


**SCHEME OF AMALGAMATION**  
**BETWEEN**  
**CMC LIMITED**  
**AND**  
**TATA CONSULTANCY SERVICES LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS**

Under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956

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CERTIFIED TRUE COPY

TATA CONSULTANCY SERVICES LIMITED

  
SUPRAKASH MUKHOPADHYAY  
Vice President & Company Secretary

## PREAMBLE

This Scheme of Amalgamation is presented for amalgamation of CMC Limited with Tata Consultancy Services Limited, pursuant to Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and/or the Companies Act, 2013 (to the extent notified and applicable).

The equity shares of the Transferee Company are listed on the BSE Limited and on the National Stock Exchange of India Limited.

The equity shares of the Transferor Company are listed on the BSE Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited.

## 1. DESCRIPTION OF COMPANIES

### 1.1 Transferor Company

CMC Limited ("CMC" or "Transferor Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad- 500 032, Telangana. CMC is *inter alia* engaged in design, development and implementation of software technologies and applications, providing professional services in India and overseas, and procurement, installation, commissioning, warranty and maintenance of imported/indigenous computer and networking systems, and in education and training.

### 1.2 Transferee Company

Tata Consultancy Services Limited ("TCS" or "Transferee Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 9<sup>th</sup> Floor, Nirmal building, Nariman Point, Mumbai – 400 021, Maharashtra. TCS is *inter alia* engaged in the business of providing information technology and information technology enabled services.

## 2. BACKGROUND, RATIONALE AND PURPOSE OF THE SCHEME

2.1 CMC was a Government of India (GoI) enterprise up to October 15, 2001. Under the disinvestment process, GoI sold 7,726,500 equity shares representing 51% of the equity share capital to Tata Sons Limited (the parent company of TCS) on October 16, 2001. The GoI further sold its entire remaining shares representing 26.25% of the equity share capital, in March 2004 by an open offer to the public. On March 29, 2004, as per specific approval granted by SEBI, Tata Sons Limited transferred its entire shareholding in CMC to TCS. As a result, CMC has become a subsidiary of TCS. It is intended that CMC should merge into TCS to consolidate the information technology services business in a single entity.

2.2.1 The rationale for the proposed amalgamation of CMC with TCS is, *inter alia*, as follows:

2.2.2 **Rationalization:** The amalgamation shall lead to a single company with rationalized structure, greater integration, financial strength and flexibility aiding in achieving economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, standardization and simplification of business processes and productivity improvements.

2.2.3 **Enhanced Reach:** Creation of a single 'go-to-market' strategy, benefit of scale, enhanced depth and breadth of capabilities to result in increased business opportunities and reduced expenses.

- 2.2.4 **Better Positioning:** Combined company shall be better positioned to serve the domestic market.
- 2.2.5 The Scheme will not adversely affect the rights and interests of the shareholders of TCS and CMC.
- 2.2.6 The creditors of TCS will also not be affected by the Scheme as assets of CMC are greater than the liabilities of CMC and post-consolidation, the assets of TCS will also be much greater than its liabilities.
- 2.2.7 Further, the creditors of CMC will not be affected by the Scheme as the assets of TCS will be much greater than its liabilities post the Scheme.
- 2.2.8 This Scheme also provides for various other matters consequential to or otherwise integrally connected with the amalgamation of CMC with TCS.

### 3. DEFINITIONS

- 3.1. In this Scheme, unless repugnant to or inconsistent with the subject or context thereof, the following expressions shall have the following meanings:
- 3.1.1. "1956 Act" or "the 1956 Act" means the Companies Act, 1956, or any statutory modifications, re-enactments or amendments thereof from time to time;
- 3.1.2. "2013 Act" or "the 2013 Act" means the Companies Act, 2013 and rules framed thereunder or any statutory modifications, re-enactments or amendments thereof from time to time;
- 3.1.3. "Appointed Date" shall, unless otherwise approved by the High Court(s), mean April 1, 2015;
- 3.1.4. "Board of Directors" or "Board" means the board of directors of the Transferor Company and / or Transferee Company, as the case may be and shall include a committee of the Board constituted for the implementation of this Scheme;
- 3.1.5. "CMC" or "Transferor Company" means CMC Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at CMC Centre, Old Mumbai Highway, Gachibowli, Hyderabad- 500 032, Telangana;
- 3.1.6. "Effective Date" means the last of the dates specified in Clause 4 thereof.
- Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall be construed to be a reference to the Effective Date; provided however, that such references shall not affect the deemed taking into effect of certain parts of this Scheme, whether prior to, or after, other parts of this Scheme, as specifically contemplated herein.
- 3.1.7. "Governmental Authority" means any applicable Central or State Government or local body, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;



- 3.1.8. **"High Court(s)"** means either the High Court of Judicature at Bombay or the High Court of Judicature at Hyderabad for the state of Telangana and Andhra Pradesh or both of these High Courts, as the case may be. It is hereby clarified that in the event that the provisions of the Companies Act, 2013 pertaining to schemes of arrangements become applicable and effective for the purposes of this Scheme, all reference to the High Court(s) shall be deemed to include references to the National Company Law Tribunal to be constituted under the Companies Act, 2013;
- 3.1.9. **"Record Date"** means a date to be fixed by the Board of Directors of the Transferee Company for determining names of the shareholders of the Transferor Company, who shall be entitled to receive equity shares of the Transferee Company under the Scheme upon amalgamation of the Transferor Company with the Transferee Company;
- 3.1.10. **"Scheme" or "the Scheme" or "this Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 21 of this Scheme or any modifications approved or directed by the High Court(s) or any other Government Authority;
- 3.1.11. **"SEBI"** means Securities and Exchange Board of India;
- 3.1.12. **"Stock Exchange"** means National Stock Exchange of India Limited, BSE Limited or the Calcutta Stock Exchange Limited, as may be applicable;
- 3.1.13. **"TCS" or "Transferee Company"** means Tata Consultancy Services Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 9<sup>th</sup> Floor, Nirmal building, Nariman Point, Mumbai – 400 021, Maharashtra;
- 3.1.14. **"Undertaking"** shall mean the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, leasehold rights, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not in any way limited to, the following:
- (a) All the assets and properties (whether movable or immovable, tangible or intangible, present, future or contingent) of the Transferor Company, including, without being limited to, land, plant and machinery, computers, office equipment, stock-in-trade, store houses, pollution control equipment, data processing equipment, buildings and structures, offices, residential and other properties, capital work in progress, raw materials, packing materials, work-in-progress, finished goods, inventories, goods in transit, samples, stores and spares, sundry debtors, furniture, fixtures, interiors, vehicles, appliances, accessories, power lines, depots, stocks, stocks of fuel, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables (whether in Indian rupee or foreign currency), actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases for office properties and residential properties (including but not limited to lease rights of the Transferor Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the office and/or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets, computer software, trade and service



names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, rights to use and avall of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), tax holiday benefit, incentives (including but not limited to tax credits under the indirect taxes (i.e. ITC, CENVAT etc.) and foreign trade related incentives), credits (including tax credits), Minimum Alternate Tax Credit entitlement ("MAT Credit"), tax losses, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad.

- (b) All agreements, rights, contracts (including but not limited to agreements with respect to the immovable properties being used by the Transferor Company by way of lease, license and business arrangements), entitlements, licenses and registrations, permits, permissions, incentives, approvals (including but not limited to approvals under environmental and labour legislations), registrations (including but not limited to registrations under tax and labour legislations), tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, ), trade marks, designs, quota rights, engagements, insurance policies, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations and that may be required to carry on the operations of the Transferor Company.
- (c) All intellectual property rights, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, research and development related items, dossiers, product master cards, lists, product registrations, trade secrets, domain names, utility models, holograms, bar code, brands, other customer and supplier information (including but not limited to present and former customer's credit information, customer and supplier pricing information) and all other records and documents relating to the Transferor Company's business activities and operations, including all trademark and patent applications that are pending in the name of the Transferor Company as on the Appointed Date.
- (d) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (e) Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.



- (f) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise.
- (g) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the 1956 / 2013 Act and other applicable laws, rules, regulations, bye-laws, as the case may be.

#### 4. DATE OF TAKING EFFECT

- 4.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court(s) shall be effective from the Appointed Date but shall be operative from the last of the following dates, namely:
- 4.1.1. That on which the last of the consents, sanctions, approvals, permissions, resolutions and orders as mentioned in Clause 22.1 shall be obtained or passed; or
- 4.1.2. That on which all necessary certified/ authenticated copies of the orders of the High Court of Judicature at Bombay and the High Court of Judicature at Hyderabad for the state of Telangana and Andhra Pradesh are filed with the appropriate Registrar of Companies.

The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

#### 5. SHARE CAPITAL

- 5.1. As on September 30, 2014 the share capital of the Transferor Company is as under:

Particulars	Amount in Rupees
<b>Authorized Share Capital</b>	
35,000,000 Equity Shares of Rs. 10 each	350,000,000
<b>Total</b>	<b>350,000,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
30,300,000 Equity Shares of Re. 10 each fully paid up	303,000,000
<b>Total</b>	<b>303,000,000</b>

5.2. Subsequent to the above date and upto the date of approval of the Scheme by the Board of Directors of the Transferor Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company. As on the date of approval of the Scheme by the Board of Directors of the Transferor Company, the Transferee Company holds 15,489,922 equity shares of the Transferor Company which constitutes 51.12% of the issued, subscribed and paid up share capital of the Transferor Company.

5.3. As on September 30, 2014 the share capital of the Transferee Company is as under:

Particulars	Amount in Rupees
<b>Authorized Share Capital</b>	
4,200,500,000 Equity Shares of Re. 1 each	4,200,500,000
1,050,250,000 Preference Shares of Re.1 each	1,050,250,000
<b>Total</b>	<b>5,250,750,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
1,958,727,979 Equity Shares of Re. 1 each fully paid up	1,958,727,979
<b>Total</b>	<b>1,958,727,979</b>

5.4 Subsequent to the above date and upto the date of approval of the Scheme by the Board of Directors of the Transferee Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferee Company.

## 6. AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

6.1 Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the Undertaking shall, pursuant to the sanction of the Scheme by the High Court(s) and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the 1956 Act, be and stand transferred to and vested in and/ or deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, instrument, matter so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company or the Transferee Company, and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.

6.2 All the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date which shall be mutually agreed upon between the Transferor Company and the Transferee Company on or prior to the Effective Date.

6.3 In respect of any assets of the Transferor Company other than those mentioned in Sub Clause 6.2 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Court(s) having sanctioned this Scheme under Sections 391 to 394 of

the 1956 Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 6.4 Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property (including but not limited to land, buildings, offices, factories, sites and any other immovable property, including accretions and appurtenances) of the Transferor Company, whether freehold or leasehold (including but not limited to the (i) land situated at survey no. 26 admeasuring 18978.51 square metres at CMC Control Building and land situated at survey no. 26 known as SEZ Building admeasuring 180231.90 square metres at Gachibowli, and situated in Hyderabad, given by the then Government of Andhra Pradesh, now Telangana to the Transferor Company; (ii) all that piece and parcel of land together with a brick built five storied building at 26 Camac Street, Kolkata admeasuring 2609.65 square metres purchased from (1) Kalidas Mullick No. 1 Charitable Trust and (2) Kalidas Mullick No.11 Family Trust by the Transferor Company; (iii) land no. C-16 and land no. R-11 in the E Block of Bandra Kurla Complex admeasuring 4180.64 square metres and 2508.38 square metres respectively situated in Mumbai, leased by the Mumbai Metropolitan Region Development Authority to the Transferor Company; and (iv) lease-hold land at plot nos. 54 to 57(part) in Block-DN admeasuring 1.50 acres in "SALTLEC" Electronics Complex in Bidhannagar, Kolkata-700091, leased by the West Bengal Electronics Industry Development Corporation Limited to the Transferor Company), and any document of title, rights, interest and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, as a successor of the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the High Court(s) and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation and/or substitution.
- 6.5 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, as on or after the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall, pursuant to the Orders of the High Court(s) or such other competent authority as may be applicable under provisions of the 1956 Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.
- 6.6 Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes. For the removal of doubt, it is clarified that upon the Scheme coming into effect and with effect from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligation, balances or other outstanding as between the Transferor Company inter-se and/ or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.



- 6.7 Upon the Scheme coming into effect and with effect from the Appointed Date, in respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen (though the Transferee Company may, if it deems appropriate, give notice to the debtors that the debts stand transferred to and vested in the Transferee Company). It is further clarified that the Transferee Company shall honour all liabilities and obligations arising on account of all written commitment / open purchase orders issued by the Transferor Company.
- 6.8 The Transferee Company may at any time after the coming into effect of the Scheme and with effect from the Appointed Date, if so required under the provisions of any law for the time being in force or otherwise at its discretion, execute deeds of confirmation, in favour of secured creditors of the Transferor Company or in favour of any other party as directed by the Transferor Company with regard to any contract or arrangement to which the Transferor Company is a party or any other writings that may be necessary to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such confirmation in writing on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on behalf of the Transferor Company.
- 6.9 All taxes (including but not limited to income tax, sales tax, excise duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, on account of the Transferor Company and, in so far as it relates to tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the operations and/or the profits of the business after the Appointed Date shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 6.10 All the profits or income, taxes (including advance tax, tax deducted at source and MAT Credit) or any costs, charges, expenditure accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and deemed to be and accrue from the Appointed Date as the profits or income, taxes (including tax losses, MAT Credit), costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 6.11 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same shall, in so far as they relate to the Transferor Company and all quality certifications and approvals, patents and domain names, copyrights, brands, trade secrets, product registrations and other Intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, shall without any further act or deed be transferred to and vested in the Transferee Company under the same terms and conditions as were applicable to the Transferor Company immediately prior to the coming into effect of this Scheme. In so far as the various incentives, sales tax, deferral benefits, subsidies (including applications for subsidies), available tax credits (including MAT credit, if any), rehabilitation schemes, grants, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of or to be availed of by the Transferor Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Transferor Company, vest with and be available to the Transferee Company on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme.



- 6.12 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 6.13 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date and till such times the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

## **7. CONTRACTS, DEEDS, BONDS, APPROVALS AND OTHER INSTRUMENTS**

- 7.1. For avoidance of doubt and without prejudice to the generality of Clause 6 above, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme and without any further act of the parties, all memoranda of understanding, contracts, deeds, bonds, agreements (including but not limited to the agreement(s) with respect to the (i) land situated at survey no. 26 admeasuring 18978.51 square metres at CMC Centre Building at Gachibowli, and situated in Hyderabad, given by the then Government of Andhra Pradesh, now Telangana to the Transferor Company; (ii) land no. C-18 and land no. R-11 in the E Block of Bandra Kurla Complex admeasuring 4180.64 square metres and 2598.38 square metres respectively situated in Mumbai, leased by the Mumbai Metropolitan Region Development Authority to the Transferor Company; and (iii) lease-hold land at plot nos. 54 to 57 (part) in Block-DN admeasuring 1.50 acres in "SALTLEC" Electronics Complex in Bidhannagar, Kolkata-700091, leased by the West Bengal Electronics Industry Development Corporation Limited to the Transferor Company), arrangements, incentives, engagements registration schemes, assurances, licences and registrations (including Software Technology Parks of India, Special Economic Zones (SEZ) and / or any other registrations), insurance policies, guarantees, and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.
- 7.2. It is hereby clarified that by virtue of the provisions of the Scheme and pursuant to the Order of the High Court(s) sanctioning the Scheme, upon the Scheme coming into effect, all rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements shall automatically stand transferred to and

vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Company is entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and instead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.

- 7.3. Without prejudice to the above, the Transferee Company shall, if so desirable or required or become necessary, upon the coming into effect of this Scheme and with effect from the Appointed Date, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme and to the extent that the Transferor Company are required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company, as the case may be. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

#### **8. LEGAL PROCEEDINGS**

- 8.1. If any suit, appeal, petition, complaint, application or other legal proceedings of whatsoever nature (hereinafter referred to as the "Proceedings") by or against the Transferor Company is pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme, but the Proceedings may be continued, prosecuted, defended and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have been continued, prosecuted, defended and enforced by or against the Transferor Company, in the absence of this Scheme.
- 8.2. On and from the Effective Date, the Transferee Company may, if required, initiate any legal proceedings in relation to the present and past business of the Transferor Company.

#### **9. SAVING OF CONCLUDED TRANSACTIONS**

- 9.1 The transfer and vesting of the Undertaking under Clause 6 above, and the continuance of proceedings by or against the Transferee Company under Clause 8 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in regard thereto, as if done and executed by the Transferee Company on its behalf.

#### **10. APPLICABILITY OF THE PROVISIONS OF THE INCOME TAX ACT, 1961 AND OTHER TAX LAWS AS MAYBE APPLICABLE**

- 10.1 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified in Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent required to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

- 10.2 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 10.3 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 10.4 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 10.5 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 10.6 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company consequent to the assessment made on Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 10.7 The tax payments (including but not limited to income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 10.8 Further, any tax deducted at source by Transferor Company/ Transferee Company on transactions with the Transferee Company/ Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 10.9 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 10.10 All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of account of the Transferor Company and all intangible assets (including but not limited to goodwill) arising or recorded in the process of the amalgamation in books of account of Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the Income Tax Act, 1961 and Transferee Company shall be eligible for depreciation there under at the prescribed rates.

- 10.11 Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 10.12 Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

## 11. CONSIDERATION

- 11.1 Upon the Scheme becoming effective, all equity shares held by the Transferee Company in the Transferor Company i.e., 154,89,922 equity shares of ₹.10 each constituting 51.12% of the total paid-up share capital of the Transferor Company shall automatically get cancelled without any further application, act or deed and there shall be no obligation in that behalf.
- 11.2 As far as consideration for the balance shareholding of 48.88% held by the public shareholders in the Transferor Company is concerned, after giving effect to Clause 11.1 above and upon the Scheme becoming effective, and upon the Undertaking being transferred to and vested in the Transferee Company, and without any further application, act or deed, the Transferee Company shall issue and allot 79 equity shares of ₹.1 each fully paid up in its capital in respect of every 100 equity shares of ₹.10 each fully paid up in the equity share capital of the Transferor Company to the shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company and whose names appear as the beneficial owners of the equity shares of the Transferor Company in the records of the depositories (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company) as on the Record Date. The equity shares to be issued by the Transferee Company to the shareholders of Transferor Company in accordance with this Clause shall be hereinafter referred to as "**New Equity Shares**".
- 11.3 The ratio in which the New Equity Shares are to be issued and allotted to the shareholders of the Transferor Company is herein referred to as the "**Share Exchange Ratio**".
- 11.4 The New Equity Shares allotted and issued in terms of Sub Clause 11.1 above, shall be listed and/or admitted to trading on the relevant stock exchanges, where the equity shares of the Transferee Company are listed and/or admitted to trading as on the Effective Date; subject to the Transferee Company obtaining the requisite approvals from all the relevant regulatory authorities pertaining to their listing.
- 11.5 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company in dematerialized form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued New Equity Shares in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company; and if such option is not exercised by such shareholders, the New Equity Shares shall be issued to them in physical form.



- 11.6 Upon the Scheme becoming effective and upon the New Equity Shares being issued and allotted as provided in this Scheme, the equity shares of the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. The said equity shares of the Transferor Company held in physical form shall be deemed to have been automatically cancelled without any requirement to surrender the certificates of shares held by the shareholders of the Transferor Company. The Transferee Company shall take such corporate actions in relation to the equity shares of the Transferor Company held in dematerialized form, as may be necessary.
- 11.7 The New Equity Shares to be issued and allotted as provided in Sub Clause 11.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari-passu* in all respects with the equity shares of the Transferee Company after the Effective Date including in respect of dividend, bonus, right shares, voting rights and other corporate benefits.
- 11.8 The Board of Directors of the Transferee Company shall consolidate all fractional entitlements arising due to the issue of New Equity Shares to the shareholders of the Transferor Company and hereupon issue and allot equity shares in lieu thereof to a separate trust (to be created) which shall hold these equity shares in trust for and on behalf of the members entitled to such fractional entitlements with the express understanding that such trust shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said trust shall distribute such net sales proceeds to the members entitled to these fractional entitlements in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements.
- 11.9 The issue and allotment of New Equity Shares to the shareholders of the Transferor Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 of the 2013 Act and any other applicable provisions of the 1956/ 2013 Act, as may be applicable and such other statutes and regulations as may be applicable were duly complied with.

## 12. ACCOUNTING TREATMENT

- 12.1 The Transferee Company shall follow pooling of interest method for accounting of the amalgamation as per Accounting Standard-14 prescribed by Companies (Accounting Standards) Rules, 2006.
- 12.2 All assets and liabilities including reserves, of the Transferor Company shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form.
- 12.3 The Transferee Company shall credit the aggregate face value of the New Equity Shares of the Transferee Company issued by it to the shareholders of the Transferor Company pursuant to Clause 11.2 to its share capital account.
- 12.4 The equity shares held by the Transferee Company in the Transferor Company appearing in the books of account of the Transferee Company will stand cancelled and there shall be no further obligation in that behalf.
- 12.5 The inter-corporate deposits/loans and advances/balance outstanding between the Transferor Company and the Transferee Company will stand cancelled and there shall be no further obligation in that behalf;



- 12.6 The difference between the net assets (assets less liabilities) and reserves of the Transferor Company transferred to the Transferee Company, after making the adjustments as mentioned in Clause 12.3 to 12.5 above, shall be adjusted in the reserves.
- 12.7 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

### 13. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

Unless otherwise stated here under, with effect from the Appointed Date and upto and including the Effective Date:

- 13.1. The Transferor Company shall carry on and shall be deemed to have been carrying on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Undertaking for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the Undertaking with utmost prudence until the Effective Date.
- 13.2. With effect from the date of the respective Board meetings of the Transferor Company and the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall carry on its businesses and activities with reasonable diligence and business prudence and shall undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its fixed assets or any part thereof, only if the same are in the ordinary course of business, or if the same are pursuant to any pre-existing obligation(s) undertaken by the Transferor Company; it being clarified that if such matters are sought to be undertaken outside of the ordinary course of business or if the Transferor Company seeks to undertake any new ventures or businesses, the same may be undertaken with the prior consent in writing of any of the persons authorised by the Board of Directors of the Transferee Company.
- 13.3. Notwithstanding anything contained in the Scheme, with effect from the date of the respective Board meetings of the Transferor Company and the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company and the Transferee Company may undertake any harmonisation processes (including the continuation of any such existing processes) pertaining to the terms and conditions applicable to the employees of the Transferor Company and the Transferee Company, in accordance with applicable laws.
- 13.4. With effect from the date of the respective Board meetings of the Transferor Company and the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company and the Transferee Company may make any change in their respective capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner, only after obtaining the prior written approval of the Board of Directors of the Transferee Company and the Transferor Company.

#### **14. DIVIDENDS**

- 14.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only in the ordinary course of business. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Company or the Transferee Company shall be subject to the prior approval of the Board of Directors of the Transferee Company and the Transferor Company (as the case may be) and in accordance with the applicable laws.
- 14.2. Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 14.3. It is clarified that the aforesaid provisions in respect of declaration of dividends whether interim or final are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/ or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the 1956/ 2013 Act, as may be applicable, shall be entirely at the discretion of the Board of Directors of the Transferor Company and Transferee Company, subject to such approval of the shareholders, as may be required.

#### **15. CONSOLIDATION OF AUTHORISED SHARE CAPITAL**

- 15.1. Upon this Scheme becoming effective, the authorised share capital of the Transferee Company shall be deemed to be added to the authorised share capital of the Transferor Company without any further act, instrument or deed or procedure or payment of any stamp duty and registration fees.
- 15.2. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 61, 64 and other applicable provisions of the 2013 Act.

#### **16. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY**

- 16.1. In order to carry on the activities currently being carried on by the Transferor Company, upon coming into effect of the Scheme, the Main Objects in the Memorandum of Association of the Transferor Company shall be added to the Main Objects of the Memorandum of Association of the Transferee Company. Further, upon coming into effect of the Scheme, such Other/ Ancillary Clauses in the Memorandum of Association of the Transferor Company shall be added to the Other/ Ancillary Clauses in the Memorandum of Association of the Transferee Company, as may be considered necessary by the Board of Directors of the Transferee Company.





16.2. Upon the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 391 of the 1956 Act, it shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by Transferor Company in relation to any of the objects contained in the Memorandum of Association of the Transferee Company, to the extent the same may be considered applicable. In particular, the Transferee Company would be allowed to commence the new business added as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act.

**17. EMPLOYEES OF THE TRANSFEROR COMPANY**

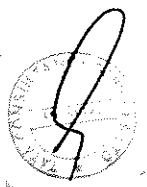
17.1. All the employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall on the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of retirement benefits and other entitlements dependent on the period of service. For the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

17.2. On and from the Effective Date and with effect from the Appointed Date, the services of the employees of the Transferor Company will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or other statutory purposes as the case may be.

17.3. It is expressly provided that, on the Scheme becoming effective and with effect from the Appointed Date, the provident fund, gratuity fund or any other special fund or trusts created or existing for the benefit of the staff, workmen and other employees of the Transferor Company shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds or trusts or in relation to the obligation to make contributions to the said funds or trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds or other documents, if any. It is the aim and intent of the Scheme that all rights, duties, powers and obligations of the Transferor Company in relation to such funds or trusts shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company who are employed with the Transferee Company will be treated as having been continuous for the purpose of the said Fund or Funds. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised, provided however, that there shall be no discontinuation or break in the services of the employees of the Transferor Company.

**18. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

18.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved subject to



the provisions of the 1956/2013 Act, as may be applicable or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

**19. DISSOLUTION OF TRANSFEROR COMPANY**

- 19.1. Upon this Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the parties to this Scheme.
- 19.2. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the appropriate Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

**20. APPLICATION TO HIGH COURT(S)**

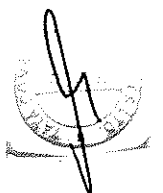
- 20.1. The Transferee Company and the Transferor Company shall, with all reasonable dispatch, make and file all applications/ petitions to the High Court(s) where the registered offices of both the companies are situated, for sanction of this Scheme pursuant to Sections 391 to 394 and other applicable provisions of the 1956 Act, and for dissolution of the Transferor Company without being wound up.
- 20.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.

**21. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 21.1. Subject to the approval of the High Court(s), the Transferor Company and the Transferee Company through their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, are hereby empowered and authorised to assent from time to time to any modifications or amendments or conditions or limitations which the High Court(s) or any other Government Authority may deem fit to impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things as may be necessary for putting the Scheme into effect. The power of the Board of Directors of the Transferor Company and the Transferee Company shall be subject to the final approval of the High Court(s).

**22. CONDITIONALITY OF THE SCHEME**

- 22.1. This Scheme is and shall be conditional upon and subject to:
- 22.1.1. Approval of the Scheme by the requisite majority of each class of the respective members of the Transferor Company and the Transferee Company as may be directed by the High Court of Judicature at Hyderabad for the state of Telangana and Andhra Pradesh and the High Court of Judicature at Bombay respectively.
- 22.1.2. Sanctions and orders under the provisions of Section 391 to 394 of the 1956 Act being obtained by the Transferor Company and the Transferee Company from the High Court of Judicature at Hyderabad for the state of Telangana and Andhra Pradesh and the High Court of Judicature at Bombay respectively;

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22.1.3. All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

**23. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION AND WITHDRAWAL OF THE SCHEME**

23.1. In the event of any of the said approvals or conditions referred to in Clause 22 above not being obtained and/ or complied with and/or satisfied and/or the Scheme not being sanctioned by the High Court(s) and/or order or orders not being passed as aforesaid by June 30, 2016 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect. The Transferor Company and the Transferee Company shall, in such event, *inter se* bear and pay their respective costs, charges, expenses in connection with the Scheme.

23.2. In the event of revocation under sub-clause 23.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed.

23.3. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

23.4. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post-amalgamation.

23.5. If any part of this Scheme hereof is invalid, ruled illegal by any High Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and /or the Transferee Company, then in such case the Transferor Company and /or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

**24. COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses including stamp duty and registration fee of any deed, document, instrument or High Courts' orders including this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne by the Transferee Company.

