

July 17, 2014

**Report of Audit Committee recommending draft Scheme of Amalgamation of
WTI Advanced Technology Limited with the Company**

The Securities and Exchange Board of India ("SEBI") vide its Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 ('Circular') has amongst the other requirements, sought, a report from the Audit Committee of the Listed Companies recommending the Draft Scheme under Section 391-394 of the Companies Act, 1956.

Pursuant to the above, a Scheme of Amalgamation of WTI Advanced Technology Limited (WTI) with the Company was placed before the Audit Committee for its recommendation.


The Audit Committee at its meeting held on July 17, 2014 has noted the background and rationale for the said Scheme. The salient features of the Scheme were as under:

- Both the companies are in the Information Technology Service business which can be carried out more efficiently under one entity i.e. TCS.
- The proposed amalgamation will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses and optimal utilization of various resources. It will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations would be substantially cost-efficient. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.
- The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.
- The proposed Appointed Date for the merger of WTI is April 1, 2014.
- All assets and liabilities of WTI will get transferred to the Company.
- In consideration of the amalgamation, no shares of the Company would be issued, as WTI is a wholly owned subsidiary of the Company and all the shares held by the Company in WTI will be cancelled.

After consideration of the draft Scheme, the members of the Audit Committee formed an opinion that the implementation of the proposed scheme of amalgamation between WTI and the Company is in the best interest of the Company and its shareholders, creditors and other stakeholders.

The Audit Committee recommends the draft Scheme, inter-alia, taking into consideration that no valuation is required since the transferor company is a wholly owned subsidiary of the Company, for favourable consideration by the Committee of the Board, Stock Exchange(s) and SEBI.

Place: Mumbai


O. P. Bhatt

Chairman of the Audit Committee meeting

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