states that,

*"free reserves" means such reserves, which, as per the latest audited balance sheet of a company, are available for distribution as dividend:*

**Provided that-**

*i. any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as reserve or otherwise, or*

*ii. any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value,*

*shall not be treated as free reserves.*

Based on the perusal of Proviso (ii) to Section 2(43) of the Act (as given above), it can be understood that any change in carrying amount of an asset or any liability which has been recognized in equity including surplus in the statement of profit of loss on measurement of the asset or the liability at fair value shall not be treated as free reserves.

Hence, the mere act of crediting or recognition of the difference in a particular reserve / account, is in itself not barred by the said section. Whether, the same is to be treated as a free reserve under the Act or not, shall depend on the nature / source of such credit and its proposed usage, if any in accordance with the provisions of the Companies Act, 2013.

We request you to take the above on record and issue clearance to the Scheme at the earliest.

Thanking you.

Yours truly  
For Sundaram Finance Limited

  
Authorised Signatory.

**Sundaram Finance Limited**

Regd. Office: 21, Patillos Road, Chennai - 600 002, India PAN: AAACS4944A CIN: L65191TN1954PLC002429  
Ph: +91 44 2852 1181 www.sundaramfinance.in E-mail: wecare@sundaramfinance.in



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**SUNDARAM FINANCE**  
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SFC 0249/17-18/PNS  
December 11, 2017

The Office of the Regional Director  
Ministry of Corporate Affairs  
5<sup>th</sup> Floor, Shastri Bhawan  
26 Haddows Road, Chennai – 600006

RECEIVED LETTER / GOVERNMENT  
CONTENTS NOT KNOWN

22/11/17  
O/o. R.D., (SR)  
MCA, CHENNAI

Dear Sir

**Sub** Accounting treatment provided in Composite Scheme of arrangement and amalgamation between Sundaram Finance Limited ('SFL' or 'the Demerged Company') and Sundaram Insurance Broking Services Limited and Infreight Logistics Solutions Limited and Sundaram BPO India Limited and Sundaram Finance Holdings Limited ('SFHL' or 'the Resulting Company')) and their respective shareholders and creditors (the Scheme)

**Ref.** Letter dated 22 November 2017, issued by your office and Response dated 24 November 2017 filed by us in response to the above letter

Further to our discussions with respect to the captioned subject and submissions made on the same, as suggested by your office, we hereby consent to the following modifications in the accounting treatment provided in the Scheme.

The existing Clause 31.2 (providing for treatment of net assets transferred in the books of SFL) may be modified and read as under:

**"31.2. The difference in the book value of assets and the book value of liabilities (net assets) transferred pursuant to the Scheme shall be debited against 'Capital Reserve', 'General Reserve' and 'Surplus in Profit and Loss Account' in the same proportion as it appeared in the books of the Demerged company before giving effect to the scheme."**

The existing Clause 30.2 (providing for treatment of net assets transferred in the books of SFHL) shall be modified and read as under:

**"30.2 The aggregate face value of all the shares of the Resulting Company issued pursuant to this Scheme shall be recorded as an increase in the share capital.**

**The accounting difference between the net assets transferred pursuant to Clause 30.1 and the face value of the shares issued by the Resulting company shall be credited to 'Capital Reserve', 'General Reserve' and 'Surplus in the Profit and Loss Account' in the same proportion as referred to in Clause 31.2 and the nature of such reserves shall be preserved."**

Page 1 of 2

Sundaram Finance Limited

Registered Office: 21, Haddows Road, Chennai - 600 002. India. PAN: AAAC54944A. CIN: U65191TN1954PLC002429  
Toll-free: 1800 2852 1183. www.sundaramfinance.in. E-mail: wca@cs@sundaramfinance.in





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We request you to take the above on record and accord your approval to the Scheme at the earliest.

Thanking you

Yours truly

For Sundaram Finance Limited

  
Authorised Signatory



13

**SUNDARAM FINANCE HOLDINGS LIMITED**  
Regd. Office 21, Patullos Road, Chennai - 600002, Tamil Nadu, India

SEC.020 17-18/PNS  
December 11, 2017

The Office of the Regional Director  
Ministry of Corporate Affairs  
5<sup>th</sup> Floor, Shastri Bhawan  
26 Haddows Road, Chennai - 600006

RECEIVED BY THE MINISTER / GOVERNOR  
CONTENTS NOT KNOWN  
03/11/17  
O/o. R.D., (SR)  
MCA, CHENNAI

Dear Sir

Sub. Accounting treatment provided in Composite Scheme of arrangement and amalgamation between Sundaram Finance Limited ('SFL' or 'the Demerged Company') and Sundaram Insurance Broking Services Limited and Infreight Logistics Solutions Limited and Sundaram BPO India Limited and Sundaram Finance Holdings Limited ('SFHL' or 'the Resulting Company') and their respective shareholders and creditors ('the Scheme')

Ref: Letter dated 22 November 2017, issued by your office and Response dated 24 November 2017 filed by Sundaram Finance Limited in response to the above letter

Further to our discussions with respect to the captioned subject and submissions made on the same as suggested by your office, we hereby consent to the following modifications in the accounting treatment provided in the Scheme:

The existing Clause 31.2 (providing for treatment of net assets transferred in the books of SFL) may be modified and read as under:

**"31.2. The difference in the book value of assets and the book value of liabilities (net assets) transferred pursuant to the Scheme shall be debited against 'Capital Reserve', 'General Reserve' and 'Surplus in Profit and Loss Account' in the same proportion as it appeared in the books of the Demerged company before giving effect to the scheme."**

The existing Clause 30.2 (providing for treatment of net assets transferred in the books of SFHL) shall be modified and read as under:

**"30.2 The aggregate face value of all the shares of the Resulting Company issued pursuant to this Scheme shall be recorded as an increase in the share capital.**

**The accounting difference between the net assets transferred pursuant to Clause 30.1 and the face value of the shares issued by the Resulting company shall be credited to 'Capital Reserve', 'General Reserve' and 'Surplus in the Profit and Loss Account' in the same proportion as referred to in Clause 31.2 and the nature of such reserves shall be preserved."**



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**SUNDARAM FINANCE HOLDINGS LIMITED**

Regd. Office: 21, Patullas Road, Chennai – 600002, Tamil Nadu, India

We request you to take the above on record and accord your approval to the Scheme at the earliest.

Thanking you

Yours truly

For Sundaram Finance Holdings Limited



Authorised Signatory



**BEFORE THE NATIONAL COMPANY LAW  
TRIBUNAL**

**CHENNAI BENCH**

**C.P. No. 213/CAA/2017**

(Connected with CA/149/CAA/(CB)/2017)

In the Matter of Section 230 to 232 of The  
Companies Act, 2013

And

In The Matter of Composite Scheme of  
Arrangement and Amalgamation

Between

**SUNDARAM FINANCE LIMITED**

('SFL') (Transferee Company/ First  
Resulting Company/ Second Demerged  
Company)

And

**SUNDARAM INSURANCE BROKING  
SERVICES LIMITED**

('SIBSL') (First Transferor Company)

And

**INFREIGHT LOGISTICS SOLUTIONS  
LIMITED**

('Infreight') (Second Transferor Company)

And

**SUNDARAM BPO INDIA LIMITED**

('Sundaram BPO') (First Demerged  
Company)

And

**SUNDARAM FINANCE HOLDINGS  
LIMITED**

('SFHL') (Second Resulting Company)

And

Their Respective Share Holders and  
Creditors

**SUNDARAM FINANCE LIMITED**

...Petitioner

**AFFIDAVIT FILED ON BEHALF OF THE  
PETITIONER COMPANY**

T.K. BHASKAR  
SRINATH SRIDEVAN  
K. HARISHANKAR  
**Counsel for the Petitioner**





BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENCH AT CHENNAI

CA/149/CAA/2017

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

In the matter of Section 230 read with Section 232 of the Companies Act, 2013

And In the Matter of Composite Scheme of Arrangement and Amalgamation  
Between

M/S.Sundaram Finance Limited (Transferee/First Resulting/Second demerged  
company

And

M/S. Sundaram Insurance Broking Services Limited (First Transferor Company)

And

M/S. Infreight Logistics Solutions Limited (Second Transferor Company 3)

And

M/S. Sundaram BPO India Limited (First Demerged Company)

And

M/S. Sundaram Finance Holdings Limited (Second Resulting Company)

And their respective shareholders

M/S.Sundaram Insurance Broking  
Services Limited,

21, Pattullos Road, Chennai-600 002.

First Transferor/First Applicant  
Company

M/S. Infreight Logistics Solutions Limited,

21, Pattullos Road, Chennai-600 002.

Second Transferor/Second Applicant  
Company

M/S.Sundaram BPO India Limited,

21, Pattullos Road, Chennai-600 002.

First Demerged Company/Third  
Applicant Company

M/S. Sundaram Finance Limited,

21, Pattullos Road, Chennai-600 002.

Transferee/First resulting/Second  
Second Demerged/4<sup>th</sup> Applicant  
Company

M/S. Sundaram Finance Holdings Ltd.,

21, Pattullos Road, Chennai-600 002.

Second Resulting/5<sup>th</sup> Applicant  
Company

Affidavit filed by the Regional Director, Ministry of Corporate Affairs, Chennai  
on behalf of the Central Government in terms of the provisions of section 230-  
232 of the Companies Act, 2013 in respect of CA/149/CAA/2017

I, M.Chandanamuthu, S/o Shri A. Muthiah, Indian, Hindu aged about  
59 years having my office at Shastri Bhavan, 5<sup>th</sup> floor, 26, Haddows Road,  
Chennai - 600 006, do hereby solemnly affirm and sincerely state as follows:-

1) I am the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai and in pursuance of the notification of the Ministry of Corporate Affairs dt. 19.12.2016 in S.O. 4090 (E) I am authorized to swear this Affidavit on behalf of the Central Government.

2) I respectfully submit that the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, has been served with copies of applications and typed set of documents pertaining to the composite scheme of amalgamation and arrangement by the applicant companies pursuant to sections 230 to 232 of the Companies Act, 2013 in CA/149/CAA/2017 filed before this Hon'ble National Company Law Tribunal Bench at Chennai which have been examined.

3) I respectfully submit that all the applicant companies are having their registered office in Chennai and within the jurisdiction of this Hon'ble National Company Law Tribunal Bench at Chennai.

4) I respectfully submit that as per the order of this Hon'ble Tribunal dt. 5.9.2017 in CA/149/CAA/2017 this Hon'ble Tribunal has dispensed with the convening and holding of the meeting of the equity shareholders of all the applicant companies except the Transferee/4<sup>th</sup> applicant company herein as the Equity shareholders have furnished the Consent affidavits for the scheme and also for dispensing with the meeting of the equity shareholders. As for the transferee/4<sup>th</sup> applicant company herein it was asked to hold the meeting of the equity shareholders by appointing a Chairman to the meeting and the company held the meeting of the shareholders and filed the result of the meeting before this Hon'ble Tribunal.

5) It is respectfully submitted that on the basis of the submission of the 1<sup>st</sup> and 2<sup>nd</sup> transferor companies, 1<sup>st</sup> Demerged and 2<sup>nd</sup> Resulting Company that they have no secured creditors and on furnishing a certificate from a Chartered Accountant individually, this Hon'ble Tribunal has accepted the submission of the companies involved in this composite scheme. As for the Transferee/4<sup>th</sup> Applicant Company it has stated that it has 81 Secured creditors and this Hon'ble Tribunal has ordered holding of the meeting by appointing a Chairman to the meeting. The company held the meeting and filed the result of the meeting with this Hon'ble Tribunal.

6) I respectfully submit that as per the order of this Hon'ble Tribunal dt. 5.9.2017 the 1<sup>st</sup> Transferor Company has stated that it has one (1) unsecured creditor and furnished the consent affidavit of the said creditor along with a Certificate from a Chartered Accountant to this effect. As for 2<sup>nd</sup> transferor company it has stated before this Hon'ble Tribunal that it has no unsecured creditors and furnished a certificate from a Chartered Accountant to this effect. As for the 1<sup>st</sup> demerged company it has submitted that it has 37 unsecured creditors and was asked to conduct the meeting of the said creditors by appointing a Chairman to the meeting. The company has held the meeting and filed the result of the meeting with this Hon'ble Tribunal. As for the transferee/4<sup>th</sup> Applicant Company it was asked to conduct the meeting of the unsecured creditors by appointing Chairman to hold such meeting. The company has held the meeting and filed the result of the meeting before this Hon'ble Tribunal. As for the 2<sup>nd</sup> Resulting company it has one (1) unsecured creditor and furnished a certificate from a Chartered Accountant and consent affidavit from the said unsecured creditor.

7) I respectfully submit that as per clauses 12 and 25 of Part B and Clause 37 of Part C of the scheme of the Companies provide for the protection of the interest of the employees of the transferor companies and demerged undertakings.

8) It is humbly submitted that as per the report of ROC, Chennai all the applicant companies involved in this composite scheme of arrangement/amalgamation are regular in filing their statutory returns. No prosecution filed, no complaints pending and no inspection or investigation has been conducted in respect of the companies involved in the scheme.

9) It is submitted that clause 14 of the scheme has stated that the authorized capital of the transferor companies will be merged with the authorized capital of the transferee company. The transferee company may be directed to file the amended MOA and AOA with the ROC, Chennai for his records. In the said clause of the scheme it is stated that the transferee company shall not be required to pay any fee/stamp duty for its increased authorized share capital. This is not correct. As provided under clause (i) to Sub section (3) of Section 232 of the Companies Act, 2013 the transferee company has to pay the fees, if any, for the enhanced authorized capital subsequent to the amalgamation after setting off the fees paid by the transferor companies. In the light of the above the transferee company may be directed to comply with the above provisions of the Act by making an application with the ROC, Chennai for payment of the balance fee as applicable under the provisions of the Act and rules framed thereunder.

10) It is respectfully submitted that in clause 30.2 of the scheme it is stated that the resulting company (2) will credit the surplus of the assets over liabilities on receipt of the same to the share premium account/general reserve/profit and Loss account which are considered as Free reserves which is not correct. When the matter was taken up with the company as to the correctness of the proposal in the scheme it has vide its letter dt. 11.12.2017 addressed to this directorate has agreed to amend clauses 31.2 and 30.2 of the scheme and the proposed amended\*\* clauses are given below:

*“Clause 31.2: The difference in the book value of assets and the book value of liabilities (Net assets) transferred pursuant to the scheme shall be debited against ‘Capital Reserve’, ‘General Reserve’ and ‘Surplus in the Profit and Loss account’ in the same proportion as it appeared in the books of the Demerged company before giving effect to the scheme”*

*“Clause 30.2: The aggregate face value of all the shares of the Resulting Company issued pursuant to this scheme shall be recorded as an increase in the share capital.*

*The accounting difference between the net assets transferred pursuant to clause 30.1 and the face value of the shares issued by the Resulting Company shall be credited to ‘Capital Reserve’, ‘General Reserve’ and ‘Surplus in the Profit and Loss Account’ in the same proportion as referred to in clause 31.2 and the nature of such reserves shall be preserved”*

in the light of the above this Hon'ble Tribunal may consider directing the company to implement the scheme on the basis of the amended clauses as mentioned above as undertaken by the companies to the Regional Director.

A copy of the undertaking furnished by the companies are enclosed as Annexure A & B to this affidavit.


11) I respectfully submit that the applicant transferor companies (1) and (2) viz., M/S. Sundaram Insurance Broking Services Ltd., and M/S. Infreight Logistics Solutions Limited seek dissolution without winding up.

12) The scheme of amalgamation filed with the applications have been examined and it has been decided not to make any objection to the scheme except for the observation made in para (9) and (10) and it is therefore prayed that this Hon'ble National Company Law Tribunal Bench at Chennai may dispose of the matters on merits and pass such order/orders as deemed fit and proper.

  
(M.CHANDANAMUTHU)  
REGIONAL DIRECTOR (SR)

Solemnly affirmed at Chennai this the  
12<sup>th</sup> day of December, 2017 and signed his  
Name in my presence.

BEFORE ME

  
M.K. NNAN, I.C.L.S.  
Joint Director  
Ministry of Corporate Affairs  
Chennai.



*Amma m A*



SEC:0249:17-18/PNS  
December 11, 2017

The Office of the Regional Director  
Ministry of Corporate Affairs  
5<sup>th</sup> Floor, Shastri Bhawan  
26 Haddows Road, Chennai – 600006

Dear Sir,

*6*  
*(21/12/17)*

Sub: Accounting treatment provided in Composite Scheme of arrangement and amalgamation between Sundaram Finance Limited ('SFL' or 'the Demerged Company') and Sundaram Insurance Broking Services Limited and Infreight Logistics Solutions Limited and Sundaram BPO India Limited and Sundaram Finance Holdings Limited ('SFHL' or 'the Resulting Company')) and their respective shareholders and creditors ('the Scheme')

Ref: Letter dated 22 November 2017, issued by your office and Response dated 24 November 2017 filed by us in response to the above letter

Further to our discussions with respect to the captioned subject and submissions made on the same, as suggested by your office, we hereby consent to the following modifications in the accounting treatment provided in the Scheme:

The existing Clause 31.2 (providing for treatment of net assets transferred in the books of SFL) may be modified and read as under:

***"31.2. The difference in the book value of assets and the book value of liabilities (net assets) transferred pursuant to the Scheme shall be debited against 'Capital Reserve', 'General Reserve' and 'Surplus in Profit and Loss Account' in the same proportion as it appeared in the books of the Demerged company before giving effect to the scheme."***

The existing Clause 30.2 (providing for treatment of net assets transferred in the books of SFHL) shall be modified and read as under:

***"30.2 The aggregate face value of all the shares of the Resulting Company issued pursuant to this Scheme shall be recorded as an increase in the share capital."***

***The accounting difference between the net assets transferred pursuant to Clause 30.1 and the face value of the shares issued by the Resulting company shall be credited to 'Capital Reserve', 'General Reserve' and 'Surplus in the Profit and Loss Account' in the same proportion as referred to in Clause 31.2 and the nature of such reserves shall be preserved."***

Page 1 of 2

Sundaram Finance Limited



**SUNDARAM FINANCE**  
Enduring values. New age thinking.

We request you to take the above on record and accord your approval to the Scheme at the earliest.

Thanking you

Yours truly

For Sundaram Finance Limited

  
Authorised Signatory



**Certified to be  
True Copy**

  
**M.KANNAN, I.C.L.S.**  
Joint Director  
Ministry of Corporate Affairs  
Chennai.



Amma x m - B

**SUNDARAM FINANCE HOLDINGS LIMITED**

Regd. Office: 21, Patullos Road, Chennai – 600002, Tamil Nadu, India

SEC:020:17-18/PNS  
December 11, 2017

The Office of the Regional Director  
Ministry of Corporate Affairs  
5<sup>th</sup> Floor, Shastri Bhawan  
26 Haddows Road, Chennai – 600006



Dear Sir,

Sub: Accounting treatment provided in Composite Scheme of arrangement and amalgamation between Sundaram Finance Limited ('SFL' or 'the Demerged Company') and Sundaram Insurance Broking Services Limited and Infreight Logistics Solutions Limited and Sundaram BPO India Limited and Sundaram Finance Holdings Limited ('SFHL' or 'the Resulting Company')) and their respective shareholders and creditors ('the Scheme')

Ref: Letter dated 22 November 2017, issued by your office and Response dated 24 November 2017 filed by Sundaram Finance Limited in response to the above letter

Further to our discussions with respect to the captioned subject and submissions made on the same, as suggested by your office, we hereby consent to the following modifications in the accounting treatment provided in the Scheme:

The existing Clause 31.2 (providing for treatment of net assets transferred in the books of SFL) may be modified and read as under:

**"31.2. The difference in the book value of assets and the book value of liabilities (net assets) transferred pursuant to the Scheme shall be debited against 'Capital Reserve', 'General Reserve' and 'Surplus in Profit and Loss Account' in the same proportion as it appeared in the books of the Demerged company before giving effect to the scheme."**

The existing Clause 30.2 (providing for treatment of net assets transferred in the books of SFHL) shall be modified and read as under:

**"30.2 The aggregate face value of all the shares of the Resulting Company issued pursuant to this Scheme shall be recorded as an increase in the share capital.**

**The accounting difference between the net assets transferred pursuant to Clause 30.1 and the face value of the shares issued by the Resulting company shall be credited to 'Capital Reserve', 'General Reserve' and 'Surplus in the Profit and Loss Account' in the same proportion as referred to in Clause 31.2 and the nature of such reserves shall be preserved."**

Page 1 of 2

**SUNDARAM FINANCE HOLDINGS LIMITED**

Regd. Office: 21, Patullas Road, Chennai – 600002, Tamil Nadu, India

We request you to take the above on record and accord your approval to the Scheme at the earliest.

Thanking you


Yours truly

For Sundaram Finance Holdings Limited

  
Authorized Signatory



**Certified to be  
True Copy**

  
**M.K. ANNAN, T.C.L.S.**  
Joint Director  
Ministry of Corporate Affairs  
Chennai.

BEFORE THE Hon'ble National Company  
Law Tribunal Bench at Chennai.

CA/149/CAA/2017

In the matter of Sections 230-232  
of Companies Act, 2013

AND

In the matter of Composite of Scheme of  
Arrangement/Amalgamation of  
M/S.Sundaram Insurance Broking Services Ltd.,  
(Applicant/ Transferor Company)  
And

M/S. Infreight Logistics Solutions Ltd.,  
(Applicant/Transferor Company-2)  
With

M/S. Sundaram Finance Ltd.,  
(5<sup>th</sup> Applicant/Transferee Company/  
1<sup>st</sup> Resulting Company)

And

M/S.Sundaram BPO India Ltd.,  
(Applicant/1<sup>st</sup> Demerged Company)  
And

M/S. Sundaram Finance Holdings  
Ltd.,  
(Applicant/2<sup>nd</sup> Resulting Company)

**PETITION FOR SANCTION OF  
COMPOSITE SCHEME OF ARRANGEMENT/  
AMALGAMATION**

**AFFIDAVIT OF  
SHRI M.CHANDANAMUTHU  
REGIONAL DIRECTOR,  
SOUTHERN REGION, CHENNAI.**